



ANKIT METAL & POWER LIMITED

(The Company was originally incorporated as Ankit Steel Works Private Ltd on 7th August, 2002 by Registrar of Companies, West Bengal. The name of the Company was changed to Ankit Metal & Power Private Limited and a Fresh Certificate of Incorporation consequent to change of name was granted to the company on 9th July, 2004. The Company subsequently became a public limited Company and the name of the Company was further changed to Ankit Metal & Power Limited and the fresh certificate of incorporation was granted to the Company on 31st August, 2004.)

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Email: ipo@ankitmetal.com, **Website:** www.ankitmetal.com **Contact person:** Mr. Chandra Kumar Jain, Compliance Officer

<p>PUBLIC ISSUE OF 1,19,00,000 EQUITY SHARES OF RS.10/- EACH FOR CASH AT A PRICE OF Rs. [•] PER EQUITY SHARE (INCLUDING A SHARE PREMIUM OF RS. [•] PER EQUITY SHARE) AGGREGATING Rs. [•] LACS BY ANKIT METAL & POWER LIMITED (“THE COMPANY” OR “ISSUER” OR “AMPL”) (HEREINAFTER REFERRED TO AS THE “ISSUE”) COMPRISING OF PROMOTERS’ CONTRIBUTION OF 23,10,000 EQUITY SHARES OF FACE VALUE OF RS.10/- (HEREINAFTER REFERRED TO AS THE “PROMOTERS’ CONTRIBUTION”), 11,90,000 EQUITY SHARES OF FACE VALUE OF RS.10/- RESERVED FOR THE EMPLOYEES OF THE COMPANY (HEREINAFTER REFERRED TO AS THE “EMPLOYEES RESERATION PORTION”) AND A NET OFFER TO THE PUBLIC OF 84,00,000 EQUITY SHARES OF RS.10/- EACH (HEREINAFTER REFERRED TO AS THE “NET OFFER TO THE PUBLIC”). OF WHICH 8,40,000 EQUITY SHARES BEING 10% OF THE NET OFFER TO THE PUBLIC TO BE COMPULSORILY ALLOTTED TO QIBS. THE NET OFFER TO THE PUBLIC WOULD CONSTITUTE 25.55 % OF THE FULLY DILUTED POST ISSUE PAID UP CAPITAL OF THE COMPANY.</p>	
<p>THE PROJECT HAS A PARTICIPATION OF RS.6515.00 LACS AS TERMS LOANS FROM CONSORTIUM OF BANKS.</p>	
<p>PRICE BAND: Rs.30 TO Rs. 36 PER EQUITY SHARES OF FACE VALUE Rs.10/-</p>	
<p>THE ISSUE PRICE IS 3.0 TIMES THE FACE VALUE AT THE LOWER END OF THE PRICE BAND AND 3.6 TIMES THE FACE VALUE AT THE HIGHER END OF THE PRICE BAND.</p>	
<p>In case of revision in the Price Band, the Bidding/Issue Period will be extended for three additional working days after revision of the Price Band subject to the Bidding/Issue Period not exceeding 10 working days. Any revision in the Price band and the revised Bidding/Issue Period, if applicable, will be widely disseminated by notification to Bombay Stock Exchange Ltd. (“BSE”) and the National Stock Exchange of India Limited (“NSE”), by issuing a press release and also by indicating the change on the website of the Book Running Lead Manager (“BRLM”) and at the terminals of the Syndicate.</p> <p>The Issue is being made through the 100% Book Building Process wherein up to 50% of the Net Offer to the public shall be allocated on a proportionate basis to Qualified Institutional Buyers, out of which 5% of the QIB Portion shall be available for allocation on a proportionate basis to Mutual Funds only, and the remainder of the QIB Portion shall be available for allocation on a proportionate basis to all Qualified Institutional Buyers, including Mutual Funds, subject to valid Bids being received at or above Issue Price. Further, at least 15% of the Net Offer to the public shall be available for allocation on a proportionate basis to Non-Institutional Bidders and at least 35% of the Net Offer to the public shall be available for allocation on a proportionate basis to Retail Individual Bidders, subject to valid Bids being received at or above the Issue Price.</p>	
<p>RISKS IN RELATION TO FIRST ISSUE</p>	
<p>This being the first issue of Equity shares of Ankit Metal & Power Limited there has been no formal market for the Equity Shares of the Company. The face value of the Equity Shares is Rs.10/- and issue price is [•] times of the face value. The Issue price (as determined and justified by the Company in consultation with Book Running Lead Manager (“BRLM”) on the basis of assessment of market demand for the Equity Shares by way of book-building) 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 the Company or regarding the price at which the Equity Shares will be traded after listing.</p>	
<p>GENERAL RISKS</p>	
<p>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 the 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 Red Herring Prospectus. Specific attention of the investors is invited to the section titled “Risk factors” on page viii of this Red Herring Prospectus.</p>	
<p>ISSUER’S ABSOLUTE RESPONSIBILITY</p>	
<p>The Company, having made all reasonable inquiries, accepts responsibility for and confirms that this Red Herring Prospectus contains all information with regard to the Company and the Issue, which is material in the context of the issue, that the information contained in this Red Herring Prospectus is true and correct in all material aspects and is not misleading in any material respect, that the opinions and intentions expressed herein are honestly held and that there are no other facts, the omission of which makes this Red Herring Prospectus as a whole or any of such information or the expression of any such opinions or intentions misleading in any material respect.</p>	
<p>LISTING</p>	
<p>The Equity shares offered through this Red Herring Prospectus are proposed to be listed on Bombay Stock Exchange Ltd (BSE) (Designated Stock Exchange) The Company has received in-principle approval from BSE for the listing of Equity Shares pursuant to their letter dated 28/11/2006. The Company had also applied for listing on the National Stock Exchange of India Ltd (NSE) but has withdrawn the application of listing from NSE.</p>	
<p>IPO GRADING</p>	
<p>The Company has opted for Grading from ICRA. ICRA has assigned an “IPO GRADE 1” to the initial public offering of the company. For more information on IPO grading, please refer to page no. 8 of the Red Herring Prospectus.</p>	
<p>BOOK RUNNING LEAD MANAGER</p>	<p>REGISTRAR TO THE ISSUE</p>
<p> Chartered Capital And Investment Limited 711, Mahakant, Opp V.S. Hospital, Ellisbridge, Ahmedabad-380 006 Tel: +91-79-2657 5337, 2657 7571 Fax: +91-79-2657 5731 E-mail: amplipo@charteredcapital.net Website: www.charteredcapital.net</p>	<p> Intime Spectrum Registry Limited C-13, Pannalal Silk Mills Compound, LBS Marg, Bhandup West, Mumbai 400 078 Tel: 022 - 2596 0320 (9 lines) Fax : 022 - 2596 0329 Email: ankit-ipo@intimespectrum.com Website: www.intimespectrum.com</p>
<p>ISSUE PROGRAMME</p>	
<p>BID /ISSUE OPENS ON : MONDAY, 18th JUNE, 2007</p>	<p>BID /ISSUE CLOSSES ON : FRIDAY, 22nd JUNE, 2007</p>

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SECTION I- DEFINITIONS AND ABBREVIATIONS

CONVENTIONAL/ GENERAL TERMS

“Issuer” or “Company” or “AMPL” or “We” or “us” or “our”, unless the context otherwise requires, refers to Ankit Metal & Power Limited, a Company incorporated under the Companies Act, 1956 with its registered office at 35, Chittranjan Avenue, Kolkata – 700 012, India.

Term	Description
Articles/ Articles of Association	The Articles of Association of Ankit Metal & Power Limited.
AS	Accounting Standards as issued by the Institute of Chartered Accountants of India.
BSE	Bombay Stock Exchange Limited
Book Value	Networth/ Number of outstanding shares
CAGR	Compounded Annual Growth Rate.
Companies Act	The Companies Act, 1956, as amended from time to time.
Depository	A body corporate registered under the SEBI (Depositories and Participant) Regulations, 1996, as amended from time to time.
Depositories Act	The Depositories Act, 1996, as amended from time to time
Depository Participant	A depository participant as defined under the Depositories Act.
EGM	Extraordinary General Meeting
FCNR Account	Foreign Currency Non Resident Account.
FEMA	Foreign Exchange Management Act, 1999, as amended from time to time, and the rules and regulations framed thereunder.
Financial Year /fiscal year/FY/ fiscal	Period of twelve months ended March 31 of that particular year, unless otherwise stated.
FIPB	Foreign Investment Promotion Board.
FVCI	Foreign Venture Capital Investor
Government/ GOI	The Government of India.
GAAP	Generally Accepted Accounting Practices
HUF	Hindu Undivided Family.
Memorandum/Memorandum of Association	The Memorandum of Association of Ankit Metal & Power Limited.
Mn, mn	Million
NAV	Net asset value.
Non Residents	Non-Resident is a Person resident outside India, as defined under FEMA and who is a citizen of India or a Person of Indian Origin under Foreign Exchange Management (Transfer or Issue of Security by a Person Resident Outside India) Regulations, 2000.
NRE Account	Non-Resident External Account.
NRO Account	Non-Resident Ordinary Account.
NRI/Non-Resident Indian	Non-Resident Indian, is a Person resident outside India, who is a citizen of India or a Person of Indian origin and shall have the same meaning as ascribed to such term in the Foreign Exchange Management (Transfer or Issue of Security by a Person Resident Outside India) Regulations, 2000.

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Term	Description
NSE	National Stock Exchange of India Ltd
OCB/ 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 Foreign Exchange Management (Deposit) Regulations, 2000. OCBs are not allowed to invest in this Issue.
P/E Ratio	Price/Earnings Ratio.
PAT	Profit After Tax
PBT	Profit Before Tax
Person/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.
PIO/ Person of Indian Origin	Shall have the same meaning as is ascribed to such term in the Foreign Exchange Management (Investment in Firm or Proprietary Concern in India) Regulations, 2000.
RONW	Return on Network
SEBI	The Securities and Exchange Board of India constituted under the SEBI Act
SEBI Act	Securities and Exchange Board of India Act, 1992, as amended from time to time.
SEBI (DIP) Guidelines	SEBI (Disclosure and Investor Protection) Guidelines, 2000, issued by SEBI, on January 27, 2000 as amended 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.

ISSUE RELATED TERMS

Term	Description
Allotment	Unless the context otherwise requires, the allotment of Equity Shares pursuant to the Issue.
Allottee	The successful Bidder to whom the Equity Shares are being/ or have been issued or transferred.
Bankers to the Issue.	HDFC Bank Ltd, ICICI Bank Ltd and The Hongkong and Shanghai Banking Corporation Ltd
Bid	An indication to make an offer during the Bidding/Issue Period by a Bidder to subscribe to the Company's Equity Shares at a price within the Price Band including all revisions and modifications thereto.
Bid Amount	The highest value of the optional Bids indicated in the Bid cum Application Form and payable by the Bidder on submission of the Bid in the Issue.
Bid Opening Date/Issue Opening Date	The date on which the Syndicate shall start accepting Bids for the Issue, which shall be the date notified in an English national newspaper, a Hindi national newspaper & a regional language newspaper with wide circulation.
Bid/Issue Closing Date	The date after which the Members of the Syndicate will not accept any Bids for the Issue, which shall be notified in a widely circulated English national newspaper, a Hindi national newspaper & a regional language newspaper with wide circulation.

Term	Description
Bid cum Application Form	The form in terms of which the Bidder shall make an Issue to subscribe to the Equity Shares and which will be considered as the application for the Issue of the Equity Shares in terms of this Red Herring Prospectus.
Bidder	Any prospective investor who makes a Bid pursuant to the terms of this Red Herring Prospectus and the Bid cum Application Form.
Bidding Period/Issue Period	The period between the Bid/ Issue Opening Date and the Bid/ Issue Closing Date inclusive of both days and during which prospective Bidders can submit their Bids.
Book Building Process/Method	Book building route as provided in Chapter XI of the SEBI Guidelines, in terms of which this Issue is made.
Book Running Lead Manager	Chartered Capital And Investment Limited.
CAN/ Confirmation of Allocation Note	The note or advice or intimation of allocation of Equity Shares sent to the Bidders who have been allocated Equity Shares after discovery of the Issue Price in accordance with the Book Building Process.
Cap Price	The higher end of the price band, above which the issue price will not be finalized and above which no bids will be accepted.
Cut off Price	Any price within the Price Band finalized by us in consultation with the BRLM. A Bid submitted at Cut-off is a valid Bid at all price levels within the Price Band.
Designated date	The date on which funds are transferred from the Escrow Account to the Public Issue Account after the Prospectus is filed with the RoC, following which the Board of Directors shall allot Equity Shares to successful bidders.
Designated Stock Exchange	Bombay Stock Exchange Ltd
Director(s)	Director(s) of Ankit Metal & Power Limited, unless otherwise specified.
Draft Red Herring Prospectus	The Draft Red Herring Prospectus filed with the SEBI, which does not have complete particulars on the price at which the Equity Shares are offered and size of the Issue.
ECS	Electronic Clearing Services.
Eligible Employee/Employees (in the Employee Reservation Portion)	All or any of the following: a) A permanent employee of our Company; b) A Director of our Company (whether a whole-time Director, part time Director or otherwise); and An Employee, as used in the context of the Employee Reservation Portion, should be an Indian national, based in India and physically present in India on the date of submission of the Bid-cum-Application Form. Also, such person should be an Employee on the payroll of the Company on the date of filing this Red Herring Prospectus with SEBI. Promoter Directors and / or their relatives are not permitted to participate in this Issue.
Employee Reservation Portion	The portion of this Issue being 11,90,000 Equity Shares of Rs. 10/- each available for allocation to Eligible Employees
Equity Shares	Equity shares of the Company of Rs.10/- each unless otherwise specified in the context thereof.
Escrow Account	Account opened with Escrow Collection Bank(s) and in whose favor the Bidder will issue cheques or drafts in respect of the Bid Amount when submitting a Bid.
Escrow Agreement	Agreement to be entered into amongst the Company, the Registrar, the Escrow Collection Banks(s), the BRLM and the Syndicate Members for collection of the Bid Amounts and for remitting refunds, if any, of the amounts collected, to the Bidders
Escrow Collection Banks	The banks, which are clearing members and registered with SEBI as Banker to the Issue at which the Escrow Account for the Issue will be opened.

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Term	Description
First Bidder	The Bidder whose name appears first in the Bid cum Application Form or Revision Form.
Floor Price	The lower end of the Price Band, below which the Issue Price will be finalized and below which no bids will be accepted.
IPO	Initial Public Offer.
Issue	Public Issue of 1,19,00,000 Equity Shares of Rs.10/- each for cash aggregating to Rs [₹] Lacs.
Issue Price	The final price at which Equity Shares will be allotted in terms of the Prospectus, as determined by the Company in consultation with the BRLM, on the Pricing Date.
Issue Period	The Issue period shall be 18th June, 2007, the issue opening date, to 22nd June, 2007, the issue closing date.
Issue size	Public Issue of 1,19,00,000 Equity Shares by Ankit Metal & Power Limited.
Margin Amount	The amount paid by the Bidder at the time of submission of his/her Bid, being 10% to 100% of the Bid Amount.
Mutual Fund	A fund established in the form of a trust to raise monies through the sale of units to the public or a section of the public under one or more schemes for investing in securities, including money market instrument and registered with the SEBI under the SEBI(Mutual Funds) Regulations, 1996.
Non-Institutional Bidders	All Bidders that are not Qualified Institutional Buyers for this Issue or Retail Individual Bidders and who have Bid for Equity Shares for an amount more than Rs. 100,000.
Non-Institutional Portion	The portion of the Issue being 12,60,000 Equity Shares of Rs. 10/- each available for allocation to Non Institutional Bidders.
Pay-in Date	Bid/Issue Closing Date or the last date specified in the CAN sent to Bidders receiving allocation who pay less than 100% margin money at the time of bidding, as applicable.
Pay-in Period	This term means (i) with respect to Bidders whose Margin Amount is 100% of the Bid Amount, the period commencing on the Bid/ Issue Opening Date and extending until the Bid/Issue Closing Date, and (ii) with respect to Bidders whose Margin Amount is less than 100% of the Bid Amount, the period commencing on the Bid/Issue Opening Date and extending until the closure of the Pay-in Date, as specified in the CAN.
Price Band	Price band with a minimum price (floor of the price band) of Rs.30 and the maximum price (cap of the price band) of Rs.36 and includes revisions thereof.
Pricing Date	The date on which Company in consultation with the BRLM finalize the Issue Price.
Promoters	Promoters shall mean jointly Mr. Suresh Kumar Patni, Mrs. Sarita Patni, Mr. Ankit Patni, Mr. Rohit Patni, Invesco Finance Pvt Ltd, Poddar Mech Tech Services (P) Ltd, Suanvi Trading & Investment Co Pvt Ltd and Vasupujya Enterprises Pvt. Ltd.
Promoters Contribution	The portion of this Issue being 23,10,000 Equity Shares of Rs. 10/- each available for allocation to Promoter Group, Friends, Relatives and Associates
Promoter Group Companies	Unless the context otherwise requires, refers to those companies mentioned in the section titled "Financial information of Group Companies" on page 110 of this Red Herring Prospectus.
Prospectus	The Prospectus, filed with the RoC containing, inter alia, the Issue Price that is determined at the end of the Book Building Process, the size of the Issue and certain other information.
Public Issue Account	Account opened with the Bankers to the Issue to receive monies from the Escrow Account for the Issue on the Designated Date.

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Term	Description
Qualified QIBs	Public financial institutions as specified in Section 4A of the Companies Act, FIs registered with SEBI, scheduled commercial banks, mutual funds registered with SEBI, trilateral and bilateral development financial institutions, venture capital funds registered with SEBI, foreign venture capital investors registered with SEBI, state industrial development corporations, insurance companies registered with Insurance Regulatory and Development Authority, provident funds with minimum corpus of Rs.2500 lacs and pension funds with minimum corpus of Rs .2500 lacs.
QIB Margin	An amount representing 10% of the Bid Amount that QIBs are required to pay at the time of submitting their Bid.
QIB Portion	The portion of this Issue being upto 50% of the Net Offer, i.e 42,00,000 Equity Shares of Rs.10/- each aggregating Rs.[%] lacs available for allocation to QIBs, of which 5% shall be reserved for Mutual Funds.
Registrar/Registrar to the Issue	Registrar & Transfer Agent, Viz. Intime Spectrum Registry Limited
Red Herring Prospectus or RHP	Red Herring Prospectus is issued in accordance with Section 60B of the Companies Act, which does not have complete particulars on the price at which the Equity Shares are issued and the size of the Issue. It carries the same obligations as are applicable in case of a Prospectus and will be filed with RoC at least three days before the Bid/ Issue Opening Date. It will become a Prospectus after filing it with the Registrar of Companies after the pricing.
Retail Individual Bidder	Individual Bidders (including HUFs and NRIs) who have Bid for Equity Shares for an amount less than or equal to Rs. 100,000, in any of the bidding options in the Issue.
Retail Portion	The portion of the Issue being at least 35% of the Net Offer to the Public i.e. 29,40,000 Equity Shares of Rs. 10 each available for allocation to Retail Individual Bidder(s).
Revision Form	The form used by the Bidders to modify the quantity of Equity Shares or the Bid Price in any of their Bid cum Application Forms or any previous Revision Form(s).
SICA	Sick Industries Companies (Special Provisions) Act, 1985
SCRA	Securities Contracts (Regulation) Act, 1956, as amended SCRR Securities Contracts (Regulation) Rules, 1957, as amended.
Stock Exchanges	Bombay Stock exchange Limited
Syndicate	The BRLM and the Syndicate Members
Syndicate Agreement	The agreement to be entered into among the Company and the members of the Syndicate, in relation to the collection of the Bids in the Issue.
TRS or Transaction Registration Slip	The slip or document issued by the members of the Syndicate to the Bidder as proof of registration of the Bid.
Underwriters	The BRLM and Syndicate Members.
Underwriting Agreement	The Agreement between the members of the Syndicate and the Company, on its own behalf to be entered into on or before the Pricing Date.

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COMPANY AND INDUSTRY RELATED TERMS

Auditors	The statutory auditors of the Company, being R. Kothari & Co, Chartered Accountants, Kolkata.
Board	The Board of Directors of Ankit Metal & Power Limited or a committee constituted thereof.
ESIC	Employee's State Insurance Corporation
ETP	Effluent Treatment Plant
ICAI	The Institute of Chartered Accountants of India
MIS	Management Information System
Project	The proposed project of the Company
Registered Office/ Registered office of the Company	The Registered Office of the Company at 35, Chittaranjan Avenue, Kolkata - 700 012, India.
ROC	Registrar of Companies, West Bengal.

ABBREVIATIONS

AFBC	Atmospheric Fluidised Bed Combustion
AGM	Annual General Meeting.
A.Y	Assessment Year
A/C	Account
BRLM	Book Running Lead Manager
BSE	Bombay Stock Exchange Limited.
BV / NAV	Book value / Net asset value
CCM	Continuous Casting Machine
CDSL	Central Depository Services (India) Ltd.
DP	Depository Participant.
DRI	Direct Reduced Iron
EPS	Earnings Per Share.
ESOP	Employees Stock Option Plan
FIIs	Foreign Institutional Investors, who are registered with SEBI.
F.Y.	Financial Year
GMP	Good Manufacturing Practices
GOI	Government of India.
IF	Induction Furnace
IISI	The International Iron & Steel Institute
I.T.Act	Income-Tax Act, 1961.
MW	Mega Watt
NRI(s)	Non-Resident Indian (s)
NSDL	National Securities Depository Limited
NSE	The National Stock Exchange of India Ltd

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N.A.	Not Applicable
P/E Ratio	Price/Earnings Ratio
PAN	Permanent Account Number
QIB	Qualified Institutional Buyer
RBI	Reserve Bank of India.
ROC	Registrar of Companies.
SEBI	Securities and Exchange Board of India constituted under the Securities and Exchange Board of India Act, 1992 (as amended)
SIA	Secretariat for Industrial Assistance
SIMA	Sponge Iron Manufacturers Association
SMS	Steel Melting Shop
The Act	The Companies act, 1956 (as amended from time to time)
TPA	Tons per annum
WHRB	Waste Heat Recovery Based
WBSEB	West Bengal State Electricity Board
WBIDC	West Bengal Industrial Development Corporation

SECTION II – RISK FACTORS

CERTAIN CONVENTIONS - USE OF MARKET DATA

Unless stated otherwise, the financial data in this Red Herring Prospectus is derived from our financial statements prepared in accordance with Indian GAAP, Companies Act and the SEBI Guidelines included elsewhere in this Red Herring Prospectus. Our fiscal year commences on April 1 every year and closes on March 31 of the next year. In this Red Herring Prospectus, any discrepancies in any table between the total and the sums of the amounts listed are due to rounding-off.

In this Red Herring 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 Red Herring Prospectus, all figures have been expressed in lacs. Unless otherwise stated, all references to “India” contained in this Red Herring Prospectus are to the Republic of India.

Industry data used throughout this Red Herring Prospectus has been obtained from industry publications and other authenticated published data. 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 that industry data used in this Red Herring Prospectus is reliable, it has not been independently verified. Similarly, internal Company reports, while believed by us to be reliable, have not been verified by any independent sources

For additional definitions, please refer to the section titled ‘Definitions and Abbreviations’ on page no. i of this Red Herring Prospectus. In the section titled ‘Main Provisions of the Articles of Association’ on page no. 172 of this Red Herring Prospectus, defined terms have the meaning given to such terms in the Articles of Association of the Company.

FORWARD LOOKING STATEMENTS

We have included statements in this Red Herring Prospectus, that 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 expressions or variations of such expressions that are “forward-looking statements”. However, these words are not the exclusive means of identifying forward-looking statements. All statements regarding our expected financial condition and results of operations, business, plans and prospects are forward looking statements. These forward looking statements include statements as to our business strategy, our revenue and profitability, planned projects and other matters discussed in this Red Herring Prospectus regarding matters that are not historical fact. These forward-looking statements and any other projections contained in this Red Herring Prospectus (whether made by us or any third party) involve known and unknown risks, uncertainties and other factors that may cause our actual results, performance or achievements expressed or implied by such forward-looking statements or other projections.

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

- General economic and business conditions in India and other countries;
- Our ability to successfully implement the strategy, growth, new projects and expansion plans;
- Increases in labour costs, raw materials prices, prices of plant & machineries and insurance premia;
- Manufacturers’ defects or mechanical problems with Company’s plant & machineries or incidents caused by human error;
- Changes in the value of the Rupee and other currency changes;
- Changes in the Indian and international interest rates;
- Social or civil unrest or hostilities with neighboring countries or acts of international terrorism;
- Changes in laws and regulations that apply to Steel industry, including laws that impact our ability to enforce our collateral.
- Changes in political conditions in India.
- Any adverse outcome in the legal proceedings in which our Company is involved.

For further discussion of factors that could cause actual results to differ, please see the section entitled “Risk Factors” beginning on page x of this Red Herring Prospectus. By their nature, certain market risk disclosures are only estimates and could be materially different from what actually occurs in the future. As a result, actual future gains or losses could materially differ from those that have been estimated. Neither the Company, the Directors, any member of the Book Running Lead Manager team 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, the Company and the Book Running Lead Manager will ensure that investors in India are informed of material developments until such time as the grant of listing and trading permission by the Stock Exchanges.

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RISK FACTORS

An investment in equity shares or equity related securities involves a high degree of risk. One should carefully consider all of the information in this Red Herring Prospectus, including the risks and uncertainties described below, before making an investment in the Equity Shares or other securities of the Company. If any of the following risks actually occur, the business, 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.

Unless otherwise stated in the relevant risk factors set forth below, The Company is not in a position to specify or quantify the financial or other implications of any of the 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:

- a) Some events may not be material individually but may be found material collectively.
- b) Some events may have material impact qualitatively instead of quantitatively.
- c) Some events may not be material at present but may be having material impacts in future.

The risk factors are as envisaged by the management along with the proposals to address the risk if any, wherever possible; the financial impact of the risk factors has been quantified.

A. SPECIFIC TO THE PROJECT AND INTERNAL TO THE COMPANY

1) Risk arising out of outstanding litigations against the Promoters, Company and group companies/firms of the Promoters:

- (a) Cases filed against the Directors/ Promoters:

Income Tax

Mr. Suresh Kumar Patni

The Income Tax Authority, Kolkata had conducted a search & seizure operation on 05.01.2004 on the office and factory premises on the Impex group of companies including the residence of its Director Mr. Suresh Kumar Patni. The Income tax investigation department has prepared their appraisal report and sent the same to the concerned authority for further processing in the above search and seizure matter. Mr. Suresh Kumar Patni has filed an Application U/s 254 C (1) of the Income Tax Act, before the Settlement Commission on 10th March, 2006.

- (b) Cases filed against the Group companies/associate concerns :

Central Excise

ROHIT FERRO-TECH LIMITED

Case/Appeal filed by/ or against:	Before Department/ Court	Background of the Case	Current Status	Amount (Rs.)
1 C.No.V-72 (4) 11/ Rohit/Dgp-IV/ 05-06/2607 dated 8 th June 2005	Office of the Commissioner of Central Excise, Anti-evasion unit, Bolpur.	Show cause notice issued to the Company claiming duty of Rs.1.48 lacs on account of 129.0606 MT of Metallurgical Coke imported from China having been found short, and also claiming confiscation of the subject goods and interest & penalty. By its reply letter, the Company claimed that there was no short receipt of the goods, and also disputed its liability.	Proceeding dropped by the Department	1.48 lacs and Interest & Penalty

Sales Tax

IMPEX METAL & FERRO ALLOYS PVT. LTD.

Case/Appeal filed by/ or against:	Before Department/ Court	Background of the Case	Current Status	Amount (Rs.)
1 Appeal filed on 28-08-03 against Assessment Order dated 27-06-03 made by the CTO BW/Charge	ACCT-Dharmtala Circle, Kolkata	For non-submission of required Sales Tax declaration forms at the time of assessment, the CTO has raised demand of Rs.1.45 lacs under the CST Act, 1956 by order dated 27-06-03 for the 4 th quarter ending 31-03-01	Hearing completed. However no demand is yet received	1.45 lacs
2 Appeal filed on 28-08-03 against Assessment Order dated 27-06-03 made by the CTO BW/Charge	ACCT-Dharmtala Circle, Kolkata	For non-submission of required Sales Tax declaration forms at the time of assessment, the CTO has raised demand of Rs.3.63 lacs on account of Tax, and Rs.1000/- on account of penalty under the WBST Act, 1994 by order dated 27-06-03 for the 4 th quarter ending 31-03-01	Hearing Completed, Tax paid Rs. 0.78 lacs & Interest Rs. 0.05 lacs	3.62 lacs for Tax, and Rs.1000/- for Penalty
3 Appeal filed on 02-11-05 against Assessment Order dated 30-06-05 made by the ACCT. BW/Charge	DCCT-Dharmtala Circle, Kolkata	For non-submission of required Sales Tax declaration forms at the time of assessment, the ACCT has raised demand of Rs.4.56 lacs on account of Tax, and Rs.250/- on account of penalty under the CST Act, 1956 by order dated 30-06-05 for the 4 th quarter ending 31-03-03	Hearing Completed, Tax paid Rs. 2.10 lacs & Interest Rs. 0.23 lacs	4.56 lacs for Tax, and Rs.250/- for penalty
4 Appeal filed on 02-11-05 against Assessment Order dated 30-06-05 made by the ACCT. BW/Charge	DCCT-Dharmtala Circle, Kolkata	For non-submission of required Sales Tax declaration forms at the time of assessment, the ACCT has raised demand of Rs.1.01 lacs on account of Tax, and Rs.250/- on account of penalty under the WBST Act, 1994 by order dated 30-06-05 for the 4 th quarter ending 31-03-03	Hearing completed. However no demand is yet received	1.01 lacs for Tax, and Rs.250/- for penalty
5 Appeal filed on 30-08-06 against Assessment Order dated 28-06-06 made by the ACCT -BW/ Charge	DCCT-Dharmtala Circle, Kolkata	For non-submission of required Sales Tax declaration forms & Purchase Tax at the time of assessment, the ACCT has raised demand of Rs.1.21 lacs on account of Tax and Rs.1000/- on account of penalty under the WBST Act, 1994 by order dated 28-06-06 for the 4 th quarter ending 31-03-04	Hearing Completed, Tax paid Rs. 0.42 lacs & Interest Rs. 0.05 lacs	1.21 lacs for Tax, and Rs.1000/- for penalty

Further, a notice under Section 65(1) read with Section 7 of the West Bengal Sales tax Act 1994 from Government of West Bengal, Bureau of Investigation was served upon Impex Metal & Ferro Alloys Pvt. Ltd. on 24th June 2004 to produce the books of accounts for the years 2002-2003 and 2003-2004. The Company is regularly appearing and producing the necessary documents and informations before the department on the hearing dates. Meanwhile, the company has paid Rs.30 lacs (Rupees thirty lacs) to the department voluntarily.

IMPEX FERROTECH LTD.

Case/Appeal filed by/ or against:	Before Department/ Court	Background of the Case	Current Status	Amount (Rs.)
1 Appeal filed on 07-11-05 against Assessment Order dated 30-06-05 made by the ACCT. BW/Charge	DCCT-Dharmtala Circle, Kolkata	For non-submission of required Sales Tax declaration forms at the time of assessment, the ACCT has raised demand of Rs.17.75 lacs on account of Tax and interest under the WBST Act, 1994 by order dated 30-06-05 for the 4 th quarter ending 31-03-03	Appeal is still pending for hearing.	17.75 lacs for Tax and interest
2 Appeal filed on 07-11-05 against Assessment Order dated 30-06-05 made by the ACCT. BW/Charge	DCCT-Dharmtala Circle, Kolkata	For non-submission of required Sales Tax declaration forms at the time of assessment, the ACCT has raised demand of Rs.1.32 lacs on account of Tax under the CST Act, 1956 by order dated 30-06-05 for the 4 th quarter ending 31-03-03	Appeal is still pending for hearing.	1.32 lacs for Tax

ANKIT METAL & POWER LIMITED

Further, a notice under Section 65(1) read with Section 7 of the West Bengal Sales Tax Act 1994 from Government of West Bengal, Bureau of Investigation was served upon Impex Ferro Tech Limited on 24th June 2004 to produce the books of accounts for the years 2002-2003 and 2003-2004. The Company is regularly appearing and producing the necessary documents and informations before the department on the hearing dates. The company has paid Rs.3 lacs (Rupees Three lacs) to the department voluntarily.

ROHIT FERRO-TECH LTD.

Case/Appeal filed by/ or against:	Before Department/ Court	Background of the Case	Current Status	Amount (Rs.)
1 Appeal filed on 30-08-06 against Assessment Order dated 29-06-06 made by the ACCT. BW/Charge	DCCT-Dharmtala Circle, Kolkata	Disputed Purchase Tax demand & Interest at the time of assessment, the ACCT has raised demand of Rs.1.98 lacs on account of Tax and Rs.500/- on account of Penalty under the WBST Act, 1994 by order dated 29-06-06 for the 4 th quarter ending 31-03-04	Hearing Completed, Tax paid Rs. 0.64 lacs & Interest Rs. 0.02 lacs.	1.98 lacs for Tax and Rs.500/- for Penalty
2 Appeal filed on 30-08-06 against Assessment Order dated 29-06-06 made by the ACCT. BW/Charge	DCCT-Dharmtala Circle, Kolkata	For non-submission of required Sales Tax Declaration forms at the time of assessment, the ACCT has raised demand of Rs.0.30 lacs on account of Tax and Rs.750/- on account of penalty under the CST Act, 1956 by order dated 29-06-06 for the 4 th quarter ending 31-03-04	Hearing Completed, Tax paid Rs. 0.12 lacs	0.30 lacs for Tax, and Rs.750/- for penalty

Income Tax

ROHIT FERRO-TECH LIMITED

The Company has received a notice U/s 153-C of the Income tax Act from the Income Tax Department on 27th January 2006 to re-file the Income tax Returns for the Assessment Years 1999- 2000 to 2004-05 (six years). In compliance of same, the Company has re-filed the required Income Tax Returns on 10th February, 2006.

2) Search & Seizure operation conducted in group companies by Income tax department

The Income Tax Authority, Kolkata had conducted a search & seizure operation on 05.01.2004 on the office and factory premises on the Impex group of companies including the residence of its Directors. The Income tax investigation department has prepared their appraisal report and sent the same to the concerned authority for further processing in the above search and seizure matter. An Application U/s 254 C (1) of the Income Tax Act, before the Settlement Commission has been filed in respect of the following:

Sly. No	Name	Status	Date of filing
1.	Impex Ferro Tech Ltd	Group Company	20.01.2006
2.	Impex Metal & Ferro Alloys Pvt. Ltd	Group Company	23.01.2006

3) IPO Grade – I assigned by ICRA indicates poor fundamentals

ICRA has assigned an IPO Grade 1 indicating poor fundamentals, to the proposed initial public offering of Ankit Metal & Power Ltd (AMPL). For details regarding grading, please refer page no. 8 of the Red Herring Prospectus.

4) Very large Size of the Project

Mr. Suresh Kumar Patni, commenced business in 1982 through a proprietary firm Impex Minerals & chemical company which traded in ferro silicon, Silica ramming mass, refractory products & minerals & now he is establishing a project having a total cost of Rs.12198 lacs (as appraised by banks), which is a substantial increase over its current size of operations. Although the promoters have experience in the steel industry, their competence in handling a project of this magnitude in Steel Sector remains to be demonstrated. An equity investor is therefore faced with an uncertainty of performance by the management.

Management Perception

The promoters have experience of over two decades in the Ferro Alloy industry. Mr. Suresh Kumar Patni one of the core promoters is an established businessman with long experience in serving his products to the iron and steel industry. He has set up M/s. Impex Ferro Tech Limited for manufacturing Silico Manganese and Ferro Manganese,; and M/s Rohit Ferro Tech Limited for manufacturing High Carbon Ferro Chrome beside his oldest Trading Company M/s. Impex Metal & Ferro Alloys Private Limited which deals in import/ export and trading in various kinds of Ferro Alloys, Metals, Minerals and other related products. The promoters have already implemented the projects having around Rs.200 crore capital expenditure in two of these manufacturing concerns. The experience of the Promoters and the group for setting up these steel industry related projects will ensure smooth implementation of this project also. Moreover, the Company has also appointed senior and wide-experienced professionals from the Steel Industry who have the experience of setting up similar facilities in the past.

5) Non-availability of raw material and other resources may affect the operations & profitability

Steel industry being a raw material intensive industry, the Company is constantly exposed to possible unpredictability in the supply of raw materials. Lack of any backward linkage exposes the company to volatility inherent in availability of the critical raw material like iron ore & coal. Disruption in the supply of raw material may lead to hampering of the production process flow. Uncertainty over availability of raw materials such as iron ore, coal and other resources such as water, power and skilled manpower etc. may also affect the Company's operations and in turn the profitability of the Company.

Management Perception

The main raw materials viz. iron ore and coal is easily available from domestic market. Iron Ore (the basic raw material) is available from Joda, Barbil, Noamundi in Keonjhar, Orissa while the required specification coal is available in Ranigunj area, from different mines located within a radius of 50-60 Kms. from the plant site. The plant site is well connected with public roads, railways and ports thus ensuring an uninterrupted supply of raw materials and finished products.

Water

Water requirement at the existing Jorehira plant is 700 Cu. Mtr/day and is met through water reservoir. The Company is also developing the water pipe line from Darkeshwar river which is 15 kms from our plant site, and for which, necessary approvals from concerned authorities have been obtained.

Power

The Company proposes to set up Captive Power Plant to meet its power requirements. During the process of manufacturing Sponge Iron, gases are generated from the burning of coal in the kiln which shall be utilised to produce 8.5 MW power. Apart from this, the Company is also adding up a 4 MW AFBC based Power plant which shall, in turn meet a part of the power requirement of the plant. The Company has also entered into an agreement with WBSEB (West Bengal State Electricity Board) for supply of 9 MW uninterrupted power which is presently used in the production of Sponge Iron & Ingots/Billets.

Manpower

Total requirement of manpower in the proposed project is 250. The requisite manpower is easily available in the nearby location.

6) Risk associated with price fluctuation of raw material and finished product

In the recent past, there have been fluctuations in the prices of critical raw materials such as iron ore, coal etc. Such fluctuations in prices of raw material and the Company's inability to negotiate at optimum market rates may affect its profitability. Similarly, the prices of finished products have also shown price variations, which may impact its profitability.

Management Perception

The risk on account of price fluctuation in raw material is reduced to a significant extent by passing incremental raw material cost to the prices of finished products thereby insulating the Company from fluctuation in raw material prices. The Company has experienced team for procurement of raw materials to get the material at optimum rates. The overall profitability will depend upon the extent up to which the Company is able to pass on the burden of rise in the price of raw material to the consumers.

7) No fixed Supply Chain Management

As the company has no mines or linkages, the Company will be sourcing the critical raw material viz. iron ore and coal from Raniganj area in west Bengal and from Barbil, Keonjhar areas in Orissa. Apart from sourcing coal/coke from domestic market, the Company proposes to import coal/coke at Haldia/ Paradeep port. This involves logistic issues and economic decision making in ensuring optimum inventory. Any delay in supply of raw material to the plant may affect the plant's operations. Further, any rise in the transportation cost may in turn lead to a rise in the cost of production. In case the Company is not able to pass on the burden of such additional cost to the buyer of the products, its profit margins may be affected. Non-availability of raw material along with logistic issues may force the Company to hold sizeable amount of working capital, which might affect the liquidity position of the Company.

Management Perception

The plant site is well connected with roads, railways and ports. So there will be no logistics problem for supply of raw material. The siding at local Jorehira railway station as well as Adhra provides the necessary facilities for transporting the raw materials such as iron ore & coal by Railway rake from the mines as well as from ports. The plant site is connected with state highway connecting Bankura & Durgapur.

In order to pre-empt any possibilities in holding up of production, the Company has planned the adequate holding level of raw materials for its Sponge Iron, Billets & Rolling Mills division considering the present competitive market environment, which is justified and need based. The Company feels the above would be quite adequate in meeting the working capacity of plant in case of logistic delays arising in ordinary course of business or unforeseen contingencies, thereby insulating the profitability and operations.

8) Time and Cost overrun may affect the implementation of the project

The first stage comprising of Sponge Iron unit of the Company was delayed by 6 months and started production in October, 2005 while the commercial production of Ingot/Billet unit was started in January, 2006, with a delay of 3 months. The original project cost of Sponge Iron unit has to be revised from 28.64 Crores to Rs.38.25 Crores as appraised by its Bankers. The remaining part of Phase-II comprising of WHRB Captive Power Plant and Re-rolling Mill has been further revised by the management and estimated to be completed by July, 2007 with a further delay of five months over and above initial delay of four months. Further, commercial production of 4 MW AFBC Captive Power Plant is also estimated to commence from July, 2007 instead of April, 2007 with a delay of 3 months. These time overrun in Re-rolling Mill & Captive Power Plants have further resulted in estimated cost overrun to the tune of Rs.415.00 lacs.. In view of the same, delay in the implementation of the Re-rolling mill and Captive Power Plant Project may adversely affect the future profitability of the Company.

Management Perception

There was a cost escalation of about Rs. 9.61 Crore in the Sponge Iron unit mainly due to Increase in Steel prices during project implementation period, additional cost of pollution control equipments, which had to be installed to meet the new/revised guidelines of the Pollution Control Board; and increase in production capacity of the Sponge Iron Kiln from 300 TPD to 350 TPD. The delay was also caused due to the installation of additional equipments as per the Pollution Control Board's requirement and increase in the production capacity of the plant. The Induction/ Billet unit has also started its production from January, 2006 which is in line with the commencement of production of the Sponge Iron unit.

The revision in the implementation schedule of the Re-rolling Mill is due to increase in its production capacity from 60,000 MTPA to 100,000 MTPA. Similarly, the implementation of WHRB Power Plant is also revised as

the Company has planned to install another 4 MWA AFBC based Captive Power Plant which has to be streamlined with the WHRB plant. Presently, the entire project implementation process is professionally managed by competent and experienced team of supervisors and engineers. As a result, the management is confident of completing the implementation of the Re-rolling Mill & Captive Power Plant within the revised schedule. Estimated cost overrun to the tune of Rs.415.00 lacs is due to increased incidence of interest and other preliminary and pre-operative expenses during the extended construction period.

9) The present project is funded partly from the proceeds of present public issue. Due to the delay in the public issue there has already been a delay in the schedule of implementation of the project that the company initially proposes to undertake.

The cost of project is to be funded partly from the IPO. Any delay/failure of the IPO will impact the completion of project which will further affect the future performance and profitability of the Company.

Management Perception

The management is aware of the fact and will make alternate funding arrangements through a suitable mix of secured/unsecured loans and contribution from the promoters, should there be any eventuality such as delay or failure of IPO.

10) Uninterrupted Supply of Power

The Continuous Production Process of the unit requires working on a three-shift basis and as such an uninterrupted power supply is required.

Management Perception

The Company has entered into an agreement with WBSEB for the supply of uninterrupted power supply upto 9 MW. However, the company is setting up 12.5 MW Captive Power Plant to meet its power requirements. During the process of manufacturing Sponge Iron, hot gases are generated from the burning of coal in the kiln which shall be utilised to produce 8.5 MW power. Apart from it, the Company will also be producing 4 MW power from AFBC based power plant. The total power requirement of the plant, thus, shall be met through WBSEB & Captive Power generation.

11) Further equity offerings

The Company may require further infusion of funds to satisfy its capital needs and future growth plans, which the Company may not be able to procure. Any future equity offerings by the Company may lead to dilution of equity and may affect the market price of the Equity Shares.

Management Perception

In the near future there are no plans to issue further equity shares. In case the Company decides to raise additional funds through the issuance of equity, the same would be done for further value creation for the shareholders of the Company and after taking adequate consent from them.

12) Non-receipt of Government and other regulatory approvals may affect the completion of the proposed project that forms part of the objects of the Issue

Management Perception

The Company has since received all the necessary approvals from the government and other regulatory departments for the proposed project except the Consent to operate for its Re-Rolling Mill & Captive Power Plant divisions from West Bengal Pollution Control Board for which shall be given to the Company in due course.

13) Dependence on single or few Customers

The Company is largely dependent on few customers, as the top 10 customers constitute 60.95% of the total revenues.

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Management Perception

The Company has excellent business relations with the existing customers and has been consistently receiving repetitive orders from them. In addition, the Company has a Marketing Team which is working to add new customers which will reduce our dependence on few customers. Hence the Company does not foresee any loss of business because of its dependence on few customers.

14) Change in technology

The future success of the Company will depend in part on the ability to respond to technological advances taking place in the steel industry. The development and implementation of such technology entails significant technical & business risk. The Company cannot assure that it will successfully implement new technology effectively or adapt the processing system to emerging industry standards. If the Company is unable for technical, financial, legal and/or other reasons to adapt in timely manner to the changing market conditions, the business, financial performance and the trading price of the equity shares could be adversely affected.

Management Perception

The Manufacturing technology deployed for this industry is not subject to rapid changes, and is successfully tested in the major steel plants in India as well as worldwide. The Company will keep itself abreast with the changing world of technology and proposes to update with new technologies on a continuous basis.

15) Critical Risk factors/Weakness/Threats as per the Appraisal Reports of the lending Banks:

STATE BANK OF INDIA

- (i) The steel industry is cyclical in nature.
- (ii) Competition from other plants in the vicinity.
- (iii) Any stoppage of the sponge iron plant would disrupt the operations of the power plant, billet plant and re-rolling mill.
- (iv) Scarcity of Iron Ore and Coal, the main Raw Materials.

ANDHRA BANK

- (i) The company is in the commodity market, which suffers from vagaries of trade cycle.
- (ii) The steel markets are increasingly being globalization and have to face competition from abroad.
- (iii) Since, the raw material will be extracted through mining process; the company will face difficulties in procurement during rainy season.

SYNDICATE BANK

- (i) Project is dependent on other sister units. The performance of these units may hamper the functioning of this unit.

16) Loss making ventures of the promoters

The following ventures/companies of the promoter group have incurred losses during the last three financial years.

(Rs in lacs)

Name of the entity	2005-06	2004-05	2003-04
Subham Complex Pvt. Ltd.	(0.13)	(0.06)	(0.07)
Divine Trading Co. Pvt. Ltd	–	(0.08)	–
Impex Industries	(0.55)	(2.64)	–
SBM Steels Private Limited	(0.07)	(0.11)	(0.20)

Management Perception

Subham Complex Pvt. Ltd. and Divine Trading Co. Pvt. Ltd are engaged in real estate. Impex Mineral & Chemical Company is engaged in trading of Silica Ramming Mass and other various kinds of minerals & refractory products. Impex Industries is engaged in trading of Ferro Silicon & other misc. ferro alloys. SBM Steels Pvt. Ltd is mainly incorporated with the aim to manufacture and deal in iron & steel items but no such activities has been started in the company and the loss is only because of normal administrative expenses.

So, none of the above mentioned company's business is related to AMPL. So, the performance of the group companies will not affect the operations of the Company.

- 17) The success of the Company depends on its management team and the loss of team members may adversely affect its business.**

Management Perception

The Company is dependent on its management team, consisting of experienced and technically qualified professionals. If one or more members of the management team are unable or unwilling to continue in their present positions due to any reason, the Company would try to replace them by other competent persons or promote the second-line for higher responsibilities to them.

- 18) The Company is dependent on its promoters and any inability on their part to contribute to the business may affect its performance.**

Management Perception

The Company has a qualified team of procurement & marketing executives, finance professionals and other professionals who are involved in the day to day operations of the Company. This reduces the Company's dependence on the promoters to manage the operations of the Company.

- 19) In a business marked by high working capital components due to the need of high quantity of raw material, inefficient fiscal control could affect profitability.**

Management Perception

The Company is strengthening its fiscal control through a progression towards value-addition, cost reduction, a tight control on receivables, and a stronger negotiation with banks leading to a reduced cost of funds and a comfortable loan repayment schedule.

- 20) Failure to effectively manage labour or failure to ensure availability of sufficient labour could affect the business operations of the Company.**

Management Perception

The Company has been handling labour and related issues efficiently and this has contributed to the smooth functioning of the operations. The Company has cordial labour relationships, and has never faced any labour problem in the past. Presently, the Company is employing the labour through contractors who have enough availability of the labour required by the unit.

- 21) The Company may face significant competition from a number of sources.**

The Steel market in India is highly competitive with a large number of players. We expect the competition to intensify and increase from a number of sources. We believe that the principal competitive factors in our markets are price, quality and raw material supply. There are many companies in India, which are present across the value chain and hold a commanding position in the industry; such companies pose a threat to our Company.

Management Perception

The Company will be in a position to sustain competition due to its Back-ward/Forward Integration from the manufacturing of Sponge Iron to Rolled products. This will enable lower cost of production, as the major power requirement will be met from the captive power plant (WHRB/AFBC based) after commencement of its operation.

ANKIT METAL & POWER LIMITED

Moreover, the plant's proximity to the sources of raw materials and the market will give the Company the advantage of lower transportation expenses. Forward integration will also give an edge over other manufacturers.

22) The contingent liabilities of the Company as on 31st March, 2007 as certified by the auditors for which no provision has been made by the Company are as follows:

Sr. No	Particulars	Amt. (Rs. In lacs)
1	In respect of Bank Guarantees given	100.00
2	In respect of Bills discounted with Banks	1349.38
3	In respect of Letter of Credit opened	185.00
4	Commitments against Capital Expenditure (Net of Advances)	915.02

23) Restrictive covenants in the agreements may impact the rights of the shareholders of the Company.

There are restrictive covenants in agreements the Company has entered into with its Bankers for Short-term and Long-term borrowings relating to right to declare dividends, capital restructuring etc. that are subject to the consent of the said Banks, and to such extent, would affect the rights of the Shareholders of the Company. These restrictive covenants are enumerated as follows:

- i. Effect any change in the Company's capital structure, formulate any scheme of amalgamation or reconstruction
- ii. Permit any transfer of the controlling interest or make any drastic change in the management set up.
- iii. Invest by way of share capital in or lend or advance funds to or place deposits with any other concern including group companies.
- iv. Enter into borrowing arrangement either secured or unsecured with any bank, financial institution, Company or otherwise or accept; undertake any guarantee obligation on behalf of any other Company.
- v. Declare dividends for any year except out of the profits relating to that year after making due all any necessary provisions and provided further that no default has occurred in any repayment obligations.
- vi. Create any charge, lien or encumbrance over its undertaking or any part thereof in favour of any financial institution, bank, Company, firm or persons.
- vii. Sell, assign, mortgage or otherwise dispose off any of the fixed assets charged to the Bank, enter into any contractual obligation of a long term or affecting the Company financially to a significant extent.

24) Impex Ferro-Tech Ltd and Rohit Ferro-Tech Ltd, the group companies could not comply with the promises made in their respective IPOs.

The following group companies could not comply with the promises made in their respective IPOs

Impex Ferro-Tech Ltd.

The Company has made an IPO in December, 2004 of 80,00,000 Equity Shares of Rs.10 each for cash at par aggregating Rs. 800 Lacs.

Plant & machinery and other equipments were installed in August 2004 as against the original implementation schedule of July 2004 as mentioned in the prospectus. Similarly trial run and commercial production also got delayed and it started in September 2004 as against the original schedule of August 2004. Barring the delay of one month, the Company has successfully implemented the project as projected in the prospectus.

There has been a cost over run of Rs.96.36 lacs against the projected cost of Rs.1587.62 lacs

The projected & actual capacity utilization figures are as follows:-

Particulars Product	Total
Installed Capacity (TPA)	43200

Year	2005		2006		2007	
	Projected	Actual	Projected	Actual	Projected	Actual
Production:-	36900	33564.78	37560	38149.63	38220	34438.94

Rohit Ferro-Tech Ltd

The Company has made an IPO in March 2006 of 1,69,47,745 Equity Shares of Rs.10/- each for cash at a premium of Rs.20/- per Equity Share aggregating Rs.5084.32 Lacs.

Trial run and commercial production got delayed and it started in December 2006 as against the original schedule of April 2006. Project was behind its schedule as stated in the Prospectus due to delay in delivery of some critical equipment.

There is no costover run as against the projected cost of Rs .11686.12 lacs.

The projected & actual capacity utilization figure are as follows:-

Particulars Product	Si Mn	HeFeCr	FeMn	Total
Installed Capacity (TPA) – Jaipur Unit	25426	52124	35947	113497
Installed Capacity (TPA) – Bishnupur Unit	–	51525	–	51525

Year	2005-2006 (Projected)	2005-2006 (Actual)	2006-2007 (Projected)	2006-2007 (Actual)
Jajpur Unit				
Production:-				
- Silico	–	–	19070.00	–
- Manganese	–	–	39093.00	–
- Ferro Chrome	–	–	26960.00	5665.00
- Ferro Manganese	–	–		
Bishnupur Plant:-				
Production:				
- Ferro Chrome	40000.00	39438.77	40000.00	45492.40

The company could not achieve its projected figure due to delay in project by eight months.

25) Negative cash flows of the Company

The details of the negative cash flows of the Company are as follows:

(Rs. in lacs)

Particulars	31 st March, 2007	31 st March, 2006	31 st March, 2005	31 st March, 2004	31 st March, 2003
Cash Flows from Operating Activities	929.70	-2972.63	176.69	-464.445	0.47
Cash Flows from Investing Activities	-5403.76	-2221.33	-3517.77	-452.32	-0.09
Cash Flows from Financing Activities	4608.77	5145.47	3385.17	930.26	0.45
Net Increase/(Decrease) in Cash and Cash Equivalents	134.71	-48.49	44.09	13.49	0.83

Management Perception

The financial year 2005-06 was the first year of the operation of the Company as the Sponge Iron unit has started the production from October, 2005, and Ingot/ Billet unit from January, 2006. The Company is still implementing its Re-rolling Mill; WHRB & AFBC based Captive Power plants.

The Company's operating activities is showing Negative Cash flow during FY06 despite earning profit from its operational activities. This is due to the Company's Stock built-up and the generation of fresh Debtors from the business of the Company's Sponge Iron & Billet unit.

Moreover, the Negative Cash flow from the investing activities is due to its implementation of the projects during the financial years.

All these negative cash flows is well reflected from the inflow from financing activities in the form of Equity Share Capital and Cash Credit/ Term Loan facilities form it's Bankers which is used in the working capital of the operating activities, and the project implementation.

26) Loans repayable on demand

As on 31st March, 2007 the Company has outstanding unsecured loans of Rs.3117.16 lacs which are repayable on demand.

27) The Company does not have a track of record for payment of dividend on equity shares.

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

28) Failure to comply with environmental laws, rules and regulations may adversely affect our business or operations.

A failure on our part to adequately comply with applicable environmental laws, rules and regulations, could hamper or adversely impact the operations of our Company, and consequently, could adversely affect the Company and its cash flows and profitability.

29) The Company may continue to be controlled by our promoters and other principal shareholders following this issue and our other shareholders may not be able to affect the outcome of shareholder voting.

After the completion of the Issue, our promoters will collectively hold approximately 70.83% of the outstanding Equity Shares. Consequently, our Promoters and other principal shareholders, if acting jointly, may exercise substantial control over us and *inter alia* may 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 investing policies, revenue budgets, capital expenditure, dividend policy and strategic acquisitions/joint ventures.

30) The Company may not be fully insured for business losses, which The Company might incur.

The Company has not taken any insurance for protecting us from future business losses and in the event of such losses occurring, the operations of our Company may be affected significantly. However the Company has insured all our assets and properties adequately.

31) We have entered into certain transactions in which our promoters are interested parties. For details of the Related Party Transaction, please refer to page no. 91 of RHP.

Management Perception

The Related Party Transactions have been entered at the prevailing market rates and they are not prejudicial to the interest of the company. The mode of transaction is through cheque in all the transactions. Except disclosed in Related Party Transactions, the company has not entered into any transactions/contract in which promoters are interested parties.

32) Repayment schedule of Term Loans for Phase - II (for Rs.4000.00 lacs) has been rescheduled & loan will be repaid in 18 installments instead of 20 installments.

Management Perception

Only starting of payment of term loans has been rescheduled from June 2006 to December 2006 by enhancing the installment amount. Term loans will be fully repaid as per the schedule time as earlier sanctioned (i.e. March 2011).

33) High Working capital

The company is using high working capital, which may affect the profitability & increase the interest burden.

Management Perception

The company is using the high working capital for accumulating the raw material for monsoon period. The cost saving in raw material price is higher than the interest burden for that period.

34) The Auditors Report for the year ended on March 31, 2007 and March 31, 2006 include certain qualifications which are as under:

Financial Year ended March 31, 2007

- 1) The Company is registered under the West Bengal Incentive Scheme 2000 & 2004 of The Director of Industries, Government of West Bengal. Under the said scheme the Company is entitled to receive Capital Investment Subsidy, Interest Subsidy, Employment Generation Subsidy, Remission of stamp duty & registration fee. These shall be accounted for in the year of receipt.
- 2) Insurance claims are accounted on cash basis.

Financial Year ended March 31, 2006

- 1) The Company is registered under the West Bengal Incentive Scheme 2000 & 2004 of The Director of Industries, Government of West Bengal. Under the said scheme the Company is entitled to receive Capital Investment Subsidy, Interest Subsidy, Employment Generation Subsidy, Remission of stamp duty & registration fee. These shall be accounted for in the year of receipt.

Management Perception

The company is eligible to get the incentive benefit under the West Bengal Incentive Scheme 2000 & 2004 of The Director of Industries, Government of West Bengal. Incentive amount is normally received within 2-3 years after scrutiny of the books of accounts. Management has taken the policy to account for incentive benefit in the year of receipt in the view to avoid any excess provision of the income in the books of accounts which will show the higher income.

Normally, a short amount is settled or passed by the insurance company in comparison to claim amount. Management has taken the policy to account for the insurance claims on cash basis in the view to avoid any excess provision of the same in books of accounts which will show the higher income.

B. EXTERNAL RISKS BEYOND THE CONTROL OF THE COMPANY

Certain factors beyond the control of the Company could have a negative impact on the Company's performance, such as:

1) Changes in Government Policies and political situation in India

Since 1991, the Government of India has pursued policies of economic liberalization, including relaxing restrictions on the private sector. The Company cannot assure you that these liberalization policies will continue in future. Protest against liberalization could slowdown the pace of economic development. The rate of economic liberalization could change, specific laws and policies could change, and foreign investment, currency exchange rates and other matters affecting investing in our securities could change as well.

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The current Indian Government is coalition of several parties along with outside support from other partners. The withdrawal of one or several parties or withdrawal of outside support could result in political instability, which may have adverse affect on the capital market and investor confidence.

Any adverse change in Government policies relating to the steel industry in general and stainless steel, sponge iron, ferro alloys, iron ore in particular may have an impact on the profitability of the industry. Such changes are not limited to but may be in respect of:

- (i) Sales Tax/ VAT
- (ii) Customs Duty
- (iii) Import/ Export restriction
- (iv) Excise Duty/ CENVAT

2) Changes in regulations

Changes in regulatory environment relating to manufacturing and marketing Sponge Iron, M.S. Ingots/ Billet, Captive Power and TMT Bars/ Wire Rods in and outside the country will significantly impact the business of the Company.

3) Regulation of Exports and Imports

Any change in regulations, domestic or international, having an impact on the steel market in general, will affect the industry as a whole. Such changes may be in the nature of introduction of quota, tariff barrier, subsidies etc.

4) Risks arising from changes in taxation policies

Statutory taxes and other levies may affect our margin in the event of our inability to factor such expense in our trading margin. Any increase taxes and/ or levies, or the imposition of new taxes and/ or levies in the future, may have a material adverse impact on our business, results of operations and financial condition.

5) Risk arising from violence and acts of terror

Terrorist attacks and other acts of violence or war involving India and other countries where the Company sells its products could affect the Company's business.

6) The Company is subject to risk arising from exchange rate fluctuations.

The exchange rate between the Rupee and other currencies is variable and may continue to fluctuate in the future. Fluctuations in the exchange rates may affect the Company to the extent of cost of imported raw material being bought from overseas vendors for the Company's products. Any adverse fluctuations with respect to the exchange rate of any foreign currency for Indian Rupees may affect the Company's profitability, since a part of its raw material will be purchased in foreign currency.

7) Risk caused by changes in Interest rates and banking Policies

The Company is dependent on various banks and financial institutions for arranging the Company's working capital requirements, term loans, etc. Accordingly, any change in the extant banking policy or increase in interest rates may have an adverse impact on the Company's profitability.

8) Risk Caused By Competition

The market for steel industry is highly competitive, and growing competition may affect the margins and market share of the Company.

9) Withdrawal of Government incentives

Various incentives are offered by the Government for development of infrastructure, particularly in development of roads & housing, in which steel is a major raw material. Adverse change in the focus of the Government may affect the future business prospects of the Company.

10) Risk of changes in Government rules and regulations

Failure to comply with environmental laws, rules and regulations may adversely affect our business or operations.

11) Change in India's debt rating

Any downgrading of India's debt rating by an international rating agency could have a negative impact on our business and could materially effect our future financial performance, and the trading price of our equity shares.

12) Disruption in infrastructural facilities

Any disruption in supply of power, basic infrastructural facilities, telecom lines could adversely affect the business and production process of the Company or subject it to excess cost.

13) Economic Downturn

The Company's performance is highly dependent upon the growth of business and economy in the Country, which generates the demand for construction and development. An economic down turn may negatively impact the operating results of the Company.

14) Trading of shares only in Dematerialised form

Since the Equity Shares of the Company are required to be traded compulsory in demat form, shareholders who are allotted/who hold shares in Physical Form may not be able to trade in such Equity Shares unless they get their holding dematerialized.

15) Volatility of share prices on listing

After this Issue, the price of our Equity Shares may be highly volatile, or an active trading market for our Equity Shares may not develop. The prices of our Equity Shares on the Stock Exchanges may fluctuate as a result of several factors, including:

- Volatility in the Indian and global securities market;
- Our results of operations and performance, in terms of market share;
- Performance of the Indian economy;
- Changes in Government policies;
- Changes in the estimates of our performance or recommendations by financial analysts;
- Significant developments in India's economic liberalization and deregulation policies; and
- Significant developments in India's fiscal and environmental regulations

C. NOTES TO RISK FACTORS

1. Public issue of 1,19,00,000 Equity Shares of Rs.10/- each for cash at a price of Rs.[•] per Equity Share aggregating Rs.[•] lacs by the company comprising of Promoters Contribution of 23,10,000 Equity Shares of face value of Rs.10/-, 11,90,000 Equity Shares of face value of Rs.10/- reserved for the employees of the company and a Net Offer to the public of 84,00,000 Equity Shares of Rs.10/- each out of which 8,40,000 Equity Shares being 10% of the Net Offer to the Public to be compulsorily allotted to QIBs. The Net Offer to the public would constitute 25.55 % of the fully diluted post issue paid up capital of the company.
2. Net worth of the Company as on 31st March 2007 is Rs.5222.36 lacs. The book value of the Equity Shares of the Company as on 31st March 2007 is Rs.24.90 per Equity Share.
3. Investors are advised to refer the paragraph on "Basis for the Issue Price" on page no. 36 of this Red Herring Prospectus before making an investment in the Issue.
4. The Issue is being made through a 100% Book Building Process wherein up to 50% of the Net offer to the Public will be allocated to Qualified Institutional Buyers ("QIBs") on a proportionate basis. Out of the portion available

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for allocation to the QIBs, 5% will be available for allocation on a proportionate basis to Mutual Funds. Mutual Fund applicants shall also be eligible for proportionate allocation under the balance available for the QIBs. Further, at least 15% of the Net offer to the Public will be available for allocation on a proportionate basis to Non-Institutional Bidders and at least 35% of the Net offer to the Public will be available for allocation on a proportionate basis to Retail Individual Bidders, subject to valid bids being received at or above the Issue Price.

5. In the event of the Issue being oversubscribed, the allocation shall be on a proportionate basis to QIB Bidders, Retail Individual Bidders and Non-Institutional Bidders (Refer to the paragraph entitled “Basis of Allotment” on page no. 166 of this Red Herring Prospectus).
6. Investors are free to contact the Book Running Lead Manager or Compliance Officer for any clarification or information or complaints pertaining to the Issue.
7. Investors may note that allotment and trading in shares of our Company shall be done only in dematerialized form.
8. All information shall be made available by the Book Running Lead Manager and the Company 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.
9. The average cost of acquisition of Equity Shares of face value of Rs.10/- each by our promoters is given below:

Sr. No.	Name of Promoter	Avg. Cost of Acquisition (Rs.)
1	Vasupujya Enterprises Pvt. Ltd.	20.00
2	Poddar Mech Tech Service Pvt Ltd	13.98
3	Suanvi Trading & Investment Co. Pvt. Ltd	19.38
4	Invesco Finance Pvt. Ltd	16.62
5	Mr. Ankit Patni	10.00
6	Mr. Suresh Kumar Patni	10.00
7	Mrs. Sarita Patni	10.00
8	Mr. Rohit Patni	10.00

10. For details regarding the transactions in the securities of the Company during the period of six months preceding the date of this Red Herring Prospectus, please refer the section “Notes to Capital Structure” on page no.13 of this Red Herring Prospectus.
11. For Related party transactions, please refer page 91 under heading “Related Party transactions” of the Red Herring Prospectus.
12. The name of the Company was changed to Ankit Metal & Power Private Limited and a Fresh Certificate of Incorporation consequent to change of name was granted to the company on 9th July, 2004. The Company subsequently became a public limited Company and the name of the Company was further changed to Ankit Metal & Power Limited and the fresh certificate of incorporation was granted to the Company on 31st August, 2004.

SECTION III - INTRODUCTION

SUMMARY OF THE INDUSTRY AND BUSINESS OF THE ISSUER COMPANY

The Investor should read the following summary with the Risk Factors included from page numbers viii to xxiv and the more detailed information about the Company and the financial statements included in the Red Herring Prospectus.

Indian Steel Industry

Industry Overview

Steel is crucial to the development of any modern economy and is considered to be the backbone of the human civilization. The level of per capita consumption of steel is treated as one of the important indicators of socio-economic development and living standard of the people in any country. It is a product of large and technologically complex industry having strong forward and backward linkages in terms of material flow and income generation. All major industrial economies are characterized by the existence of a strong steel industry and the growth of many of these economies has been largely shaped by the strength of their steel industries in their initial stages of development.

Global Scenario

In 2005 World Crude Steel output at 1129.4 million metric ton was 5.9% more than the previous year. China remained the world's largest Crude Steel producer in 2005 also (349.4 million metric tonne) followed by Japan (112.47 million metric tons) and USA (93.89 million metric tons). India occupied the 8th position (38.08 million metric tons). (Source: The International Iron & Steel Institute)

The International Iron & Steel Institute (IISI) in its forecast for 2006 has confirmed the trend of recent years of an increase in steel use in-line with general economic growth and with the fastest growth occurring in the countries with the highest GDP growth such as India and China. Apparent world-wide Steel Demand is forecast to grow to between 1,040 and 1,053 million tonnes in 2006 from a total of 972 million tonnes in 2004. This is a growth of 4-5% over the two year period. However, according to IISI the cost of raw materials and energy would continue to represent a major challenge for the world steel industry.

Indian Steel Industry

The economic reforms initiated by the Government since 1991 have added new dimensions to industrial growth in general and steel industry in particular. Licensing requirement for capacity creation has been abolished, except for certain locational restrictions. Steel industry has been removed from the list of industries reserved for the public sector. Automatic approval of foreign equity investment upto 100% is now available. Price and distribution controls have been removed from January, 1992, with a view to make the steel industry efficient and competitive. Restrictions on external trade, both in import and export have been removed. Import duty rates have been reduced drastically. Certain other policy measures such as reduction in import duty of capital goods, convertibility of rupee on trade account, permission to mobilise resources from overseas financial markets and rationalisation of existing tax structure for a period of time have also benefited the Indian Steel Industry.

Business Overview of the Company

Ankit Metal & Power Limited (AMPL) was promoted on 7th August, 2002 in Kolkata by Mr. Suresh Kumar Patni. The Registered office of the Company is situated at 35, Chitranjan Avenue, Kolkata – 700 012.

AMPL has been incorporated with a view to set up a plant in Chhatna, Jorehira, Dist: Bankura, West Bengal, to manufacture Sponge Iron, M.S. Billets, Re-Rolled products with a captive power plant. The proposed project is envisaged to have the following manufacturing facilities, to be implemented in three phases.

Particulars		Capacity
Phase-I		
1	Sponge Iron Plant	105000 TPA
Phase-II		
1	Steel Melting Shop (Induction Furnaces & Billet Concaster)	65140 TPA
2	Re-rolling Mill	100000 TPA
3	Waste Heat Recovery Based (WHRB) Captive power plant	8.5 MW
Phase-III		
1	Atmospheric Fluidised Bed Combustion (AFBC) Based Captive power plant	4 MW

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Sponge Iron unit has started its operation since October, 2005 whereas the operations of the Billet Casting unit has started in January, 2006.

Re-rolling Mill and WHRB Captive Power Plant and AFBC based Captive Power Plant are estimated to start their operation from July, 2007.

Highlights of Present Business Activities

- Presently, the Company is having production capacity of 350 MT per day of Sponge Iron and using a part of it for producing Billets. The rest of Sponge Iron is sold directly to consumers.
- The Company has also started to tap the Export market for its Billets, which will fetch higher margins for the Company.
- The Company has the first 350 TPD Sponge Iron Kiln operative in West Bengal which produces Sponge Iron with a higher 'Fe' content, enabling the Company to fetch a premium for its product.
- The Company has the advantage of lower cost of production, which enables the Company to get a better position in this competitive market.
- The Company's products are well accepted in Indian market for its quality & consistency within the specified parameters.
- For consistency in its operation & quality, the Company has already started process for getting ISO: 9001 Certification for its Plant.
- The Company has already started developing the market for its Rolled Products like TMT, Wire Rod & other steel products by way of trading activities in these items.

THE ISSUE

Equity Shares offered	
Public Issue	1,19,00,000 Equity Shares
Out of which:	
Contribution from Promoters group, friends, relatives and associates @	23,10,000 Equity Shares
Employees Reservation Portion*#	11,90,000 Equity Shares (Allocation on proportionate basis)
Net Offer to the Public #	84,00,000 Equity Shares
Of which	
QIB Portion **	Not more than 42,00,000 Equity Shares (Allocation on proportionate basis) (Minimum 8,40,000 Equity Shares to be compulsorily subscribed by and allotted to QIBs. In case of under subscription in this minimum Qualified Institutional Buyers portion the same shall not be available to other categories and full subscription monies shall be refunded.)
Non Institutional Portion	Atleast 12,60,000 Equity Shares (Allocation on proportionate basis)
Retain Portion	Atleast 29,40,000 Equity Shares (Allocation on proportionate basis)
Equity Shares prior to the Issue	2,09,75,500 Equity shares of Rs.10/- each.
Equity Shares after the Issue	3,28,75,500 Equity shares of Rs.10/- each.
Objects of the Issue	Please see the section entitled "Objects of the Issue" on page 21 of this Red Herring Prospectus.

Notes:

- * Eligible Employees of the Company shall be entitled to apply in the reserved category for Employees portion. However, the Promoter Directors and Promoter Group (relatives of Promoters) shall not be eligible to apply in the Employees Reservation Portion
- # The unsubscribed portion, if any, in the employee reservation portion will be added back to Net Offer to Public and will be considered for allotment only on a proportionate basis. Under-subscription, if any, in the QIBs portion, Non- institutional portion or Retail Individual Investors shall be allowed to be met with spillover from the other categories, at the sole discretion of the Company and BRLMs.
- ** As per the amendments to the SEBI Guidelines, allocation to QIBs is proportionate as per the terms of this RHP. 5% of the QIB Portion shall be available for allocation to Mutual Funds. Mutual Funds participating in the 5% reservation in the QIB Portion will also be eligible for allocation in the remaining QIB Portion.
- @ The promoter contribution for 20,75,000 equity shares out of the total promoter contribution of 23,10,000 equity shares, has already been brought in by the promoters & promoter group of the company @ Rs.36/- per share being the higher end of the price band of Rs.30/- to Rs.36/-, before opening of the issue and the said fund has already been deployed. For details please refer note no.2 to the "Notes to Capital Structure".

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SUMMARY FINANCIAL INFORMATION

The following tables set forth selected financial information of our Company as on and for the periods ended on 31 March, 2003, 2004, 2005, 2006 and 2007, all prepared in accordance with Indian GAAP, the Companies Act and restated under the SEBI Guidelines.

You should read the following information together with the information contained in the Auditors' Report included in the Section titled "Financial Information of the Company" beginning on page no 94 in the Red Herring Prospectus.

STATEMENT OF ASSETS & LIABILITIES AS RESTATED

The assets and liabilities of the company as at the end of each financial year since incorporation i.e. 07.08.2002 ended on 31 March 2003, 2004, 2005, 2006 and 2007 are as set out below. The assets and liabilities read with significant accounting policies and notes annexed hereto have been arrived at after making such regroupings as are considered appropriate.

Rs.in lacs

Particulars	As at 31.03.2007	As at 31.03.2006	As at 31.03.2005	As at 31.03.2004	As at 31.03.2003
Fixed Assets:					
Gross Block	5691.12	5461.70	114.98	81.02	-
Less: Depreciation	407.59	112.83	4.62	1.09	-
Net Block	5283.53	5348.87	110.36	79.93	
Less: Revaluation Reserve	-	-	-	-	-
Net Block after adjustment for Revaluation Reserve	5283.53	5348.87	110.36	79.93	-
Capital work-in progress	5548.73	652.54	3853.83	372.48	0.09
Total Fixed Assets (A)	10832.26	6001.41	3964.19	452.41	0.09
Investments (B)					
Current Assets, loans and Advances:					
Inventories	4808.50	2149.03	-	-	-
Sundry Debtors	2785.91	2430.50	-	-	-
Cash & Bank Balances	496.75	94.23	64.42	14.33	0.83
Loans and Advances	3072.57	2240.33	656.88	523.35	-
Total (C)	11163.73	6914.09	721.30	537.68	0.83
Liabilities and Provisions:					
Secured Loans	7777.39	5593.42	1623.06	10.83	-
Unsecured Loans	3117.15	186.58	417.58	12.00	-
Current Liabilities and Provisions	5355.47	2764.56	369.55	59.37	0.47
Deferred Tax Liability	523.62	185.60	-	-	-
Total (D)	16773.63	8730.16	2410.19	82.20	0.47
Net worth (A+B+C-D)	5222.36	4185.34	2275.30	907.87	0.45
Represented by					
1. Share Capital (A)	2097.55	2097.55	1291.05	629.55	1.00
2. Reserves	3153.61	2099.44	945.05	283.50	-
Less: Revaluation Reserve	-	-	-	-	-
Reserves (Net of Revaluation Reserves) (B)	3153.61	2099.44	945.05	283.50	-
Share Application (C)	-	-	50.00	-	-
Miscellaneous Expenditure (D)	28.80	11.65	10.80	5.18	0.55
Net worth (A+B+C-D)	5222.36	4185.34	2275.30	907.87	0.45

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SUMMARY STATEMENT OF PROFITS & LOSSES AS RESTATED

We report that the profits of the company for the financial period since incorporation i.e. 07.08.2002 ended on 31st March 2003, 2004, 2005, 2006 and 2007 are as set out below. The Profit and Loss Account read with significant accounting policies and notes annexed hereto have been arrived at after charging all expenses of manufacture, working and management including depreciation and after making such adjustments and regroupings as are considered appropriate.

PARTICULARS	For the <i>Year ended</i>				From the period 07.08.2002 to 31.03.2003
	31.03.2007	31.03.2006	31.03.2005	31.03.2004	
Income					
Sales					
Sales of goods traded	12425.89	4276.81	0.32	0.08	-
Sales of goods manufactured	-	-	-	-	-
Domestic / Exports	8567.81	2065.98	-	-	-
Sub Total	20993.70	6342.79	0.32	0.08	-
Other Income	120.31	2.41	-	-	-
Increase In Inventories	385.89	392.14	-	-	-
TOTAL INCOME	21499.90	6737.34	0.32	0.08	-
Expenditure					
Trading Purchases	10728.26	3834.62	-	0.07	-
Raw Materials consumed	5057.32	1173.86	0.26	-	-
Manufacturing Expenses	1496.63	321.24	-	-	-
Payments to and Prov for employees	24.29	12.77	-	-	-
Cenvat/Vat	1570.84	538.40	-	-	-
Administrative & other Expenses	191.86	58.26	-	-	-
Exchange Fluctuation	32.98	-	-	-	-
TOTAL EXPENDITURE	19102.18	5939.15	0.26	0.07	-
Net profit before interest, depreciation, Tax and extraordinary items	2397.72	798.19	0.06	0.01	-
Interest	(491.44)	(153.90)	-	-	-
Depreciation	(294.76)	(108.20)	-	-	-
Net Profit before tax and Extraordinary Items	1611.52	536.09	0.06	0.01	-
Provision for Taxation	(216.65)	(49.50)	(0.02)	-	-
Provision for Deferred Tax	(338.02)	(185.60)	-	-	-
Provision for FBT	(2.68)	(2.59)	-	-	-
Extraordinary items (net of tax)	-	-	-	-	-
Deferred MAT Credit Entitlement	-	49.50	-	-	-
Net Profit after Extraordinary Items as per audited Balance Sheet(A)	1054.17	347.90	0.04	0.01	-
Adjustment on account of change in Accounting Policy (B)	-	-	-	-	-
Adjusted Profit & Loss(A-B)	1054.17	347.90	0.04	0.01	-
Previous Year Surplus	347.95	0.05	0.01	-	-
Balance Carried to Balance Sheet	1402.12	347.95	0.05	0.01	-

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GENERAL INFORMATION

Ankit Metal & Power Limited

Regd. Office: 35, Chittranjan Avenue, Kolkata – 700 012,

Tel: +91-33-22119805/06/8807, **Fax:** +91-33-22110522

Email: ipo@ankitmetal.com, **Website:** www.ankitmetal.com

Contact person: Mr. Chandra Kumar Jain, Compliance Officer

The Company was originally incorporated as Ankit Steel Works Private Ltd on 7th August, 2002 by Registrar of Companies, West Bengal; and the name was subsequently changed to Ankit Metal & Power Private Limited for which, a fresh Certificate of Incorporation was granted to the company on 9th July, 2004. Pursuant to change in the corporate structure of the Company from Private to Public, the name of the Company was further changed to Ankit Metal & Power Limited and the fresh Certificate of Incorporation was granted to the Company on 31st August, 2004.

Company Registration No.21-94979

Regional Registrar of Companies Office:

Registrar of Companies, West Bengal
Nizam Palace, 2nd MSO Building,
2nd Floor, 234/4, A.J.C.B. Road
Kolkata - 700020

BOARD OF DIRECTORS OF THE COMPANY

Sr. No.	Name	Designation
1.	Mr. Suresh Kumar Patni	Chairman
2.	Mr. Ankit Patni	Managing Director
3.	Mr. Sanjay Singh	Director (Works)
4.	Mr. Kailash Chand Jain	Director
5.	Mr. Vijay Kumar Jain	Director
6.	Mr. Jatindra Nath Rudra	Director

BRIEF DETAILS OF CHAIRMAN & EXECUTIVE DIRECTORS

Mr. Suresh Kumar Patni, Chairman, son of Mr. Dharam Chand Patni and aged about 47 years, is a Commerce graduate with a wide experience of more than two decades in Iron & Steel related ferro alloy Industry. He is also the co-promoter of Impex Metal & Ferro Alloys Pvt. Ltd, Impex Ferro-Tech Limited, and Rohit Ferro-Tech Limited for manufacturing & deal in Ferro Alloys, Metals & Minerals. With a vast experience & presence in the ferro alloys sector, he now diversified into steel sector, and promoted Ankit Metal & Power Limited to set-up an Integrated Steel Plant comprising of Sponge Iron, Captive Power, Ingots, Billets, and finally Rolled products.

Mr. Ankit Patni, Managing Director, son of Mr. Suresh Kumar Patni and aged about 22 years is a First Class Hons Graduate in Commerce from Calcutta University, and is CFA. He has started his career by associating with this Company as Executive Director from November, 2004, and gained a good experience under the supervision & guidance of his father Mr. S. K. Patni. Now, he has been promoted as Managing Director of the Company, and is controlling the overall affairs of the Company including the finance, raw material procurements & marketing.

Mr. Sanjay Singh, Director (Works), son of Mr. Brij Kishore Singh and aged about 32 years, is a Bachelor of Engineering. He is associated with the Company since the start of the project work. He is residing at site to look after all the affairs of the factory & running the plant successfully.

For more details regarding our Directors please refer to section titled "Our Management" on page 73 of this Red Herring Prospectus.

COMPANY SECRETARY AND COMPLIANCE OFFICER

Mr. Chandra Kumar Jain,

Ankit Metal & Power Limited,

35, Chittranjan Avenue, Kolkata – 700 012

Phone No. : +91-33-22119805/06/8807, Fax: +91-33-22110522

Email: ipo@ankitmetal.com

Investors can contact the Compliance Officer or the Registrar in case of any pre-Issue or post- Issue related problems, such as non-receipt of letters of allocation, credit of allotted Equity Shares in the respective beneficiary accounts or refund orders etc.

LEGAL ADVISOR TO THE ISSUE

Mr. Bidyut Dutt

Advocate, High court, Calcutta
Temple Chambers
6 Old Post Office street,
3rd Floor, Room No, 79/2
Kolkata-700001
Phone No. : - +91-33-2210 3662
Fax No.:- +91-33-3022 4995

BANKERS TO THE COMPANY

State Bank Of India

Glinder House
8, N.S. Road
Kolkata-700 001
Phone No. : +91-33-22420452
Fax No.:- 91-33-2242-0450
Email : - sbi.04125@sbi.co.in

Andhra Bank

23/1, M.D. Road
Kolkata-700007
Phone No. : +91-33- 22749402
Email Id: - bmc731@andhrabank.co.in

Syndicate Bank

Burrabazar Branch
132/1, M.G. Road
Kolkata-700 007
Phone No. : +91-33-22696330
Fax No.:- 91-33-22734133
Email : - sybk@vsnl.net

ISSUE MANAGEMENT TEAM

BOOK RUNNING LEAD MANAGER

Chartered Capital And Investment Ltd

711, Mahakant,
Opp V S Hospital, Ellisbridge,
Ahmedabad 380 006,
Tel: +91-79-26575337, 26577571
Fax No. : +91-79-26575731
Email: amplipo@charteredcapital.net
Website: www.charteredcapital.net
Contact person: Mr. Manoj Kumar Ramrakhyani

SYNDICATE MEMBER

Chartered Capital And Investment Ltd

711, Mahakant, Opp V S Hospital, Ellisbridge,
Ahmedabad 380 006,
Tel: +91-79-26575337, 26577571
Fax No. : +91-79-26575731
Email: amplipo@charteredcapital.net
Website: www.charteredcapital.net
Contact person: Mr. Manoj Kumar Ramrakhyani

ANKIT METAL & POWER LIMITED

REGISTRAR TO THE ISSUE

Intime Spectrum Registry Limited

C-13, Pannalal Silk Mills Compound,
LBS Marg, Bhandup West, Mumbai 400 078

Tel: 022 - 2596 0320 (9 lines)

Fax : 022 - 2596 0329

Email: ankit-ipo@intimespectrum.com

Website: www.intimespectrum.com

Contact Person: Mr. Sachin Achar

STATUTORY AUDITORS TO THE COMPANY

R. Kothari & Company,

Chartered Accountants,

16A, Shakespeare Sarani,

Kolkata – 700 071

Tel: 91-33-2282 6807/6808, 2282 6776

Fax: 91-33-22820147

Email : - rkothari_co@rediffmail.com

BANKERS TO THE ISSUE AND ESCROW COLLECTION BANKS

HDFC Bank Ltd

26 A, Narayan Properties,

Off Saki Vihar Road,

Chandivali, Saki Naka,

Andheri (East), Mumbai - 400 072

Tel: - 91-22- 28569228, 022- 28569009 Extn - 1640/1641/1504/1831

Fax: - 91-22 – 28569256

Email Id.: clayton.mendonca@hdfcbank.com

Contact Person: Mr. Clayton Mendonca

ICICI Bank Ltd

Capital Markets Division,

30, Mumbai Samachar Marg,

Mumbai – 400 001

Tel: 91-22-22627600

Fax: 91-22-22611138

Email: sidhartha.routray@icicibank.com

Website: www.icicibank.com,

Contact Person: Mr. Sidhartha Routray

The Hongkong and Shanghai Banking Corporation Ltd

31 BBD Bag, Kolkata – 700 001

Tel: 91-33-22542180/ 22542056

Fax: 91-33-22131394

Email: jayantdhar@hsbc.co.in/ arindamray@hsbc.co.in

Website: www.hsbc.co.in

Contact Person: Mr. Jayant Dhar / Mr. Arindam Ray

INTER-SE ALLOCATION OF RESPONSIBILITIES OF THE BRLM

Since Chartered Capital And Investment Limited is the sole BRLM for this Issue, all the Issue related activities are handled by Chartered Capital And Investment Limited.

CREDIT RATING

As this is an issue of Equity Shares there is no credit rating for this Issue.

IPO GRADING

About “ICRA IPO Grade 1”

ICRA has assigned an 'ICRA IPO Grade 1' indicating poor fundamentals, to the proposed initial public offering of **Ankit Metal & Power Limited** (AMPL). ICRA assigns IPO gradings on a scale of IPO Grade 5 through IPO Grade 1, with Grade 5 indicating strong fundamentals and Grade 1 indicating weak fundamentals. An ICRA IPO Grade is symbolic representation of ICRA's current assessment of the fundamentals of the issuer concerned. The fundamental factors assessed include inter alia industry risks business and financial position of the entity, project risk, prospects and management quality. Such an assessment involves a comparison both with the peers and with other listed equity securities.

Grading Rationale

The assigned grading reflects the promoter's lack of prior experience in steel manufacturing, relatively small size of the proposed project and lack of any obvious competitive advantage when compared to other established players in the industry. ICRA notes that the lack of any backward linkage exposes the company to volatility inherent in prices of critical raw materials like Iron Ore and Coal and the quality of steel and consequently the rolled bars that the company will manufacture may preclude it from commanding any price premium compared to other players in the segment. Coal in a Sponge iron plant serves both as a reducing agent and fuel inside the kiln. Given India's relatively inferior grade of Coal deposits with high ash contents, priority position of the power sector as a coal consuming industry and lack of adequate infrastructure for import of Coal, availability of good quality coal could become a major operational risk factor for sponge iron players, especially the smaller ones.

The promoters, however, have experience in Ferro-Alloys industry and the positive outlook on the construction industry – the key user of TMT bars – could offset some of the disadvantages that the project is exposed to.

The promoters are also simultaneously carrying out expansions in some of the other group companies, and have also stated their intention to start work on another project for expanding the capacity of TMT bars in AMPL, which would entail investments over Rs 150 crores, once this project is completed. This also increases the overall risk profile of the project, given the modest cash accruals in the existing businesses and the limited ability of the promoters to bring in additional capital, should the need arises. The inherently cyclical nature of the steel industry and the on going capacity addition by major steel producers could also impact the realizations and profitability

DISCLAIMER BY ICRA, THE GRADING AGENCY

Notwithstanding anything to the contrary an ICRA IPO Grade is a statement of current opinion of ICRA. Such grade is assigned with due care and caution on the basis of analysis of information and clarifications obtained from the issuer concerned and also other sources considered reliable by ICRA. However ICRA makes no representation or warranty express or implied as to the accuracy, authenticity, timelines or completeness of any such information. An ICRA IPO Grade is not (a) a comment on the present or future price of the security concerned, (b) a certificate of statutory compliance and/or (c) a credit rating. Further the ICRA IPO Grade is not a recommendation to buy, sell or deal in securities of such issuer and ICRA shall not be liable for any losses incurred by users from any use of grade.

TRUSTEES

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

MONITORING AGENCY

State Bank of India

Mid Corporate Branch
Kolkata Region, "Samridhi Bhawan"
1, Strand Road, Kolkata-700001
Phone no: - 033-22133748, 033-22133730
Fax No: - 033-22108321

APPRAISING ENTITY

The project for which the present public issue is being made has been appraised by State Bank of India, Andhra Bank and Syndicate Bank.

State Bank Of India

Glinder House
8, N.S. Road
Kolkata-700 001
Phone No. : +91-33-22420452
Fax No.:- 91-33-2242-0450
Email: sbi.04125@sbi.co.in

ANKIT METAL & POWER LIMITED

Andhra Bank

23/1, M.D. Road
Kolkata-700007
Phone No. : +91-33- 22749402
Email: bmcal731@andhrabank.co.in

Syndicate Bank

Burrabazar Branch
132/1, M.G. Road
Kolkata-700 007
Phone No. : +91-33-22696330
Fax No.:- 91-33-22734133
Email: sybk@vsnl.net

WITHDRAWAL OF THE ISSUE

The Company, in consultation with the BRLMs, reserves the right not to proceed with the Issue at anytime including after the Bid Closing Date but before Allotment, without assigning any reason thereof.

BOOK BUILDING PROCESS

Book building refers to the collection of Bids from investors, which is based on the Price Band, with the Issue Price being finalized after the Bid/Issue Closing Date, The principal parties involved in the Book Building Process are:

1. The Company.
2. The Book Running Lead Manager; and
3. The Syndicate Members who are intermediaries registered with SEBI or registered as brokers with the Stock Exchange (s) and eligible to act as underwriters. The BRLM appoints the Syndicate Members.

The SEBI Guidelines has permitted an issue of securities to the public through the 100% Book Building Process, wherein not more than 50 % of the Net Offer shall be allocated on a proportionate basis to QIBs, including upto 5% of the QIB portion that shall be available for Allocation on a proportionate basis to Mutual Funds only and the remainder of the QIB portion shall be available for Allocation on a proportionate basis to all QIB Bidders, including Mutual Funds. Further, not less than 15% of the Net Offer shall be available for allotment on a proportionate basis to Non Institutional Bidders and not less than 35% of the Net Offer shall be available for allotment on a proportionate basis to Retail Individual Bidders, subject to valid Bids being received at or above the Issue Price. We will comply with the SEBI DIP Guidelines for this Issue. In this regard, we have appointed the BRLM to procure subscriptions to the Issue.

QIBs are not allowed to withdraw their Bid(s) after the Bid /Issue Closing Date. In addition as per the recent amendments to the SEBI Guidelines, QIBs are required to pay 10% margin amount upon submission of their Bids and the allocation to QIBs will be on a proportionate basis. For further details please refer the section titled "Terms of the Issue" on page no. 145 of the Red Herring Prospectus.

The process of book building, under SEBI Guidelines, is relatively new and the investors are advised to make their own judgment about investment through this process prior to making a Bid in the Issue.

Steps to be taken by the Bidders for bidding:

- Check whether he/she is eligible for bidding;
- Bidder necessarily needs to have a demat account; and
- Ensure that the Bid cum Application Form is duly completed as per instructions given in this Red Herring Prospectus and in the Bid cum Application Form.

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

Bidders can bid at any price within the price band. For instance, assuming a price band of Rs. 20 to Rs. 24 per share, issue size of 3,000 equity shares and receipt of five bids from bidders, details of which are shown in the table below. A graphical representation of the consolidated demand and price would be made available at the website of the BSE (www.bseindia.com) and NSE (www.nseindia.com) during the bidding period. The illustrative book as shown below shows the demand for the shares of our Company at various prices and is collated from bids from various investors.

ANKIT METAL & POWER LIMITED

Number of equity shares Bid for	Bid Price (Rs.)	Cumulative equity shares Bid for	Subscription
500	24	500	16.67%
1000	23	1500	50.00%
1500	22	3000	100.00%
2000	21	5000	166.67%
2500	20	7500	250.00%

The price discovery is a function of demand at various prices. The highest price at which the issuer is able to issue the desired quantum of shares is the price at which the book cuts off i.e., Rs. 21 in the above example. The issuer, in consultation with the BRLM will finalise the issue price at or below such cut off price i.e. at or below Rs. 21. All bids at or above this issue price and cut-off bids are valid bids and are considered for allocation in respective category.

The process of Book Building under SEBI Guidelines is relatively new and investors are advised to make their own judgment about investment through this process prior to making a Bid or Application in the Issue. Pursuant to the recent amendments to SEBI Guidelines, QIBs are not allowed to withdraw their Bids after Bid/ Issue Closing Date.

UNDERWRITING AGREEMENT

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

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

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

Name and Address of the Underwriters	Indicated Number of Equity Shares to be Underwritten	Amount Underwritten (Rs. in lacs)
Chartered Capital And Investment Ltd 711, Mahakant, Opp V S Hospital, Ellisbridge, Ahmedabad 380 006, Tel: +91-79-26575337, 26577571 Fax No. : +91-79-26575731 Email: amplipo@charteredcapital.net Website: www.charteredcapital.net Contact person: Mr. Manoj Kumar Ramrakhiani	[●]	[●]
[●]	[●]	[●]

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

In the opinion of our Board of Directors (based on a certificate dated [%] given by the Underwriters), the resources of the above mentioned Underwriters are sufficient to enable them to discharge their respective underwriting obligations in full. All the above-mentioned Underwriters are registered with SEBI under Section 12(1) of the SEBI Act or registered as brokers with the Stock Exchange(s). The above Underwriting Agreement has been accepted by the Board of Directors acting through our Chairman and Managing Director, at their meeting held on [●], and we have issued letters of acceptance to the Underwriters.

Allocation among Underwriters may not necessarily be in proportion to their underwriting commitments. Notwithstanding the above table, the BRLM, and the Syndicate Members shall be responsible for ensuring payment with respect to Equity Shares allocated to investors procured by them. In the event of any default in payment, the respective Underwriter, in addition to other obligations defined in the underwriting agreement, will also be required to procure/subscribe to the extent of the defaulted amount. Allocation to QIBs is proportionate as per the terms of this Red Herring Prospectus.

ANKIT METAL & POWER LIMITED

CAPITAL STRUCTURE

The Share Capital Structure of our Company as on date of filing this Red Herring Prospectus with SEBI/ROC is as below:

(Rs in lacs)

Share Capital		Aggregate Nominal Value	Aggregate Value
A.	Authorised Share Capital 3,50,00,000 Equity Shares of Rs.10/- each	3500.00	
B.	Issued, Subscribed and Paid-Up Share Capital before the Issue 2,09,75,500 Equity Shares of Rs.10/- each fully paid-up	2097.55	3849.05
C.	Issue in terms of this Red Herring Prospectus 1,19,00,000 Equity Shares of Rs.10/- each fully paid-up	1190.00	[●]
	Of which		
	Promoter's Contribution 23,10,000 Equity Shares of Rs.10/- each fully paid-up at a price of Rs [•] per equity share for Promoters group, Friends, Relatives and Associates#	231.00	[●]
	Employee Reservation Portion 11,90,000 Equity Shares of Rs.10/- each fully paid-up at a price of Rs [•] per Equity Share reserved for Employees	119.00	[●]
	Net Offer to Public 84,00,000 Equity Shares of Rs.10/- each fully paid-up at a Price of [•] each <i>Of which</i>	840	[●]
	(i) QIB Portion of not more than 42,00,000 Equity Shares (Minimum 10% to be compulsorily allotted to QIBs i.e. 8,40,000 Equity shares. In case of under subscription in this QIB portion the same shall not be available to other categories and the full subscription money shall be refunded.)	420	[●]
	(ii) Non-Institutional Portion of atleast 12,60,000 Equity Shares	126.00	[●]
	(iii) Retail Portion of atleast 29,40,000 Equity Shares	294.00	[●]
D.	Equity Share Capital after the Issue 3,28,75,500 Equity Shares of Rs 10/- each fully paid up Shares.	3287.55	[●]
E.	Share Premium Account Before the Issue After the Issue	1751.50 [●]	

The promoter contribution for 20,75,000 equity shares out of the total promoter contribution of 23,10,000 equity shares, has already been brought in by the promoters & promoter group of the company @ Rs.36/- per share being the higher end of the price band of Rs.30/- to Rs.36/-, before opening of the issue and the said fund has already been deployed. For details please refer note no.2 to the "Notes to Capital Structure".

History of change in Authorised Capital

Date	No. of Shares	Face Value	Authorised Capital	Particulars
7 th August, 2002	2,00,000	10	20,00,000	Incorporation
20 th August, 2003	20,00,000	10	2,00,00,000	Increase
20 th November, 2003	80,00,000	10	8,00,00,000	Increase
8 th November, 2004	1,30,00,000	10	13,00,00,000	Increase
29 th March, 2005	1,90,00,000	10	19,00,00,000	Increase
27 th February, 2006	2,50,00,000	10	25,00,00,000	Increase
28 th July, 2006	3,50,00,000	10	35,00,00,000	Increase

Our current authorised capital is sufficient to meet the requirements of the Issue.

Notes to Capital Structure

1. Share Capital history of the Company.

The current capital structure of the Company is built up as under.

Date of Allotment of Equity Shares.	No. of Shares	Face Value (Rs.)	Issue Price (Rs.)	Nature of payment	Reasons for allotment.	Cumulative Total Shares	Cumulative paid up capital.(Rs)	Cumulative Share Premium (Rs.)
07/08/2002	10000	10	10	Cash	Subscription to Memorandum	10000	100000	Nil
20/08/2003	105500	10	10	Cash	Further Issue	115500	1155000	Nil
30/11/2003	3345000	10	10	Cash	Further Issue	3460500	34605000	Nil
31/03/2004	2835000	10	20	Cash	Further Issue	6295500	62955000	28350000
06/10/2004	995000	10	20	Cash	Further Issue	7290500	72905000	38300000
29/03/2005	5620000	10	20	Cash	Further Issue	12910500	129105000	94500000
27/03/2006	8065000	10	20	Cash	Further Issue	20975500	209755000	175150000

2. The promoter contribution for 20,75,000 equity shares out of the total promoter contribution of 23,10,000 equity shares, has already been brought in by the promoters & promoter group of the company @ Rs.36/- per share being the higher end of the price band of Rs.30/- to Rs.36/-, before opening of the issue and the said fund has already been deployed. The details of the promoter contribution already received from promoters and promoter group are as under:

Name	No. of Shares	Amount (Rs in lacs)
Promoters:		
Suanvi Trading & Investment Co. Pvt. Ltd.	4,43,500	159.66
Invesco Finance Pvt. Ltd.	7,46,500	268.74
Rohit Patni	4,00,000	144.00
Friends, Relatives & Associates:		
Abhinandan Vanijya Pvt. Ltd.	50,000	18.00
Bakliwal Finvest Pvt. Ltd.	50,000	18.00
JRK Advisory Services Pvt. Ltd.	1,00,000	36.00
Jupiter Mercantile Pvt. Ltd.	50,000	18.00
Kamna Commercial Pvt. Ltd.	75,000	27.00
Kirti Stocks & Securities Ltd.	25,000	9.00
Nandishwar Fintrade Pvt. Ltd.	60,000	21.60
Sunita Devi Jain	25,000	9.00
Sreenath Finvest Pvt. Ltd.	50,000	18.00
Total	20,75,000	747.00

In terms of proviso to clause 4.9.1 of SEBI (DIP) Guidelines, 2000, cash flow statement for the deployment of promoters' contribution is mentioned here under.

Particulars	Amount (Rs. In lacs)
Repayment of Unsecured Loan	561.30
Building	15.00
Plant & Machinery	85.05
Misc. Fixed Assets	66.73
Preliminary & Pre-operative Expenses	18.92
Total	747.00

Promoter contribution for balance 2,35,000 equity shares will be brought in by the promoters, Promoters group, friends, relatives and associates at least one day prior to the issue opening date in terms of clause 4.9.1 of SEBI (DIP) Guidelines, 2000.

ANKIT METAL & POWER LIMITED

3. Promoters' Contribution and Lock-In period.

In terms of SEBI Guidelines, the shareholding of Promoters would be locked-in for a period of three years as follows:

Sr. No.	Name of Promoter	Date of Allotment/ Transfer/ when made fully paid up	Consideration (Cash, Bonus, Kind etc.)	No of Shares	Face Value	Issue / Purchase / Transfer Price	% Of Post Issue Capital	Lock in Period
1	Vasupujya Enterprises Pvt. Ltd							
	Allotment	27.03.2006	Cash	5625000	10	20	17.11%	3
2	Invesco Finance Pvt. Ltd							
	To be Alloted in the IPO	IPO Allotment	Cash	746500	10	[*]	2.27%	3
3.	Suanvi Trading & Inv Co. Pvt. Ltd							
	To be Alloted in the IPO	IPO Allotment	Cash	443500	10	[*]	1.35%	3
4.	Rohit Patni							
	To be Alloted in the IPO	IPO Allotment	Cash	400000	10	[*]	1.22%	3
	Total			7215000			21.95%	3

In terms of clause 4.14.1 of the SEBI Guidelines, in addition to the lock-in of 21.95% (minimum being 20% as per guidelines) of post Issue shareholding of the Promoter for three years (7215000 equity shares as mentioned above), the rest of entire pre-Issue share capital shall be locked-in for a period of one year. The lock in period shall commence from the date of allotment of Equity Shares in this Issue and the last date for the lock in shall be reckoned as three years from the date of commencement of commercial production or the date of allotment in the public issue whichever is later.

Details of the shares lock-in for a period of one year is as under:

Sr. No.	Name of Promoter	Date of Allotment/ Transfer/ when made fully paid up	Consideration (Cash, Bonus, Kind etc.)	No of Shares	Face Value	Issue / Purchase / Transfer Price	% Of Post Issue Capital	Lock in Period
PROMOTERS & PROMOTER'S GROUP:								
1	Vasupujya Enterprises Pvt. Ltd.							
	Allotment	29.03.05	Cash	4745000	10	20.00	14.43%	1 YEAR
2	Suanvi Trading & Investment Co. Pvt. Ltd.							
	Allotment	20.05.03	Cash	30000	10	10.00	0.09%	1 YEAR
	Allotment	29.11.03	Cash	105000	10	10.00	0.32%	1 YEAR
	Allotment	06.10.04	Cash	385000	10	20.00	1.17%	1 YEAR
	Allotment	27.03.06	Cash	1665000	10	20.00	5.06%	1 YEAR
3	Invesco Finance Pvt. Ltd.							
	Allotment	20.08.03	Cash	75000	10	10.00	0.23%	1 YEAR
	Allotment	29.11.03	Cash	250000	10	10.00	0.76%	1 YEAR
	Allotment	06.10.04	Cash	360000	10	20.00	1.10%	1 YEAR
	Allotment	27.03.06	Cash	500000	10	20.00	1.52%	1 YEAR
	Transfer	03.07.06	Cash	370000	10	14.60	1.13%	1 YEAR
4	Poddar Mech-Tech Services Pvt. Ltd.							
	Allotment	29.11.03	Cash	2190000	10	10.00	6.66%	1 YEAR
	Allotment	31.03.04	Cash	650000	10	20.00	1.98%	1 YEAR
	Transfer	19.10.04	Cash	500000	10	20.00	1.52%	1 YEAR
	Transfer	15.02.05	Cash	300000	10	20.00	0.91%	1 YEAR
5	Suresh Kumar Patni							
	Allotment	07.08.02	Cash	5000	10	10.00	0.02%	1 YEAR
	Transfer	03.07.06	Cash	500000	10	10.00	1.52%	1 YEAR

ANKIT METAL & POWER LIMITED

Sr. No.	Name of Promoter	Date of Allotment/ Transfer/ when made fully paid up	Consideration (Cash, Bonus, Kind etc.)	No of Shares	Face Value	Issue / Purchase / Transfer Price	% Of Post Issue Capital	Lock in Period
6	Sarita Patni							
	Allotment	20.08.03	Cash	100	10	10.00	0.00%	1 YEAR
	Transfer	27.03.06	Cash	300	10	10.00	0.00%	1 YEAR
	Transfer	03.07.06	Cash	375000	10	10.00	1.14%	1 YEAR
7	Rohit Patni							
	Allotment	07.08.02	Cash	5000	10	10.00	0.02%	1 YEAR
	Transfer	03.07.06	Cash	325000	10	10.00	0.99%	1 YEAR
8	Ankit Patni							
	Allotment	20.08.03	Cash	100	10	10.00	0.00%	1 YEAR
	Transfer	03.07.06	Cash	900000	10	10.00	2.74%	1 YEAR
9	Panchmukhi Agrochem Pvt. Ltd.							
	Allotment	31.03.04	Cash	225000	10	20	0.68%	1 YEAR
	Transfer	12.08.04	Cash	225000	10	20	0.68%	1 YEAR
	Transfer	12.01.05	Cash	665000	10	20	2.02%	1 YEAR
	SUB TOTAL (A)			15350500			46.69%	
FRIENDS, RELATIVES & ASSOCIATES								
1	ABHINANDAN VANIJYA PVT LTD.							
	To be allotted in the IPO	IPO Allotment	Cash	50000	10	[•]	0.15%	1 YEAR
2	BAKLIWAL FINVEST PVT LTD							
	To be allotted in the IPO	IPO Allotment	Cash	50000	10	[•]	0.15%	1 YEAR
3	JRK ADVISORY SERVICES PVT LTD							
	To be allotted in the IPO	IPO Allotment	Cash	100000	10	[•]	0.30%	1 YEAR
4	JUPITER MERCANTILES PVT LTD							
	To be allotted in the IPO	IPO Allotment	Cash	50000	10	[•]	0.15%	1 YEAR
5	KAMNA COMMERCIAL PVT LTD,							
	To be allotted in the IPO	IPO Allotment	Cash	75000	10	[•]	0.23%	1 YEAR
6	KIRTI STOCKS & SECURITIES LTD							
	To be allotted in the IPO	IPO Allotment	Cash	25000	10	[•]	0.08%	1 YEAR
7	NANDESHWAR FINTRADE PVT LTD							
	To be allotted in the IPO	IPO Allotment	Cash	60000	10	[•]	0.18%	1 YEAR
8	SUNITA DEVI JAIN							
	To be allotted in the IPO	IPO Allotment	Cash	25000	10	[•]	0.08%	1 YEAR
9	SREENATH FINVEST PVT LTD							
	To be allotted in the IPO	IPO Allotment	Cash	50000	10	[•]	0.15%	1 YEAR
10	Promoter group, friends, relatives and associates							
	To be allotted in the IPO	IPO Allotment	Cash	235000	10	[•]	0.71%	1 YEAR
	SUB TOTAL (B)			720000			2.19	
	TOTAL (A+B)			16070500			48.88%	1 YEAR

ANKIT METAL & POWER LIMITED

The Equity Shares will be locked-in for the periods specified above from the date of allotment of Equity Shares in this Issue. The Equity Shares to be locked-in for a period of three years have been computed as at least 20% of our equity capital after the Issue. The Promoters vide letters dated [] have given their consent for lock-in as stated above. The Promoter's contribution has been brought in to the extent of not less than the specified minimum lot of Rs. 25,000/- per application from each individual and Rs.1,00,000/- from companies and from persons defined as promoters under the SEBI Guidelines.

In terms of Clause 4.16.1(a) of the SEBI Guidelines, 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 Clause 4.14 of the SEBI Guidelines, subject to continuation of the lock-in in the hands of the transferees for the remaining period and compliance with SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 1997, as applicable. Further, in terms of clause 4.16(b) of the SEBI Guidelines, Equity Shares held by the Promoters may be transferred to and among the Promoter group or to a new promoter or persons in control of the Company subject to continuation of the lock-in in the hands of the transferees for the remaining period and compliance with SEBI (Substantial Acquisition of Shares and Takeover) Regulations, 1997, as applicable.

Locked-in Equity Shares held by the Promoters can be pledged with banks or financial institutions as collateral security for loans granted by such banks or financial institutions.

4. The following Directors hold Equity Shares in their individual capacity, as on the date of this Red Herring Prospectus:

Sr. No.	Name of Director	No. of Equity Share
1	Mr. Suresh Kumar Patni	5,05,000
2	Mr. Ankit Patni	9,00,100

5. The shareholding of the Directors of the Promoting Companies in AMPL are as follows:

Directors of Suanvi Trading & Investment Co. Pvt. Ltd

Sr. No.	Name of Director	No. of Equity Share
1	Mr. Suresh Kumar Patni	5,05,000
2	Mrs. Sarita Patni	3,75,400

Directors of Poddar Mech Tech Services Pvt. Ltd

Sr. No.	Name of Director	No. of Equity Share
1	Mr. Suresh Kumar Patni	5,05,000
2	Mrs. Sarita Patni	3,75,400

Directors of Invesco Finance Pvt. Ltd

Sr. No.	Name of Director	No. of Equity Share
1	Mr. Suresh Kumar Patni	5,05,000
2	Mrs. Sarita Patni	3,75,400

Directors of Vasupujya Enterprises Pvt. Ltd

Sr. No.	Name of Director	No. of Equity Share
1	Mr. Suresh Kumar Patni	5,05,000
2	Mr. Ankit Patni	9,00,100

6. Details of Shares held by Promoter and Promoter Group.

Sr. No.	Promoters	No. of shares	% of post issue capital
1	Mr. Suresh Kumar Patni	5,05,000	1.54
2	Mr. Ankit Patni	9,00,100	2.74
3	Mrs. Sarita Patni	3,75,400	1.14
4	Mr. Rohit Patni	3,30,000	1.00

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Sr. No.	Promoters	No. of shares	% of post issue capital
5	Vasupujya Enterprises Pvt. Ltd.	1,03,70,000	31.54
6	Suanvi Trading & Investment Co. Pvt. Ltd	21,85,000	6.65
7	Invesco Finance Pvt. Ltd	15,55,000	4.73
8	Poddar Mech Tech Service Pvt Ltd	36,40,000	11.07
9	Panchamukhi Agrochem Pvt. Ltd	11,15,000	3.39
	Total	2,09,75,500	63.80

7. Shareholding pattern of the Company.

The table below presents our shareholding pattern before and after the proposed Issue.

Particulars	Before the issue		After the issue	
	No. of shares	%	No. of shares	%
Promoters & Promoter's Group				
Promoters				
Mr. Suresh Kumar Patni	5,05,000	2.41	5,05,000	1.54
Mr. Ankit Patni	9,00,100	4.29	9,00,100	2.74
Mrs. Sarita Patni	3,75,400	1.79	3,75,400	1.14
Mr. Rohit Patni	3,30,000	1.57	7,30,000	2.22
Vasupujya Enterprises Pvt. Ltd.	1,03,70,000	49.44	1,03,70,000	31.54
Suanvi Trading & Investment Co. Pvt. Ltd	21,85,000	10.42	26,28,500	8.00
Invesco Finance Pvt. Ltd	15,55,000	7.41	23,01,500	7.00
Poddar Mech Tech Service Pvt Ltd	36,40,000	17.35	36,40,000	11.07
Sub Total (a)	1,98,60,500	94.68	2,14,50,500	65.25
Promoter's Group				
Panchamukhi Agrochem Pvt. Ltd	11,15,000	5.32	11,15,000	3.39
Promoters group, Friends, Relatives and Associates (in the present Public Issue)	—	—	7,20,000	2.19
Sub Total (b)	11,15,000	5.32	18,35,000	5.58
Sub Total (A = a + b)	2,09,75,500	100.00	23,285,500	70.83
Non-Promoter Group				
QIBs*	—	—	8,40,000	2.55
Other Public Category including Employees	—	—	87,50,000	26.62
Sub Total (B)	Nil	Nil	95,90,000	29.17
Total (A + B)	2,09,75,500	100.00	32,875,500	100.00

* This is the minimum no of shares compulsorily to be allotted to QIBs. In case of under subscription in this Qualified Institutional Buyers portion the same shall not be available to other categories and full subscription monies shall be refunded. All other investors including QIBs over and above the minimum QIB portion have been shown as "Other Public Category".

8. Equity Shares held by top ten shareholders

The list of top 10 shareholders of the Company and the number of Equity Shares held by them on the date of filing of this Red Herring Prospectus with ROC is as under:

Sr. No.	Name	No. of Shares	% of paid up capital
1	Vasupujya Enterprises Pvt. Ltd.	10370000	49.44%
2	Poddar Mech Tech Service Pvt Ltd	3640000	17.35%
3	Suanvi Trading & Investment Co. Pvt. Ltd	2185000	10.425

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Sr. No.	Name	No. of Shares	% of paid up capital
4	Invesco Finance Pvt. Ltd	1555000	7.41%
5	Panchamukhi Agrochem Pvt. Ltd	1115000	5.32%
6	Ankit Patni	900100	4.29%
7	Suresh Kumar Patni	505000	2.41%
8	Sarita Patni	375400	1.79%
9	Rohit Patni	330000	1.57%
10	—		
	TOTAL	20975500	100.00%

The list of top 10 shareholders of the Company and the number of Equity Shares held by them 10 days prior to the date of filing of this Red Herring Prospectus with ROC is as under:

Sr. No.	Name	No. of Shares	% of paid up capital
1	Vasupujya Enterprises Pvt. Ltd.	10370000	49.44%
2	Poddar Mech Tech Service Pvt Ltd	3640000	17.35%
3	Suanvi Trading & Investment Co. Pvt. Ltd	2185000	10.425
4	Invesco Finance Pvt. Ltd	1555000	7.41%
5	Panchamukhi Agrochem Pvt. Ltd	1115000	5.32%
6	Mr. Ankit Patni	900100	4.29%
7	Mr. Suresh Kumar Patni	505000	2.41%
8	Mrs. Sarita Patni	375400	1.79%
9	Mr. Rohit Patni	330000	1.57%
10	—		
	TOTAL	20975500	100.00%

The list of our top 10 shareholders and the number of Equity Shares held by them two years prior to the date of filing of this Red Herring Prospectus with ROC is as under:

Sr.No.	Name	No. of Shares	% of paid up capital
1	Vasupujya Enterprises Pvt. Limited	4745000	36.75%
2	Poddar Mech Tech Pvt. Ltd	3640000	28.19%
3	Panchmukhi Agrochem Pvt. Ltd	1485000	11.50%
4	Invesco Finance Pivate Limited	685000	5.31%
5	Suanvi Trading & Investment Co. Pvt. Ltd	520000	4.03%
6	Rgf Real Estate Private Limited	500000	3.87%
7	Kamana Commercial Pvt. Limited	250000	1.94%
8	Pujita Knittings Pvt. Limited	125000	0.97%
9	Sunima Credit Pvt. Limited	125000	0.97%
10	Hooghly Vinimay Private Limited	100000	0.77%
10	Baid India Private Limited	100000	0.77%
10	Nkp Fincom Private Limited	100000	0.77%
10	Stronch Trade Pvt. Limited	100000	0.77%
	TOTAL	12475000	96.63%

9. None of our Promoters, member of promoter group or Directors have purchased or sold any Equity Shares, during the period of six months preceeding the date on which this Red Herring Prospectus is filed with SEBI.
10. Neither the Company, its Promoters, its Directors, nor the BRLM have entered into any buy-back and/or standby arrangements for purchase of Equity Shares of the Company offered through this Red Herring Prospectus.

11. A Bidder cannot make a bid for more than the number of Equity Shares offered through the issue, subject to the maximum limit of investment prescribed under relevant laws applicable to each category of investor.
12. In case of under subscription in the reserved category, the same shall be added back to the net offer to the public. In case of over subscription in the reserved category, excess shall be made from shortfall if any, in the Retail and Non- Institutional category (i.e. shortfall in the retail or non-institutional category shall be first adjusted against excess demand in the non-institutional or retail category respectively and the balance shortfall if any, shall be available to the reserved category).
13. In the case of over-subscription in all categories, upto 50% of the Net Offer to Public shall be allocated on a proportionate basis to Qualified Institutional Buyers, of which 5% shall be reserved for Mutual Funds. Further, not less than 15% of the Net Offer to Public shall be available for allocation on a proportionate basis to Non Institutional Bidders and not less than 35% of the Net Offer to Public shall be available for allocation on a proportionate basis to Retail Individual Bidders, subject to valid bids being received at or above this Issue Price. Under-subscription, if any, in any of the categories would be allowed to be met with spill over from any other category at the sole discretion of our Company in consultation with the BRLMS. In case of inadequate demands from the Mutual Funds, the Equity Shares would be made available to QIBs other than Mutual Funds.
14. Only Eligible Employees would be eligible to apply in this issue under Employee Reservation Portion on a competitive basis. Separate bid-cum-application Forms can be submitted by Eligible Employees under the Net Offer to Public category as well and such bids will not be treated as multiple bids. The unsubscribed portion, if any, out of the Equity Shares reserved for allotment to Eligible Employees of our Company will be added back to the Net Offer to Public.
15. The un-subscribed portion, if any, in the reserved category shall be added back to the Net Offer to Public. And in case of under-subscription in the Net Offer to Public portion, spill over to the extent of under-subscription shall be permitted from the reserved category to the Net Offer Portion.
16. Specific written consents have been obtained from Promoter(s)/ Promoter Group/ Person acting in concert, for inclusion of their securities as part of Promoter/Promoter Group subject to lock-in.
17. In case of over-subscription, allotment will be on proportionate basis as detailed in Para on "Basis of Allotment". An over-subscription to the extent of 10% of the Net Offer to Public can be retained for the purpose of rounding off to the nearer multiple of 190 Equity Shares (which is minimum allotment lot), while finalizing the allotment.
18. In terms of the clause 8.6.2 of SEBI (Disclosure & Investor Protection) Guidelines, 2000, the Securities offered through this Public Issue shall be made fully paid up or may be forfeited within 12 months from the date of the allotment of the Securities.
19. The Company has not raised any bridge loan against the proceeds of the Issue.
20. Our Company does not have any ESOS/ESPS scheme for our employees and we do not intend to allot any shares to our employees under ESOS/ESPS scheme from the proposed issue. As and when, options will be granted to our employees under the ESOP scheme, our Company shall comply with the SEBI (Employee Stock Option Scheme and Employees Stock Purchase Plan) Guidelines 1999.
21. The company presently does not have any intention or proposal to alter its capital structure for a period of six months from the date of opening of the issue, by way of split/consolidation of the denomination of Equity Shares or further Issue of Equity Shares (including issue of securities convertible into exchangeable, directly or indirectly for Equity Shares) whether preferential or otherwise, except that the company may issue options to its employee pursuant to any employee stock option plan, or if the company goes for acquisitions and joint ventures it might consider raising additional capital to fund such activity or use share as currency for acquisition and/or participation in such joint venture.
22. The company has not issued any Equity shares out of revaluation reserves or for consideration other than cash.
23. At any given point of time, there shall be only one denomination for the Equity Shares of the Company and the Company shall comply with such disclosure and accounting norms specified by SEBI from time to time.
24. The company has 9 members as on the date of filing of the Red Herring Prospectus with SEBI.
25. There are no outstanding warrants, options or rights to convert debentures, loans or other instruments into Equity Shares.
26. The equity shares to be held by the Promoters, Promoter's group and Persons acting in concert under the lock-in period shall not be sold / hypothecated / transferred during the lock-in period. However, inter se transfers between themselves as such would be permitted, provided that the requirement of lock-in period guidelines continues to apply.

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- 27.** The locked-in Equity Shares held by the Promoters can be pledged only with banks or financial institutions as collateral security for loans granted by such banks or financial institutions, provided the pledge of shares is one of the terms of sanction of loan. However if securities are locked in as minimum promoters' contribution locked-in for a period of 3 years, the same may be pledged, only if, in addition to fulfilling the requirements of this clause, the loan has been granted by such banks or financial institutions for the purpose of financing one or more of the objects of the issue.
- 28.** Applications should be for minimum of 190 Equity Shares and in multiples of 190 Equity Shares thereafter. An applicant in the net public category cannot make an application for that number of Equity Shares exceeding the number of Equity Shares offered to the public. In case of reserved categories, a single applicant in the reserved category can make an application for that number of Equity Shares that exceeds the reservation.
- 29.** In case of Under-subscription in the minimum Qualified Institutional Buyers portion (i.e. subscription less than 10% mandatory of the net offer to the public), the same shall not be available to other categories and full subscription monies shall be refunded.
- 30.** Further, spill over from QIBs' category, shall, at the sole discretion of the Company in consultation with the Lead Managers, be allowed to meet under-subscription, if any, in categories for Non-Institutional Investors and Retail Individual Investors. Also, unsubscribed portion in either of Non-Institutional Investors or Retail Individual Investors category shall be added to the other category interchangeably.
- 31.** As on the date of this Red Herring Prospectus, none of the Equity Shares in the Company is partly paid up.
- 32.** Except as disclosed herein, there would be no further issue of capital whether by way of issue of bonus shares, preferential allotment, rights issue or in any other manner during the period commencing from submission of Red Herring Prospectus with SEBI until our Equity Shares to be issued in terms of this Red Herring Prospectus have been listed.

OBJECTS OF THE ISSUE

The Objects of the Issue are to raise capital for part financing our Integrated Steel plant at Chhatna, Jorehira, Bankura (West Bengal), general corporate purposes, meeting the expenses of this Issue and creating a public trading market for the Equity Shares of the Company by listing them on the Stock Exchanges.

The net proceeds from the Issue after deducting underwriting Commission and management fees, brokerage, fees to various advisors and all other Issue related expenses are estimated at Rs.[*] lacs. The Issue Amount will be determined based on the Issue Price discovered through the Book Building process.

Funds Requirement

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

1. To part finance the Integrated Steel Plant consisting of the following modules:

Phase-I	Phase-II	Phase-III
Sponge Iron Plant	Steel Melting Shop including Induction furnaces & Concaster, Re-rolling Mill, and 8.5 MW Waste Heat Recovery based Captive Power Plant	4 MW AFBC based Captive Power Plant

2. To utilise funds for general corporate purposes.

The general corporate purpose also includes capital expenses for iron ore and coal mining, the repayment of any unsecured loans raised and internal accrual, if any, for the purpose of the proposed project,

3. To meet the Public Issue Expenses.

4. The other object of the issue is to get the Shares listed on Bombay Stock Exchange Limited (BSE).

The main object clause and objects incidental or ancillary to the main object clause of the Memorandum of Association of the Company enables the Company to undertake the existing activities and the activities for which the funds are being raised through the present issue. We, further confirm that the activities of the company carried out until now are in accordance with the object of the Memorandum of Association of the company.

Integrated Steel Plant

The company is setting up an integrated steel plant at Chhatna, Jorehira, Bankura (West Bengal). The cost of the project as appraised by the Banks was estimated at Rs.12198.00 lacs. The various modules of the project, their individual capacities and their current status are given below.

Particulars		Capacity	Cost (Rs. in lacs)
Phase-I			
1	Sponge Iron Plant (Revised*)	350 TPD	3825.00
Phase-II			
1	Steel Melting Shop (Induction Furnaces & Continuous Casting Machine)	65140 TPA	6677.00
2	Re-rolling Mill	100000 TPA	
3	Waste Heat Recovery Based (WHRB) Captive Power Plant	8.5 MW	
Phase-III			
1	Atmospheric Fluidised Bed Combustion (AFBC) based Captive Power Plant	4 MW	1696.00
Grand Total			12198.00

*The original Cost of Sponge Iron Unit (Phase-I) was Rs.28.64 crores which has been further revised, assessed and appraised at Rs.38.25 crores. The variation in capital cost of the project is mainly on account of the following factors:

- 1) Increase in steel prices during the implementation period,
- 2) Additional cost of pollution equipments which had to be installed to meet the new/revised guidelines,
- 3) Increase in the plant capacity from 300 TPD to 350 TPD.

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The first stage comprising of Sponge Iron unit of the Company was delayed by 6 months and started production in October, 2005 due to the installation of additional equipments as per the Pollution Control Board's requirement and increase in the production capacity from 300 MT per day to 350 MT per day. The Induction/ Billet unit has also started its production from January, 2006, with a delay of 3 months, which is in line with the commencement of production of the Sponge Iron unit. However, as per further revised schedule, the commercial production of Re-rolling Mill and WHRB Captive Power Plant are estimated to be commenced from July, 2007, with a delay of nine month mainly because of delay in receipt of turbine and other equipments. The Commercial operations of the 4 MW AFBC Captive Power Plant is expected to commence in July, 2007.

COST OF PROJECT AND MEANS OF FINANCE

The net proceeds of the Issue after deducting underwriting and management fees, selling commissions and all other Issue expenses payable by us are estimated at approximately Rs.[•] lacs. For details of the Issue expenses, see the section titled "Other Regulatory and Statutory Disclosures – Public Issue Expenses" on page 140 of this Red Herring Prospectus. The total estimated fund requirement is as follows:

(Rs in lacs)

A: Integrated Steel Plant at , Chhatna, Jorehira, Dist Bankura, West Bengal (As appraised by the Banks)				
Particulars	Phase-I	Phase-II	Phase-III	Total
	Sponge Iron Project (Revised)	SMS, 8.5 MW Power plant & Rolling Mill	4 MW AFBC Power Plant	
Land & Building (including civil structure)	466.00	624.00	227.00	1317.00
Plant & Machinery	2013.00	3839.00	1255.00	7107.00
Misc. Fixed Assets	990.00	898.00	0.00	1888.00
Technical Consultancy charges	23.00	30.00	32.00	85.00
Prel. & Pre-op Expenses	18.00	388.00	93.00	499.00
Contingencies	0.00	266.00	51.00	317.00
Working Capital Margin	315.00	632.00	38.00	985.00
Total	3825.00	6677.00	1696.00	12198.00
B: Additional Capital Expenditure				
Additional Capital Expenses for Rolling Mill*				700.00
Misc. spare parts & accessories				220.00
C: Additional Expenditure due to time overrun				
Prel. & Pre-op Expenses**		358.00	57.00	415.00
D: General Corporate Purpose				[•]
E: Public Issue Expenses				[•]
GRAND TOTAL (A+B+C+D+E)				[•]

* The additional Capital Expenditure of Rs.700.00 lacs was incurred because originally the company has conceived a semi - automatic Rolling Mill of 60000 tons per annum in the project and now, the company has shifted to fully automatic plant with a higher capacity (100000 Tons) with a view to reduce cost mainly due to higher production & saving in Power & Lubricants. The company had to go for bigger furnace with sophisticated burners in the heating system and DC Motors with thyristor DC drives and hydraulic mechanization in place of mechanical to reduced rejection.

** The completion of the project has been delayed due to delay in supply of equipments by the equipment suppliers. Further, the mobilization of the public issue funds was also delayed beyond estimates in view of the time taken to receive all the necessary statutory approvals and clearances. This has resulted in increased incidence of interest and other preliminary and pre-operative expenses during the extended construction period. The total impact of cost over run on this count is estimated at Rs. 415 lacs.

MEANS OF FINANCE

The Project is proposed to be funded from Promoter's contribution, contribution by Promoter group, friends, relatives and associates, Public Issue and term loans from Banks/Financial Institutions.

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The proposed means of the finance for the Project is as under:

(Rs in Lacs)

	Particulars	Amount	Total Amount
A.	Equity		
	Promoter's Contribution(already allotted)(Share capital+Share Premium)		3849.05
	Offer through this Red Herring Prospectus which includes:		
	1. Contribution by Promoters group , friends, relatives and associates	[●]	
	2. Employees	[●]	
	3. Net offer to the Public	[●]	[●]
	Total Equity (A)		[●]
B.	Term Loans from Banks*		6515.00
	Total Term Loan from Banks (B)		6515.00
	Total (A+B)		[●]

In case of any variations in the actual utilization of funds earmarked for the above activities, increased fund deployment for a particular activity will be met from the internal accruals of the Company.

* The Banks have sanctioned additional amount of Rs 515.00 lacs as term loan assistance with Rs.215.00 lacs being sanctioned by Syndicate Bank and Rs.300.00 lacs being sanctioned by Andhra Bank after the filing of the Draft Red Herring Prospectus to meet a part of the capital cost of the project.

No part of the issue proceeds is to be paid as consideration to promoters, directors, key management personnel, associates or group companies.

MAJOR COST HEADS

LAND & BUILDING (INCLUDING CIVIL STRUCTURE)

Land & Site Development

The project is situated at Jorehira, Mouza Burat (J. L. No. 34) & Jorehira (J. L. No. 35), P. S. Chhatna, district Bankura in the state of West Bengal. Total land acquired is 32.51 acres, which is appropriate for our existing & proposed plant and raw material storage facilities. The cost of the land including site development is Rs.145.00 lacs (inclusive of stamp duty). The cost includes expenses incurred towards land leveling; digging bore wells, construction of internal roads, construction of boundaries, plantation and development of green area. The land acquired is free from any encumbrance and we have clear title for the same. No approval relating to land is required from any authority.

Building & Civil Construction

The buildings and other civil work comprise of steel structures of welded construction like main klin structure, main furnace bays, main working platforms, charging platforms, top floor winch mechanism, finished goods stripping storage shed, raw material storage charging shed and platform, main power plant structure, raw material handling system etc. Apart from these, there are also some RCC constructions, which include LT Rooms, Substations, Pump Room, Compressor Room, Control Room, Administrative Building, and DG Room etc. The total estimated cost of the Building & Structures is Rs.1219.36 lacs.

PLANT & MACHINERY

Sr. No.	List Of Equipment	Qty. As Per Dpr	Projected Cost	Name Of The Supplier	Qty. Ordered	Qty. Received	Order Value	Date Of Order/ Quotation	Date/ Expected Date Of Supply
				Sponge Iron Unit					
	Rotary Kiln With Cooler	1	981.05	Kitty Steels Ltd	1	1	846.81	7.10.03	Received
				Sen Industries			54.05	18.3.04	Received
				Pilania Road Carrier			6.53		Received
				ZKL Bearing (I) Pvt. Ltd.	38	38	9.13	3.3.04	Received
				ZKL Bearings (I) Pvt. Ltd.			6.56		Received
				Pioneer Road Carrier			29.47		Received
	Refractory		173.98	ACC Ltd	995	995	173.98	26.9.04	Received

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Hydraulic Systems	1		Static Hydraulic Pvt. Ltd	700		4.32	16.7.04	Received
Pneumatic Cylinders	50	7.29	Veljan Hydrair Pvt. Ltd	48	48	2.96	23.7.04	Received
Fans & LDO / HSD Oil Injection Pump	3.96							
Kiln Feed Tubes Etc.	1	43.67	Nitin Castings Ltd	35	35	47.63	27.1.04	Received
Wet Scrappers		17.24	Enviro Abrasion	2	2	17.24		Received
Air Blowers & Dampers		5.15	Pelican Kinematics	20	20	5.15		Received
Metalic Slip Rings		8.56	Raipur Rotocast Ltd	68	68	8.56	14.7.04	Received
Mag. Seprator, Elec. Slipring			Electro Zavod	3	3	14.88	14.7.04	Received
D.P. Valve & D.P Flaps		18.66	Electro Zavod	4	4	3.78	20.2.04	Received
Gearbox & Coupling		126.79	Flender Limited	10	10	71.42	20.5.04	Received
Material Handling Equipment		468.577	Somi Conveyor Beltings Ltd			30.95	06.07.04	Received
			Ashoka Industries			2.71	06.09.04	Received
			Beltco			0.50	29.01.05	Received
			Chakraborty Engg. Enterprises			10.00	18.03.04	Received
			Eccoman			61.70	30.01.04	Received
			Ecoman			8.47	17.10.04	Received
			Flexocon Engineers			1.37	03.01.05	Received
			International Combustion			22.26	30.01.04	Received
			International Combustion			4.57	29.10.04	Received
			International Combustion			1.55	06.10.04	Received
			International Combustion (I) Ltd.			0.77	01.02.05	Received
			Jantrick Enterprise			3.65	01.02.05	Received
			Premium Energy Transmission			15.96	06.11.04	Received
			S.K. Industries			19.16	06.08.04	Received
			S.K. Industries			3.34	03.01.05	Received
			S.K. Industries			5.08	30.03.05	Received
			Deby Construction			3.50	21.02.04	Received
			New Supercraft Syndicate			7.50	18.03.04	Received
			Schenck Johnson & Nicholson			29.03	12.01.04	Received
Other Mis. Plant & Machinery		158.07	Various Other Suppliers			264.99		Received
			Interest Capitalisation			213.44		
		2013.00	Total			2013.00		

BILLET DIVISION

1	3000kw /7000 Kg Medium Frequency Induction Furnace Comprising Of A) 3 Nos Furnance Crucible Of 7000 Kg Capacity	3	296.96	Megatherm Electronic Pvt. Ltd.			261.38	04.10.04	Received
2	Air Dryer	1	6.84	N.C.Associates	3	3	39.94		Received
3	25/7.5 Eot Crain	1	47.93	Ishani Electronice P. Ltd.	0		0.00		
	15/7.5 T Eot Crain	2	79.45	Wmi Cranes Limited	2	2	142.87	02.10.-04	Received
	7.7. T Eot Crain	0	0.00	Tubro Furguson (India) Pvt. Ltd.	1	1	23.22	27.12.04	Received
4	Continuous Casting Machine & Gas Cutting Machine	1	220.29	Tubro Furguson (India) Pvt. Ltd.	1	0	15.12	16.02.05	Received
		1		Techno Crafters	1	1	218.33	13.10.04	Received
		1			0	0	0.00		
5	Cooling Tower	1	14.06	Southern Colling Towers Pvt. Ltd.	3	3	5.44	29.12.04	Received
6	Air Compressor	3	67.09	Chicago Pneumatic	1	1	2.43	22.09.05	Received
7	Horizontal Ladel Pre Heating 30 ton Capacity Along With Motor	1	5.95	K.N.Thermal Engineers (P) Ltd.	1	1	2.86	27.12.04	Received
	Vertical Ladel Pre Heating 30 ton Capacity Along With Motor	1	5.31	Vikas Iron & Steel Co.	6	6	10.54	01.02.05	Received
8	Slide Gate System	1	23.14	Intermetal Engg. (I) Pvt. Ltd.	1	1	10.21	04.10.04	Received
9	Refractories		26.80	Mortex India	1		2.06	30.08.05	Received
				National Refractories	1	1	59.05	30.08.05	Received
10	Temperature Record System	1	2.89	SSS Technical Services Pvt. Ltd.	1	1	3.71	27.12.04	Received
11	Magnet		10.65	Sainart Devices	2	2	17.69	28.10.04	Received
				Sainart Devices	1	1	6.77	28.10.04	Received
	Total		807.36				821.62		

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RE-ROLLING MILL

1 To 11	Complete Rolling Mill	1	442.87	Rana Udyog Private Limited	1	0	1028.27	02.05.05 / 31.03.05	Almost Received
				Rana Udyog Private Limited			155.69	28.05.05	
12	Motors	35		Kirloskar Electric Co. Ltd.	35	0	109.29	12.11.05 / 16.09.05	Received
13	Motors	1	90.78	Integrated Data System	1			14.12.05/	June, 07
	Total		533.65				1293.25		

WHRB & AFBC CAPTIVE POWER PLANT

Sr. No.	List Of Equipment	Qty. As Per Dpr	Projected Cost	Name Of The Supplier	Qty. Ordered	Qty. Received	Order Value	Date Of Order/ Quotation	Date/ Expected Date Of Supply
1	1 X 37.5 Tph, 67 Ksc (A), 485C WHRB Incl Esp., Deaerator, Instrumentation And Control, ID Fan, Pumpsboiler Including Feed Pump	1	930.00	Cethar Vessels (P) Ltd. ETS Elex (India) P. Ltd. ETS Elex (India) P. Ltd.	1	0	1344.01 88.915 54.44	11.07.05 / 01.07.05 04.05.04 31.03.06 / 31.10.05	Almost Received Received Received
	1 X 25 Tph, 66 Ksc (A) Pressure, 495+/- 5 Deg. C Sh Steam Temperature FBC Boiler Errection & Commisiion		522.63 38.50	Steel Authority Of India Limited Goyal Global Steel Supplier			18.5 35.7	10.08.06 16.08.06	Received Received June, 07
2	Boiler Structural 1 X 12 Mw Bleed Cum Condensing Turbo Generator Unit (TG Set Including Commissioning)	1	1155.75	Choudhary Engineers Triveni Engineering & Industries Ltd.	1	0	4.52 734.83	18.07.06 / 11.07.06 4.05.05 / 03.05.05	Received Received
				Sulzer Pumps India Ltd. Areva T & D	3	0	36.29 10.88	06.09.05 15.11.05 / 14.09.05	Received Received
				Jaksons Ltd. Ravi Industries			97.00 27.22	12.08.06 / 04.07.06 16.05.06 / 20.01.06	June, 07 Received
				Siemans Ltd. Siemans Ltd. Kirlshkar Electric			70.16 36.00 96.77	05.08.06 / 05.07.06 /13.05.06 5.08.06 / 25.07.06	Received Received Received
				Paharpur Cooling Tower Ltd.			54.79	1.06.06 / 25.01.06	Received
3	Air Cool Condenser	1	420.00	Paharpur Cooling Tower Ltd.	1	0	550.43	16.07.06 / 15.07.05	Almost Received
	Cooling Tower With Pump	1	16.00						
	Cooling Water Pumps		15.00						
4	Ash Handling System		35.00	Macawber Beekay Pvt Ltd			48.09	16.01.06 / 31.10.05	Received
5	High Presure Steam Piping & Valves & Supports Incl. Prds		25.00	KSB Pumps Ltd.			17.90	26-06-06 / 29.05.06	Received
	Piping System With Control Values		36.00	Steamline Industries Anupam Metals (India)			6.25 23.75	02.01.200 31.10.06	Received Received
6	Auxl Steam Piping, Cooling Water Piping, Air Piping		20.00	Gpr Poer Solution P. Ltd.			20.00	/ 12.09.06	June-07
7	Water Treatment Plant		64.00	Kemtex India Ltd.			28.12	4.08.06 / 27.07.06	Received
	Raw Water Treatment Plant		8.00						
8	Tankage For Dm Water		7.00	Choudhary Engineering			7.00	02.10.06 / 18.09.06	Received
9	Air Conditioning For Control Room		5.00	Carrier Aircon Ltd.			5.00	04.02.07 / 16.09.06	Received

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Sr. No.	List Of Equipment	Qty. As Per Dpr	Projected Cost	Name Of The Supplier	Qty. Ordered	Qty. Received	Order Value	Date Of Order/ Quotation	Date/ Expected Date Of Supply
10	Air Compressor		12.00	Chicago Pneumatics			26.00	8.05.06 / 20.02.06	Received
			12.00						
11	Fire Protection System		30.00	Mather & Platt			30.00	/20.08.06	June, 07
	Dcs System For Plant Control		55.00	Yokogawa India Ltd			54.00	/22.08.06	Received
14	15 T Hot Crain For Turbine Hall		12.00	Grip Engineers			23.83	8.06.06 / 11.11.05	Received
	Overhead Crane & Related Structure		15.00						
15	Steam Dumping System With Hydraulic Valves		50.00	Forbes Marshall			30.00	30.10.06 / 04.09.06	Received
	Power Plant Building- Pcc, Rcc		69.00	Dutsan G Enggineers Pvt Ltd			69.00	17.09.05 / 17.09.05	Completed
18	Boiler, Turbogenerator, Pumps- Pcc, Rcc		87.18	Dutsan G Enggineers Pvt Ltd			87.18	17.09.05 / 17.09.05	Completed
19	Ash Silo & Misc. Foundations		20.84	S.g.engginerring Enterprises			7.23	20.04.06/ 20.03.06	Received
				Sail			15.00	10.08.06	Received
20	Electrical System		43.55	Centom Construction			2124.10.06/11.09.06		Received
21	Firest Fill Lub Oil		2.00	Cethar Vessels (P) Ltd.			2	June, 07	
	Total		3753.02				3782		
	Grand Total		7107				7910*		

MISCELLANEOUS FIXED ASSETS

Sponge iron unit

LIST OF EQUIPMENT	PROJECTED COST
Electrical installation	
POWER SUBSTATION	
DESIGINING OF SUB STATION	17.75
SUPERVISION CHARGES	5.50
CT & PT	4.91
ONLINE UPS ELE.FITTING	1.81
LIGHTING ARRESTOR	2.14
SF6 CIRCUIT BREAKER	6.05
33 KV VCB INDOOR	11.61
33 KV VCB	2.90
ISOLATOR & EARTH SWITCH	1.93
33 KVA TRANSFORMER	12.68
1000 KV TRANSFORMER	10.29
PVC CABLE	0.03
Others	
CABLES	10.19
ELECTRICAL INSTALLATION	7.45
CABLES	75.98
DC MOTORS & DRIVES	20.99
HEAT RESISTENCE & SCREENED CABLE	8.42
PLC & MCC	69.79
VARIOUS SWITCHES	15.73

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LIST OF EQUIPMENT	PROJECTED COST
POLLUTION CONTROL EQUIPMENTS	
ESP & GCT	88.92
BAG FILTERS & FANS	24.26
GAS COOLING SYSTEM	70.16
ID FAN	10.28
FABR.- RECUPERATOR/ CHIMENY	0.00
FABR.& EREC. OF ESP STRUCTURE	18.00
FABR. & ERCT. OF POLUT. EQUIP.	5.00
FABRICATION OF GCT	0.00
HIRING CHARGES	0.00
FABR.& EREC. OF POLUT. EQUIP.	38.00
EXPANSION JOINTS	3.43
DAMPERS	2.85
EXPANSION JOINTS FOR ESP	3.61
INSULATION OF ESP	7.20
ROTARY AIR LOCK	2.00
REFRACTORIES FOR GCT	3.39
SLIDING BEARING	1.14
Other mis. items	120.47
Others	
1000 KV DG SET	54.47
ELECTRONIC WEIGHBRIDGE	6.10
DG SET 125 KVA	5.09
60 TON WEIGH BRIDGE	8.03
250 KV DGSET	9.40
ELECTRICAL MOTORS	44.95
MOTORS	2.78
Other mis. items	120.66
other mis. assets	53.66
Total	990.00

Billet Casting Unit

LIST OF EQUIPMENT	QTY. AS PER DPR	PROJECTED COST
TRANSFORMER	1	7.69
LABORATORY EQUIPMENTS	1	7.42
POLLUTION CONTROL EQUIP.	1	36.84
250 KV DGSET	1	10.57
PLATE HEAT EXCHANGER	1	2.77
WATER DISTRIBUTION SYSTEM, MOTORS, PUMPS, SOFTNING AND D. M. PLANT		11.12
CABLES, PANES, SWITCHES	1	84.57
FURNITURE & OFF. EQUIP.	1	5
FURNITURE & OFF. EQUIP.		
FIRE FIGHTING EQUIP.	1	2.08

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LIST OF EQUIPMENT	QTY. AS PER DPR	PROJECTED COST
CHARGING SKIPS	1	14.35
C.I.INGOT MOULD	2	20.5
SURARC AF-455 FULLY	1	1.25
LECO GDS500A GLOW DI	1	0.68
60 TON WEIGH BRIDGE	0	0
LOADER, DUMPER, VEHICLE	0	0
INDUCTION FURNACE		
FURNITURE		
GROUP TOTAL		204.84

Re Rolling Plant

LIST OF EQUIPMENT	PROJECTED COST
quality control laboratory equipments 60 ton u testing machine hardness tester carbon sulphur apparatus common balances ,muffle furnaces ,chemical laboratory and glass waxes etc	5
5000 kva 11/0440v con transformer with all accessories	15.83
vaccum circuit breaker Alstom make 1250amps with 1 no. incoming & 3 nos.outgoing panels	14.59
Pcc & Mcc Incomer & outgoing	51.01
liquid starter	0.67
l.t.& h.t busher ,cables xlpe point boxes & cables	13.29
pollution control equipment	12.96
water pump for re circulation of water along with water pipe	5.41
d.g.set of 125kva	2.00
margin money for bank guarantee for power deposit & service connection	40.00
1 no. 8mtr continuous pump	78.42
refractory lining for the al	24.13
45mtr high chimney	30.16
heavy duty precision qua including other accessories	4.07
heavy duty precision gear milling machine including others accessories	2.61
heavy duty sharpening mac including other accessories	1.93
Total	302.08

Power Plant (8.5 MW WHRB Captive Power Plant of Phase-II and 4.0 MW AFBC Captive Power Plant of Phase-III)

LIST OF EQUIPMENT	PROJECTED COST
Generator & All Generator accessories	30.00
1 x 1.6 & 1 X 2.5 MVA distribution transformers	15.00
LT Bus Ducts 415 V , 2500 A	7.00
HT XLPE cables including termination kits	7.00
LT cables, control cables etc.	30.00
LT panels (MCC,PCC including LT contract for installation of all items like fighting ,cabling etc)	55.00
Harmonic filter & capacitor bank	35.00
lighting & electrical installation	30.00
Earthing & lighting protection	5.00
VFD drive system	15.00
Battery ,Battery charger & UPS system	10.00
Plant communication system	2.00
Cost of water pipeline from river bed to site for steam	150
Total	391.00

The company has not brought or does not propose to buy any second hand Plant & Machinerries out of the Issue Proceeds.

TECHNICAL CONSULTANCY CHARGES

The Company has made arrangement with reputed technical consultants, M/s. Industrial Technical Consultants of Raipur, for Sponge Iron Plant, M/s. Shaktipunj Engineers Pvt. Ltd. of Raipur and M/s. AKB Power Consultants Pvt. Ltd. of Kolkata, for Captive Power Plant, who will provide technical assistance in setting up the project; stabilization of various production parameters, maintaining the production schedule and training of the personnel about production and finally trial runs at the plant. The technical services include know-how and basic engineering, design, engineering and drawing, procurement assistance and inspections, project monitoring etc. The total cost for availing the technical services is estimated at Rs.85 lacs.

(Rs. In lacs)

Particulars	Projected Cost	Name Of The Party	Actual Value	Date
Sponge Iron	23	Industrial Technical Consultant	23.00	22.07.2003
Steel Melting Shop, re-rolling Mill, and WHRB Captive Power Plant	30	Shaktipunj Engineers Pvt. Ltd.	16.84	14.06.2005
		AKB Power Consultant Pvt. Ltd.	1.57	16.05.2006
		N. C. Associates	11.59	11.02.2005\
AFBC Captive power Plant	32	Shaktipunj Engineers Pvt. Ltd.	32.00	14.06.2005
Total	85		85.00	

PRELIMINARY & PRE-OPERATIVE EXPENDITURE

Pre-operative expenses comprise interest during construction period (Rs 330.24 lacs), Start-up-expenses (Rs.72 lacs) and the balance is for bank commission and insurance during the construction period etc.

CONTINGENCY

The technical consultants, who have substantial experience in implementation of Project, have estimated the Project cost. The cost estimate is based on the budgetary quotations for the majority of the capital equipments and no major change in the cost is expected. Considering these factors, provision for contingency has been estimated to be Rs.317 lacs.

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MARGIN MONEY FOR WORKING CAPITAL

The working capital margin requirements of the Project is estimated at Rs.985 lacs, based on the calculations for the first full year of operations for the Project on the basis of 90 days stock of raw material 30 day stock of consumables, 2 days work in progress, 5 days of finished goods stock and 30 days of debtor holding.

COMPUTATION OF WORKING CAPITAL REQUIREMENT

(Rs. In lacs)

PARTICULARS	Norm days	Margin (%)	Gross Working Capital	Margin Money
Raw Materials	90	25	2169.99	
Suppliers Credit	15		396.31	
			1773.68	443.42
Consumable Stores	30	25	37.22	9.3
Stock in Process	2	25	55.37	13.84
Finished Goods	5	25	141.86	35.46
Debtor For Domestic Sales	30	25	1028.54	257.14
Fuel	7	25	6.60	1.65
Margin for L/C And B/G				223.78
Total Working Capital Requirement			3043.27	984.59
Total Working Capital Requirement (rounded off)				985.00

Computation of working capital requirement as per audited figure as on 31.03.2007 vis a vis projected figures

(Rs. In lacs)

Particulars	Working Capital as on 31.03.2007	Projected Figure as on 31.03.2007	Projected Figure as on 31.03.2008
Raw Materials	3826.93	1999.00	2541.00
Consumable Stores	203.53	68.00	77.00
Stock in Process	257.53	182.00	206.00
Finished Goods	520.50	314.00	356.00
Debtor For Domestic Sales	2785.90	2678.00	1321.00
<i>Cash & bank Balances</i>	496.75	900.00	2351.00
Loan & Advances	2252.55	841.00	0.00
Total Current Assets	10343.69	6982.00	6852.00
Suppliers Credit	3792.57	2045.00	618.00
Other current liabilities	1562.90	1887.00	2168.00
Total current liabilities	5355.47	3932.00	2786.00
Net Working Capital Requirement	4988.22	3050.00	4066.00
Bank Finance	2102.70	1950.00	2265.00
Internal accruals / unsecured loan	2885.52	1100.00	1801.00

Total working capital requirement is high in comparison to projection mainly due to accumulation & increased cost of Raw materials. Raw material is normally scared in market in monsoon period mainly because of mines were closed in that period, thus we are accumulating stock.

GENERAL CORPORATE PURPOSES

The Company intends to use Rs. [•] lacs from the Issue proceeds for general corporate purposes, which includes capital expenses for iron ore and coal mining, the repayment of any unsecured loans raised and internal accrual, if any, for the purpose of the proposed project etc.

ISSUE EXPENSES

The Expenses of this issue include, among others, underwriting and management fees, printing and distribution expenses, legal fees, advertisement expenses and listing fees. The estimated Issue expenses are as follows

Particulars	Rs. in lacs
Lead Management, Underwriting and Selling Commission	[•]
Fees payable to Registrar, Legal Advisors and Auditors	[•]
Printing, Stationary and Postage	[•]
Advertisement and Marketing	[•]
Other expenses	[•]
TOTAL	[•]

* will be incorporated after finalization of Issue Price.

Term Loans Sanctioned by the Banks

The Company has received the sanction of Terms Loans for Rs.6515.00 lacs from banks for the purpose of the projects as below:

- Rs.4000.00 lacs from State Bank of India vide their Letter No. MCSH/RM-I/06-07/17 dated 05.06.2006
- Rs.1150.00 lacs from Andhra Bank vide their Letter No.0731/16/ANKIT// dated 10/03/2005 & Letter No.731/1/AMP/319 dated 27/07/2005
- Rs.850.00 lacs from Syndicate Bank vide their Letter No.BB/9505/ADV/S-147/04 dated 19/03/2005 & Letter No.BRB/580/9505/ADV/2005 dated 11/08/2005
- Rs.300.00 lacs from Andhra Bank vide their Letter No.731/1/Amp/498 dated 04.10.2006.
- Rs 215.00 lacs from Syndicate Bank vide their Letter No.9505/ADV/S-130/SOD/07 dated 29.03.2007.

The details of the various term loans sanctioned by the Banks to the Company and their outstanding position as on 29.04.2007 are as follows:

(Rs. In Lacs)

Sr. No.	Name of the Bank	Amount (Rs. in lacs)	Date of sanction	Outstanding as on 29.04.2007
1	Phase-I			
	State Bank of India	1500.00	07.06.04	1200.00
2	Phase-II			
	State Bank of India	2000.00	09.06.05	1778.00
	Andhra Bank	1150.00	10.03.05	1022.00
	Syndicate Bank	850.00	19.03.05	756.00
3	Phase-III			
	State Bank of India	500.00	05.06.06	500.00
	Andhra Bank	300.00	29.09.06	300.00
	Syndicate Bank	215.00	29.03.07	215.00
	TOTAL	6515.00		5771.00

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Working Capital Loans Sanctioned by Banks

The total fund based and non-fund based limits sanctioned to the Company and their outstanding positions as on 29.04.2007 are as follows:

Sr. No.	Nature of facility, and Name of the Bank	Amount (Rs. in lacs)	Date of sanction	Outstanding as on 29/04/2007
1	Cash Credit			
	State Bank of India	1200.00	05.06.2006	1056.00
	Andhra Bank	600.00	29.09.2006	594.00
	Syndicate Bank	150.00	29.03.2007	140.00
2	Short Term Credit			
	State Bank of India	330.00	27.02.2007	330.00
3	Letter of Credit			
	State Bank of India	990.00	05.06.2006	550.00
	Andhra Bank	335.00	29.09.2006	284.00
	Syndicate Bank	175.00	29.03.2007	150.00
4	Bank Guarantee			
	State Bank of India	10.00*	05.06.2006	100.00

* Bank Guarantee Rs.500.00 lacs is interchangeable with Letter of credit.

For major terms and conditions of Term Loan and Working Capital, please refer to Page 104 under the heading "Secured Loans" of Annexure IX of Financial Information of the Company.

UNDERTAKING BY THE ISSUER COMPANY

Arrangements of finance through verifiable means towards 100% of the stated means of finance, excluding the amount to be raised through proposed public issue have been made. Other than the public issue, the stated means of finance are Equity participation by promoters of Rs.3849.05 lacs which has already been brought in by promoters and Term Loans from Banks of Rs.6515.00 lacs which have already been sanctioned by the various banks.

APPRAISAL

State Bank of India, Andhra Bank and Syndicate Bank have appraised the project for granting the Term Loans and sanctioned loans to the Company. They have given their appraisal reports and their consent for their name being included in the prospectus and for their name being included as appraising agencies and for their appraisal report being used in this document.

The appraisal report given by the various banks in regard to the above issue is listed as under:

Sr. No.	Name of the Bank	Total Term Loans Sanctioned (Rs. in lacs)	Date of Appraisal Note
1	State Bank of India	4000.00	07/06/2004, 09/06/2005 and 05/06/2006
2	Andhra Bank	1450.00	10/03/2005, 09/06/2006
3	Syndicate Bank	1065.00	19/03/2005, 13/03/2007

The original Cost of Sponge Iron Unit (Phase-I) was Rs.28.64 crores which has been further revised, assessed and appraised at Rs.38.25 crores. The variation in capital cost of the project is mainly on account of the following factors:

- 1) Increase in steel prices during the implementation period,
- 2) Additional cost of pollution equipments which had to be installed to meet the new/revised guidelines,
- 3) Increase in the plant capacity from 300 TPD to 350 TPD.

The salient points and the areas of strength and weaknesses as mentioned in the Appraisal report of SBI, Andhra Bank and Syndicate Bank is reproduced below:

SWOT ANALYSIS

STATE BANK OF INDIA

Critical risk factors and their mitigation

Risk Factors	Mitigating Factors
(i) The steel industry is cyclical in nature.	The Group in the past has performed reasonably well even when the steel industry was going through recession. Their experience will come in handy in this context.
(ii) Competition from other plants in the vicinity.	AMPL will be in a position to sustain competition due to its lower cost of production, as the entire power requirement will be met from the captive power plant (WHRB/AFBC based) after commencement of its operation. Moreover, the plant's proximity to the sources of raw materials and the market will give the Company the advantage of lower transportation expenses. Forward integration will also give an edge over other manufacturers.
(iii) Any stoppage of the sponge iron plant would disrupt the operations of the power plant, billet plant and re-rolling mill.	The Company proposes to plan shutdown of all the units simultaneously to prevent mismatch of operations of any of the plants. To ensure a steady power supply even during the routine maintenance work in sponge iron unit, AMPL will install an AFBC based power plant of 4-MW capacity for which the Company has requested for a Term Loan of Rs. 10.15 Crore from the consortium (our share: Rs. 5.00 Crore).
(iv) Scarcity of Iron Ore and Coal, the main Raw Materials.	The Company has procurement system of Coal under LC from Eastern Coal Field Agreement for continuous supply. Company procures Iron Ore mainly from OMDC (Orissa Mineral Development Corporation) and also from the Traders of Iron Ore basing the market prices. As such AMPL does not anticipate any problems.

The above mentioned mitigating factors have been stated by the State Bank of India in its report.

ANDHRA BANK

Strength

- (i) Steel as is known used by all sectors of the economy and is called mother of all industries.
- (ii) The proposed project will procure raw material from the other units of the company situated at the land adjacent to the proposed project. This will give continuous, constant and better quality of raw material.
- (iii) Promoters have long experience in steel industry.
- (iv) The plant will be commissioned near to raw material availability. Therefore, its raw material cost per Mt of steel production will be lower.

Weakness

- (i) The company is in the commodity market, which suffers from vagaries of trade cycle.
- (ii) The steel markets are increasingly being globalization and have to face competition from abroad.
- (iii) Since, the raw material will be extracted through mining process; the company will face difficulties in procurement during rainy season.

SYNDICATE BANK

Strength

- (i) Promoters are in the line of business and Sri Suresh Kumar Patni is having 12 years of experience in manufacturing and trading of Ferro Alloys.
- (ii) Project is an integrated one which would ensure lower production cost resulting into better productivity.

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Weakness

(i) Project is dependent on other sister units. The performance of these units may hamper the functioning of this unit.

IMPLEMENTATION SCHEDULE

The implementation schedule is as under

Phase I & Phase II

The production for Sponge Iron and Ingots/ Billets has already started in October 2005 and January, 2006 respectively whereas, the commencement of operation for re-rolling mill and captive power production (WHRB based) were estimated to start from November, 2006. However, as per the further revised schedule reviewed by the management, the Re-rolling Mill and WHRB power plant division is expected to start its commercial production from July, 2007. The revision in the implementation schedule of the Re-rolling Mill is due to increase in its production capacity from 60,000 MTPA to 100,000 MTPA. Similarly, the implementation of WHRB Power Plant is also revised as the Company has planned to install another 4 MWA AFBC based Captive Power Plant which has to be streamlined with the WHRB plant.

The implementation Schedule for 8.5 MW WHRB Captive Power Plant & Re- Rolling Mill

Particulars	Commencement	Projected Completion	Revised Completion/ Present Status	
Land	Already Acquired			
Site Development	Completed			
Preparation of technical specification	Completed			
Invitation of Tenders, scrutiny and placement of orders	Completed			
Detailed Design & Engineering	Completed			
Civil Works	CPP	Completed		
	Re-rolling Mill	February-06	June-06	Completed
Structural Supply & Erection	CPP	April-06	June-06	Completed
	Re-rolling Mill	June-06	July-06	October-06
Equipment Supply	CPP	April-06	August-06	April -07
	Re-rolling Mill	June-06	July-06	June-07
Equipment Erection	CPP	April-06	September-06	June-07
	Re-rolling Mill	June-06	September-06	June-07
Trial Production & Commissioning (CPP/ Re-rolling Mill)	October-06		July-07	
Commercial Production (CPP/Re-rolling Mill)	November-06		July-07	

Phase III

The implementation Schedule for 4 MW AFBC based Captive Power Plant:

Particulars	Commencement	Projected Completion	Revised Completion/ Present Status
Land	Already Acquired		
Site Development	Completed		
Civil Works	March-06	July-06	Completed
Plant & Machinery- Placement of Order	Completed		
Plant & Machinery- Delivery & Erection	March-06	November-06	June - 07
Commissioning	February 07		June - 07
Trial Production	March 07		July - 07
Commercial Production	April 07		July - 07

Ongoing Projects: The installation of production facilities involves various activities such as Design of Civil & Structural and Construction of Factory and Non-Factory Buildings, Utilities & Services, Procurement of equipments, Award of Works Contract,

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Supervision of construction, erection & commissioning. All these activities which are interlinked require close monitoring to avoid time overrun. The project implementation schedule has been drawn up to maintain a strict time schedule, which is monitored with the help of Bar Chart and networking.

The Company has confirmed that work is progressing as per schedule/revised schedule.

DEPLOYMENT OF FUNDS

The deployment of funds as certified by the Auditors of the Company vide their certificate dated 21st May, 2007 till 19th May, 2007 is as follows:

Particulars of application of Fund	Amount (Rs in lacs)
Land	145
Building	1366
Plant & Machinery	7490
Misc. Fixed Assets	1813
Technical knowhow	57
Pre-Operative Expenses	482
Cenvat/Vat	784
Margin Money for working capital	597
Total	12734

SOURCES OF FINANCING OF FUNDS ALREADY DEPLOYED

Particulars of sources of Funds	Amount (Rs in lacs)
Equity Share Capital	2098
Securities Premium	1751
Share Application Money(Pending Allotment in the IPO)	747
Bank Finance (Term-Loan)	6515
Unsecured Loan & Internal Accruals(Balancing Figure)	1623
Total	12734

PROPOSED DEPLOYMENT OF FUNDS IN THE PROJECT

The Company has already deployed Rs.12734 lacs in the project. The balance money will also be deployed in the financial year 2007-2008 itself.

INTERIM USE OF PROCEEDS

Pending any use as described above, the proceeds of the issue shall be invested in high quality, interest / dividend bearing short term / long term liquid instruments including deposits with banks for the necessary duration. We may also use the same to fund our working capital requirement on a temporary basis.

BASIS FOR ISSUE PRICE

The Issue Price will be determined by the Company in consultation with the BRLMs on the basis of assessment of market demand for the issued Equity Shares by the Book Building Process. The face value of the Equity Shares is Rs.10/- and the Issue Price is 3.0 times the face value of the Equity Shares at the lower end of the price band and 3.6 times the face value at the higher end of the price band.

Investors should read the following summary with the Risk factors included in page number x and the details about the Company and its financial statements included in this Red Herring Prospectus. The trading price of the Equity Shares of the company could decline due to these risks and you may lose all or part of your investments.

QUALITATIVE FACTORS

- The company is promoted by the Mr. S. K. Patni & family who have also promoted Rohit Ferro-Tech Limited and Impex Ferro-Tech Limited and having interest in Ferro Alloys, Metals, Minerals & Steel sector.
- The promoters have wide experience in the steel related industry for more than two decades.
- The Company is an existing profit making enterprise.
- The entire project has been financially tied up, with a consortium of bankers led by State Bank of India lending Rs.6515.00 lacs to company.
- Backward/ Forward Integration with Billets and Captive Power Plant will reduce the production cost considerably. Captive Power generated in the Plant by the company will be used in manufacturing Sponge iron, M. S. Ingots/ Billets, Re – Rolled products which will reduce the cost of the products. Billets manufactured by the company will be used as a raw material for manufacturing Re- Rolling Products, which increases the value of the products. The company has already started manufacturing Billets & Proposed to start its Captive Power Plant. Thus both the backward / forward integration facility is available with the company.
- Technologies for products are time tested & operative in India with Jindal Steel & Power Ltd, Monnet Ispat Ltd, Usha Martin Ltd., Ispat Goslavasi Ltd. Etc. These plants are similar in Kiln size, power generation, melting, rolling etc. Sponge Iron Kiln in India are made from indigenous technology developed by Jindal.
- Power generation through Waste Heat Recovered from Sponge Iron division will result in producing power at a very low cost of Re.1/-per unit as against prevailing commercial rate of Rs 3.50 per unit, thus resulting substantial saving in cost.
- Presence across the entire value chain from sponge iron to finished steel in form of bars, rods & other down stream value added items. We are Integrated Steel manufacturing plant via sponge iron, power generation, steel melting and rolling products. Products manufactured by us are separately sellable in market & have a separate profit center but we are or will captively consume our own manufactured product i.e. Sponge iron, Billets, Power to manufacture our end product, thus we are adding value to our product

QUANTITATIVE FACTORS

Information presented in this section is derived from our audited financial statements.

1. Adjusted Earning Per Share (EPS*)

Year ended	EPS* (Rs.)	Weight
March 31, 2005	0.00	0
March 31, 2006	5.78	1
March 31, 2007	5.03	2
Weighted Average	5.28	

* EPS is calculated on annualized basis considering the Number of Equity Shares outstanding starting from the date of commencement of commercial production 16th October, 2005.

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

- a. Based on year ended March 31, 2007 EPS of Rs.5.03 as above is [●]
- b. Industry P/E

i) Highest	16.8
ii) Lowest	6.5
iii) Industry Composite	11.7

Source: Capital Market Vol.XXII/05, May 07–20, 2007, Category – Steel - Sponge Iron

3. Average Return on Net Worth (RONW %)

Year ended	RONW (%)	Weight
March 31, 2005	0	0
March 31, 2006	8.31	1
March 31, 2007	20.19	2
Weighted Average	16.23	

4. Minimum Return on Total Net Worth Required to Maintain Pre- Issue EPS: [%]%.

5. Net Asset Value per Equity Share

- (i) As on March 31, 2007 – Rs.24.90
- (ii) After the Issue: Rs. [●]
- (iii) Issue Price: Rs. [●]

6. Comparison of Accounting Ratios

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

	EPS* (Rs.)	P/E	RONW	NAV
Ankit Metal & Power Limited	5.03	[●]	20.19	24.90
Jindal Steel & Power Ltd	184.02	13.1	36.3	597.0
Tata Sponge Iron Ltd	13.8	16.8	15.9	95.5
Vikas Metal & Power Limited	1.2	6.5	10.6	18.9
Shri Ramrupai Balaji Steels Ltd	2.7	9.6	16.7	18.7

Source: Capital Market Vol.XXII/05, May07–20, 2007, Category – Steel - Sponge Iron

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

The Issue price has been determined by us in consultation with the BRLM on the basis of assessment of market demand for the Equity Shares by way of book building and is justified on the basis of above factors. The investors should peruse the risk factors and the financials of the Company including important profitability and return ratios, as set out in the Auditors' report on page no. x & 94 respectively of the Red Herring Prospectus to have a more informed view of the investment.

STATEMENT OF TAX BENEFITS

To

The Board of Directors
Ankit Metal & Power Ltd.
35, C. R. Avenue
Kolkata : 700 012

Dear Sir,

That under the current provisions of the Income Tax Act, 1961 and other applicable laws for the time being in force, the following benefits are available to the Company and to the members of the Company:

A. BENEFITS AVAILABLE TO THE COMPANY

1. a) Under Section 32 of the Income Tax Act, 1961, the Company can claim depreciation allowance at the prescribed rates on tangible assets such as building, plant and machinery, furniture and fixtures, etc. and intangible assets such as patent, trademark, copyright, know-how, licenses, etc. if acquired after 31st March, 1998.
- b) In terms of Section 115 JAA (1A) of the Act tax credit shall be allowed for any assessment Year commencing on or after April 01, 2006. Credit eligible for carry forward is the difference between MAT paid and the tax computed as per the normal provisions of the Act. The credit is available for set off only when tax becomes payable under the normal provisions and that tax credit can be utilized to set-off any tax payable under the normal provisions in excess of MAT payable for that relevant year. Such MAT credit shall not be available for set-off beyond 5 years succeeding the year in which the MAT credit initially arose.
- c) In terms of Clause (iia) of Sub-section (1) of Section 32 of the Act, the Company is entitled to further deduction of 20% as additional depreciation on new plant & machinery acquired and installed after 31st March 2005, subject to conditions specified therein.
- d) The Company can carry forward and set-off the unabsorbed depreciation allowance, if any, against its income of the future years. The Company is also entitled to carry forward and set-off its unabsorbed business losses for a period upto eight subsequent years for set-off against its business income.
- e) Under Section 35D of the Act, the Company will be entitled to a deduction equal to 1/5th of the expenditure of the nature specified in the said Section, including expenditure incurred on present issue, such as Brokerage and other charges, by way of amortization over a period of 5 successive years, beginning with the previous year in which the new unit commences production, subject to the stipulated limits.

B. BENEFITS TO THE SHAREHOLDERS OF THE COMPANY

i) All Members

1. By virtue of section 10(38) of the Income Tax Act, income arising from transfer of long-term capital asset, being an equity share in the company is exempt from tax, if the transaction of such sale has been entered into on or after 1.10.2004 and such transaction is chargeable to the securities transaction tax.
2. By virtue of section 111 A of the Income Tax Act, short term capital gain on transfer of equity share in the Company shall be chargeable to tax @ 10%, if the transaction of such sale has been entered into on or after 1.10.2004 and such transaction is chargeable to securities transaction tax. However, where the income includes any such short-term capital gain, it shall not be considered for deduction under chapter VIA of Income tax Act, 1961.
3. By virtue of section 10(34) of the Income Tax Act, income earned by way of dividend from a domestic company referred to in section 115O of the Income Tax Act (i.e. dividends declared, distributed and paid on or after 1st April, 2003), is exempt from tax in the hands of the shareholders.

ii) Resident Members

1. In terms of Section 10(23D) of the Income Tax Act, 1961 all Mutual Funds set up by Public Sector Banks or Financial Institutions or Mutual Funds registered under the Securities and Exchange Board of India or authorised by the Reserve Bank of India, subject to the conditions specified will be exempt from Income Tax on all their income, including income from investment in the shares of the Company.

2. In terms of Section 88 E of the Act, the Securities Transaction Tax paid by the shareholder in respect of the taxable securities transactions entered into in the course of the business would be eligible for rebate from the amount of income-tax on the income chargeable under the head 'Profits and Gains of Business or Profession' arising from taxable securities transactions.
3. Under section, 54EC of the Income Tax Act, 1961, Long Term Capital Gains [in cases not covered under Section 10(38) of the Act] arising on the transfer of shares of the Company will be exempt from capital gains tax to the extent such gains are invested within six months from the date of transfer in the purchase of any specified bonds issued by the National Highway Authority of India (NHAI) and Rural Electrification Corporation Ltd. (REC).
4. Under section 54F of the Income Tax Act 1961 Long Term Capital Gains [in cases not covered under Section 10(38) of the Act] arising on the transfer of shares of the Company held by an individual or Hindu Undivided Family (HUF) shall be exempt from capital gains tax subject to the provisions of the said section, if the net sales consideration is utilized within a period of one year before or two years after the date of transfer in the purchase of a new residential house or for construction of a residential house within a period of 3 years after the date of transfer.
5. Under section 112 of the Income Tax Act, 1961 and other provisions of the Act, long term capital gains, (in cases not covered under section 10(38) of the Act), arising on transfer of shares in the company, i.e. if shares are held for a period exceeding 12 months shall be concessionaly taxed at the flat rate of 20% (plus applicable surcharge and education cess) after indexation as provided in the second proviso to section 48 or at 10% (plus applicable surcharge and education cess) without indexation, at the option of the shareholder.

iii) Non-Resident Indians/ Non-Residents [Other than FIIs and Foreign Venture Capital Investors]

1. A Non-Resident Indian (i.e. an individual being a citizen of India or person of Indian origin) has an option to be governed by the provisions of Chapter XII-A of the Income-tax Act, 1961 viz. "Special Provisions relating to certain incomes of Non-Residents".
 - a. Under Section 115E of the Income Tax Act, 1961, where shares in the Company are subscribed for in convertible Foreign Exchange by a Non-Resident Indian, long term capital gains arising to the non-resident on transfer of shares shall (in case not covered under Section 10 (38) of the Act) be concessionaly taxed at the flat rate of 10% (plus applicable surcharge and education cess) without indexation benefit but with protection against Foreign Exchange Fluctuation.
 - b. Under provisions of section 115F of the Income Tax Act, 1961, long term capital gains (not covered under section 10 (38) of the Act) arising to a non resident Indian from the transfer of shares of the Company subscribed to in convertible Foreign Exchange shall be exempt from Income Tax if the net consideration is reinvested in specified assets within six months of the date of transfer. If only a part of the net consideration is so reinvested the exemption shall be proportionately reduced. The amount so exempted shall be chargeable to tax subsequently, if the specified assets are transferred or converted within three years from the date of their acquisition.
 - c. Under provisions of section 115G of the Income Tax Act, 1961, it shall not be necessary for a Non Resident Indian to furnish his return of income if his only source of income is investment income or long term capital gains or both arising out of assets acquired, purchased or subscribed in convertible foreign exchange and tax deductible at source has been deducted there from.
 - d. Under section 115H of the I.T. Act, 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 I.T. 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.
 - e. Under section 115-I of the Income Tax Act, 1961, a Non Resident Indian may elect not to be governed by the provisions of chapter XIIA for any assessment year by furnishing the return of income under section 139 of the Income Tax Act declaring therein that the provisions of this chapter shall not apply to him for that assessment year and if he does so the provisions of this chapter shall not apply to him and instead the other provisions of the Act shall apply.
2. In terms of Section 88 E of the Act, the Securities Transaction Tax paid by the shareholder in respect of the taxable securities transactions entered into in the course of the business would be eligible for rebate from the amount of income-tax on the income chargeable under the head 'Profits and Gains of Business or Profession' arising from taxable securities transactions.

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3. As per first proviso to section 48 of the I.T. Act, in case of a non resident shareholder, in computing capital gains arising from transfer of shares of the Company acquired in convertible foreign exchange (as per Exchange Control Regulations), protection is provided from fluctuations in the value of rupee in terms of foreign currency in which original investment was made. Cost Indexation benefit will not be available in such a case. The capital gain/ loss in such a case is computed by converting the cost of acquisition, sales consideration and expenditure incurred wholly and exclusively in connection with such transfer, into the same foreign currency which was utilised in the purchase of shares.
4. Under section 54EC of the I.T. Act and subject to the conditions and to the extent specified therein, long term capital gains (not covered under section 10(38) of the I.T. Act) arising on the transfer of shares of the Company will be exempt from capital gains tax if the capital gains are invested in notified bonds within a period of six months after the date of such transfer and held for a minimum period of three years. Where only a part of the capital gains is so invested, the exemption is proportionately available. However, if the said bonds are transferred or converted into money within a period of three years from the date of their acquisition, the amount of capital gains exempted earlier would become chargeable to tax as long term capital gains in the year in which the bonds are transferred or converted into money.
5. Under section 54F of the Income Tax Act 1961 Long Term Capital Gains [in cases not covered under Section 10(38) of the Act] arising on the transfer of shares of the Company held by an individual or Hindu Undivided Family (HUF) shall be exempt from capital gains tax subject to the provisions of the said section, if the net sales consideration is utilized within a period of one year before or two years after the date of transfer in the purchase of a new residential house or for construction of a residential house within a period of 3 years after the date of transfer.
6. Under section 112 of the Income Tax Act, 1961 and other relevant provisions of the act, long term capital gains (not covered under section 10 (38) of the Act) arising on transfer of shares in the Company, if shares are held for a period exceeding 12 months shall be taxed at a rate of 20% (plus applicable surcharge and education cess) after indexation as provided in the second proviso of section 48 or at 10% (plus applicable surcharge and education cess) (without indexation), at the option of the shareholders. (Indexation will not be available if investments are made in foreign currency in accordance with the first proviso to section 48 of the Income Tax as stated above).

iv) Foreign Institutional Investors (FIIs)

1. Under section 115AD, capital gains arising from transfer of shares of the Company which are not exempt under Section 10(38), shall be taxable as follows:
 - Capital gains on shares, which are held for the period of more than twelve months, shall be taxable at the rate of 10% (plus applicable surcharge and education cess).
 - Capital gains on other shares shall be taxable at the rate of 30% (plus applicable surcharge and education cess). Cost Indexation benefits will not be available.
2. In terms of Section 88 E of the Act, the Securities Transaction Tax paid by the shareholder in respect of the taxable securities transactions entered into in the course of the business would be eligible for rebate from the amount of income-tax on the income chargeable under the head 'Profits and Gains of Business or Profession' arising from taxable securities transactions
3. Under Section 54EC of the I.T. Act and subject to the conditions and to the extent specified therein, long term capital gains (not covered under section 10(38) of the I.T. Act) arising on the transfer of shares of the Company will be exempt from capital gains tax if the capital gains are invested in notified bonds within a period of six months after the date of such transfer and held for a minimum period of three years. Where only a part of the capital gains is so invested, the exemption is proportionately available. However, if the said bonds are transferred or converted into money within a period of three years from the date of their acquisition, the amount of capital gains exempted earlier would become chargeable to tax as long term capital gains in the year in which the bonds are transferred or converted into money.

v) Venture Capital Companies / Funds

In terms of section 10(23FB) of the Income Tax Act, 1961 all venture capital companies / funds registered with Securities and Exchange Board of India, subject to the conditions specified, are eligible for exemption from income tax on all their income, including dividend and income from sale of shares of the company.

Mutual Funds

In case of a shareholder being a Mutual fund, as per the provisions of section 10(23D) of the I.T. 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 authorised by the Reserve Bank of India is exempt from income-tax, subject to the conditions notified by Central Government in this regard.

Wealth Tax

Shares of the company held by the shareholders are not treated as assets within the meaning of section 2 (ea) of Wealth Tax Act, 1957; hence the value thereof is not includible in the net wealth chargeable to Wealth Tax.

Tax Treaty Benefits

In accordance with section 90(2) of the I.T. Act, an investor has an option to be governed by the provisions of the I.T. Act or the provisions of a Tax Treaty that India has entered into with another country of which the investor is a tax resident, whichever is more beneficial.

Notes :

- i. All the above benefits are as per the current laws. Legislation, its judicial interpretation and the policies of the regulatory authorities are subject to change from time to time, and these may have a bearing on the benefits listed above. Accordingly, any change or amendment in the law or relevant regulations would necessitate a review of the above.
- ii. The above statement of possible tax benefits sets out the provisions of law in a summary manner only and is not a complete analysis or listing of all potential tax consequences of the purchase, ownership and disposal of ordinary shares. The statements made above are based on the tax laws in force as interpreted by relevant taxation authorities as of date.
- iii. All the above benefits are as per the current tax law as amended by the Finance Act, 2007.
- iv. The stated benefits will be available only to the sole/first named holder in case the shares are held by joint holders.
- v. 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.
- vi. 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.

**Yours faithfully,
For R. Kothari & Co.
Chartered Accountants**

**Sanjeeb Agarwal
Partner
M. No. 56400**

**Dated: The 8th day of May, 2007.
Place: Kolkata.**

SECTION IV – ABOUT THE ISSUER COMPANY

STEEL INDUSTRY OVERVIEW

Industry Overview

Steel is crucial to the development of any modern economy and is considered to be the backbone of the human civilization. The level of per capita consumption of steel is treated as one of the important indicators of socio-economic development and living standard of the people in any country. It is a product of large and technologically complex industry having strong forward and backward linkages in terms of material flow and income generation. All major industrial economies are characterized by the existence of a strong steel industry and the growth of many of these economies has been largely shaped by the strength of their steel industries in their initial stages of development.

Global Scenario

In 2005 World Crude Steel output at 1129.4 million metric tonne was 5.9% more than the previous year. (Source: The International Iron & Steel Institute)

China remained the world’s largest Crude Steel producer in 2005 also (349.4 million metric tonne) followed by Japan (112.47 million metric tons) and USA (93.89 million metric tons). India occupied the 8th position (38.08 million metric tons). (Source: The International Iron & Steel Institute)

The International Iron & Steel Institute (IISI) in its forecast for 2006 has confirmed the trend of recent years of an increase in steel use in-line with general economic growth and with the fastest growth occurring in the countries with the highest GDP growth such as India and China. Apparent world-wide Steel Demand is forecast to grow to between 1,040 and 1,053 million tonnes in 2006 from a total of 972 million tonnes in 2004. This is a growth of 4-5% over the two year period. However, according to IISI the cost of raw materials and energy would continue to represent a major challenge for the world steel industry.

Indian Steel Industry

The economic reforms initiated by the Government since 1991 have added new dimensions to industrial growth in general and steel industry in particular. Licensing requirement for capacity creation has been abolished, except for certain locational restrictions. Steel industry has been removed from the list of industries reserved for the public sector. Automatic approval of foreign equity investment upto 100% is now available. Price and distribution controls have been removed from January, 1992, with a view to make the steel industry efficient and competitive. Restrictions on external trade, both in import and export have been removed. Import duty rates have been reduced drastically. Certain other policy measures such as reduction in import duty of capital goods, convertibility of rupee on trade account, permission to mobilise resources from overseas financial markets and rationalisation of existing tax structure for a period of time have also benefited the Indian Steel Industry.

SWOT Analysis of the Industry

Strengths	Weaknesses
<ol style="list-style-type: none"> 1. Availability of iron ore and coal 2. Low labour wage rates 3. Abundance of quality manpower 4. Mature production base 	<ol style="list-style-type: none"> 1. Unscientific mining 2. Low productivity 3. Coking coal import dependence 4. Low R&D investments 5. High cost of debt 6. Inadequate infrastructure
Opportunities	Threats
<ol style="list-style-type: none"> 1. Unexplored rural market 2. Growing domestic demand 3. Exports 4. Consolidation 	<ol style="list-style-type: none"> 1. China becoming net exporter 2. Protectionism in the West 3. Dumping by competitors

Facts and Figures

- India is today the ninth largest crude steel producing country in the world.
- Production of Finished (Carbon) steel during the year (April-December, 2005) at 31.425 million tonnes (provisionally estimated) was up by 7.2% over the corresponding period of the previous year.
- During the same period (April- December 2005) the merchant production of Pig Iron at 2.987 million tones (provisionally estimated) was up by 34% than the production in the corresponding period in 2004-05. The secondary producers accounted for bulk of the merchant Pig Iron production.
- The total volume of Finished (Carbon) steel exported during the year (April- December, 2005) at 3.225 million tonnes (provisionally estimated) was up by 2% exported during the corresponding period of the last year.
- Import of Finished (Carbon) steel during the current year (April- December, 2005) at 2.7 million tonnes (provisionally estimated) was up by 84.9% over the corresponding period last year.
- Apparent consumption of Finished (Carbon) steel during the current year (April- December, 2005) rose 9.4% from the level of the corresponding period last year to reach 27.6505 million tonnes (provisionally estimated).
- Based on the proposal of the public sector undertakings/organizations under Ministry of Steel, the discussions held with the Planning Commission and keeping in view the plan priorities reflected in the Approach Paper to the 10th Plan (2002-07), the outlay for the 10th Plan of Ministry of Steel was approved at Rs.11,044.00 crore, which included Gross Budgetary support of Rs. 65.00 crore. However, due to depressed condition prevailing in the steel industry upto 2002-03, after Mid-Term Appraisal the approved 10th Plan outlay in respect of PSUs under Ministry of Steel were scaled down from Rs. 11044.00 crore to Rs. 8476.68 crore (Internal and Extra Budgetary Resources of RS. 8411.68 crore and Budgetary support of Rs 65.00 crore)
- Ministry of Steel has been granting financial assistance from the interest proceeds of Steel Development Fund (SDF) to supplement the R&D initiatives and expenditure in the country. Towards this objective and to approve/ review specific R&D projects with financial assistance from the Steel Development Fund (SDF) as well as to give overall direction in R&D matters, Empowered Committee (EC) has been constituted under the Chairmanship of Secretary (Steel). The EC has so far approved 40 R&D projects costing Rs. 221.56 crore, of which SDF contribution is Rs. 101.8129 crore. So far Rs. 80.2763 crore has been disbursed and several projects have been completed, yielding benefits to the industry.

(Source: Ministry of Steel, Annual Report 2005-06)

Trends in production and Consumption

The total production of finished carbon steel in the country has been 38.4 million tonnes in 2004-05 as compared to 14.33 million tonnes in 1991-92, indicating an increase of 7.29 % CAGR. The high share of the secondary sector in finished steel production is largely due to substantial supplies of semis, the basic feed material from the main producers for conversion to needed shapes by rolling.

PRODUCTION OF FINISHED CARBON STEEL (In million tonnes)

Year	Main Producers	Secondary Producers	Grand Total	% of share of Secondary Producers
1991-92	7.96	6.37	14.33	14.5%
1992-93	8.41	6.79	15.20	44.7%
1993-94	8.77	6.43	15.20	42.3%
1994-95	9.57	8.25	17.82	46.3%
1995-96	10.59	10.81	21.40	50.6%
1996-97	10.54	12.18	22.72	53.6%
1997-98	10.44	12.93	23.37	55.32%
1998-99	9.86	13.24	23.82	57.32%

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Year	Main Producers	Secondary Producers	Grand Total	% of share of Secondary Producers
1999-2000	11.20	15.51	26.71	58.07%
2000-2001	12.51	17.19	29.7	57.88%
2001-2002	13.05	17.58	30.63	57.4 %
2002-03	14.39	19.28	33.67	57.27 %
2003-04	15.19	21.00	36.19	58.03 %
2004-05	15.575	22.825	38.400	59.44 %
2005-06 (Apr-Dec)	11.790	19.400	31.190	62.10 %

(Source : www.steel.nic.in, official website of Ministry of Steel, Government of India)

Apparent Consumption of Finished Carbon Steel

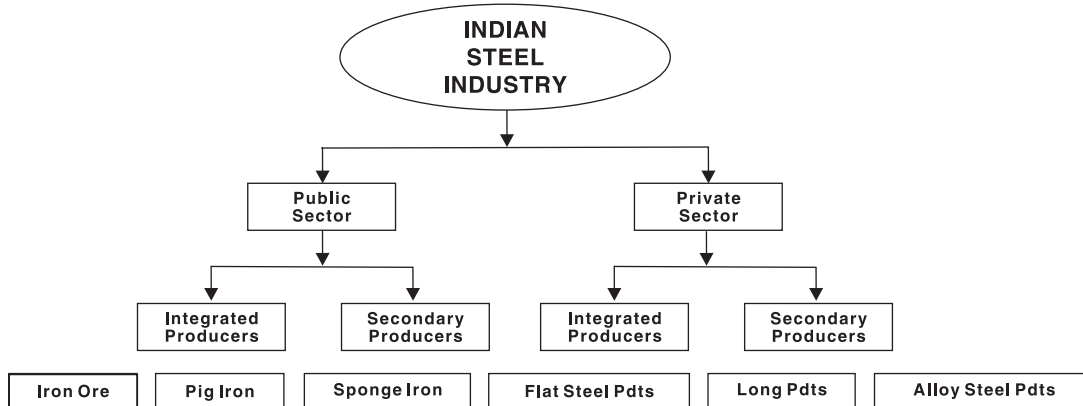
Apparent consumption (i.e production + imports - exports +/- variation in stocks) of finished steel, year-wise, has been shown below. Apparent consumption represents the actual demand of steel in a particular period/year. It has increased from 14.84 million tonnes in 1991-92 to 33.35 in 2004-05. Increase in apparent consumption has not been uniform, fluctuating from a high of 21.8% to low of 1.2 % reflecting uneven growth in steel demand.

APPARENT CONSUMPTION OF THE FINISHED STEEL (CARBON) (in million tonnes)	
Year	Apparent Consumption of Finished Steel
1991-92	14.84
1992-93	15.00 (1.2 %)
1993-94	15.32 (2.0 %)
1994-95	18.66 (21.8 %)
1995-96	21.43 (14.8 %)
1996-97	22.12 (3.2%)
1997-98	22.63(2.3%)
1998-99	23.15(2.3%)
1999-2000	25.01(8.03%)
2000-2001	26.87(7.44%)
2001-2002	27.350 (3.1%)
2002-2003	28.897 (5.66%)
2003-04	30.328 (5%)
2004-05	33.354
2005-06 (Apr-Dec)	27.519

(The figures in brackets indicate the percent increase over the previous year/corresponding period.)

(Source : www.steel.nic.in, official website of Ministry of Steel, Government of India)

Components and structure of the Industry



RAW MATERIALS

Typically, every ton of steel produced in an integrated steel plant requires 3 to 4 tonnes of raw material input. There are four key raw materials in the production process, shown below:

- Iron Ore
- Coking Coal
- Steam Coal
- Chrome Ore/Concentrates

IRON ORE

India has one of the largest and best quality iron ore reserves in the world. As per the Indian Bureau of Mines survey conducted in April 1995, India had recoverable reserves of 10bn tonnes of hematites. Of this, 11.9% is of high-grade ore (Fe +65%), 49.2% is of medium grade ore (Fe 62-65%) and 27.1% is of low quality ore (Fe < 62%).

India produced about 130 million tonnes of iron ore in 2004 out of which more than 70 million tones were exported. India is the third largest exporter of iron ore after Australia and Brazil. India’s share is about 12% in the world iron ore sea borne trade of 587 million tonnes. India exports its iron ore mainly to Japan, S.Korea and China. China has iron ore reserves of lower grade and imports high grade ore from India and other countries.

The major iron ore mining companies in India are National Mineral Development Corporation, Sesa Goa, OMDCL and OMC.

COKING COAL

India is currently producing approximately 33 million tonnes of coking coal per annum and is importing approximately 19 million tonnes per annum. The major source of coking coal is Australia. Since India has limited availability of coking coal reserves domestically, which is of inferior quality, it shall continue to remain dependent on imports of coking coal for meeting the requirements of the steel industry. (Source: Coal India Limited)

STEAM COAL

India is currently producing approximately 348 million tonnes of steam coal per annum and is importing approximately 25 million tonnes per annum. The major domestic supplier of steam coal is Coal India Limited and its subsidiaries. Due to demand outstripping domestic supply, India’s steam coal imports are expected to reach approximately 55 million tonnes by 2010, for meeting the surging demand from the power, sponge iron and cement sectors. (Source: Coal India Limited)

The major source of steam coal imports into India are Indonesia, South Africa, China and Australia. Since India has inferior quality of steam coal reserves domestically, it shall continue to import steam coal.

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CHROME ORE/CONCENTRATES

India is currently producing approximately 2.5 million tonnes of chrome ore. Currently there is a ceiling on exports of chrome ore at 400,000 tonnes per annum. Low grade chrome ore is beneficiated to produce chrome concentrates. The major producers include Tata Steel and OMC.

PRODUCT CATEGORIES

PIG IRON

Pig iron is produced in a blast furnace wherein the key raw materials are iron ore, coke and fluxes. There are two types of pig iron, namely basic grade and foundry grade. Basic grade pig iron is used in steel production while foundry grade pig iron is used in foundry industry for manufacture of castings and forgings. The difference in the two varieties of pig iron is primarily the silicon content, which is higher in the foundry grade pig iron compared to basic grade.

Basic grade pig iron is used by electric arc furnaces and induction furnaces for production of steel.

Foundry grade pig iron is ideally suited for specialized applications such as pressure tight precision castings, automobile engine blocks, crankshafts, gears, rolling mills rolls, motor and generator housings, railways, manhole covers, machine tools etc. The components made of this foundry grade ensure longevity and prevents rusting.

Pig iron production during 2004-05 was 3.2 million tonnes. The demand for pig iron in India has been growing between 6 to 7% annually. The demand for basic grade pig iron shall be driven by growth in steel production. The demand for foundry grade pig iron shall be driven by the foundry industry as a result of growth in automobile, auto components, engineering and infrastructure related industries including ductile pipes for water transportation, sanitary fittings, and manhole covers. (Source: Joint Plant Committee, Government of India)

SPONGE IRON

Sponge iron is produced either in a coal-based horizontal rotary kiln or a gas-based vertical kiln wherein the key raw materials are iron ore and coal/gas. Sponge iron is a substitute of scrap for usage in electric arc furnaces and induction furnaces for steel-making. India is the largest producer of sponge iron in the world.

INDIAN Sponge Iron (DRI) PRODUCTION 2005-06	
Gas Based	4542457
Coal Based	7278862
Total	11821319

(All figures in tonnes)

(Source: Sponge Iron Manufacturers Association)

LAM COKE

LAM coke is produced in coke ovens wherein the key raw material is coking coal. LAM coke is a reducing agent, used in blast furnaces for reducing the iron ore into hot metal. It is also used in submerged arc furnaces for reducing chrome ore into ferro chrome, manganese ore into ferro manganese or silico manganese and quartzite into ferro silicon, which are vital inputs in making mild steel and special and stainless steel.

Steel production in India is predominantly through the blast furnace route, which needs LAM coke. In India LAM coke consumption has grown at a CAGR of around 6% since 1999-2000 with the growth in steel and pig iron production. Merchant coke production in India is a small part of the total coke produced in India, as majority of LAM coke production has been set up by integrated steel plants for captive purposes. (Source: Global Steel Conference 2005)

India's total LAM coke production during 2004-05 was approximately 19 million tonnes against a demand of approximately 22 million tonnes. The domestic industry continues to face a shortfall which is being met through imports, mainly from China. (Source: Global Steel Conference 2005)

China is the world's largest manufacturer of LAM coke accounting for approximately 50% of the global coke production. The exports of coke from China have been stagnant between 12 – 14 million tonnes per annum over the last 5 years. This is in line with the Chinese Steel policy, which has been restricting the export of LAM coke through issue of export license in order to improve the availability of LAM coke for their domestic steel industry. (Source: Global Steel Conference 2005)

The projected growth in the Indian steel production shall result in continued growth in demand for LAM coke. With the restrictions in Coke exports from China, this demand-supply gap is likely to widen. This provides an opportunity for setting up new facilities for production of LAM coke in India.

FERRO CHROME

Ferro Chrome is produced in a submerged arc furnace wherein the key raw materials are chrome ore and LAM coke. It is an essential raw material for manufacturing stainless steel for imparting anticorrosion properties. Approximately 90% of all ferro chrome produced in the world is used to make stainless steel.

Ferro chrome demand is driven by the growth in the stainless steel industry. The total production of ferro chrome in the world is approximately 5 million tonnes, of which South Africa accounts for approximately 50%. The other major producers include Kazakhstan, Zimbabwe and India. (Source: ICDA)

Over the last few years, China's appetite for ferro chrome has grown immensely, transitioning from being a net exporter to a net importer. The Chinese stainless steel production is expected to grow from approximately 1.78 million tonnes in 2003 to approximately 6.5 million tonnes in 2010, with a CAGR of 20% per annum. This will result in a strong demand for ferro chrome, most of which is likely to be met through imports. (Source: Metal Bulletin and SMR First Asian Stainless and Special Steel Conference)

India is well positioned to meet this increase in demand for ferro chrome in China due to its advantaged logistics and rich chrome ore reserves. In addition to China, India is also currently exporting ferro chrome to Japan, S.Korea and Taiwan.

MILD STEEL

Mild steel is produced through various processes wherein the key raw materials are hot metal, sponge iron and scrap. The demand for mild steel is mainly from real estate and other infrastructure development activities.

SPECIAL & STAINLESS STEEL

Special and stainless steel is produced in an electric arc furnace wherein the key raw materials are hot metal, sponge iron, scrap and ferro alloys. It is used in high-performance applications requiring strength, corrosion-resistance and toughness. These properties are induced through the addition of alloying elements including chromium, manganese, nickel, tungsten, boron and vanadium.

The automobile and auto components industry accounts for a major portion of the demand for special and stainless steel. India is emerging as a global hub for outsourcing of auto components that have relatively high engineering and design content. India enjoys the advantage of cheap skilled labour and lower automation cost.

Auto Components – The size of the global auto component industry is USD 1.2 trillion, which is currently mostly located in higher cost countries. India is emerging as a global hub for outsourcing of auto components. The auto component production in India is likely to go up from USD 8.7 billion to USD 40 billion by 2015 at a CAGR of 16% per annum. The exports of auto components from India have witnessed a CAGR of over 19% per annum over the last 6 years and it is estimated that in the next 10 years the exports are likely to grow from USD 1.4 billion currently to about USD 20 billion by 2015 at a CAGR of 30% per annum. (Source: Society of Indian Automobile Manufacturers)

Automobile – With a large population, growing middle class, affordable vehicle prices, attractive financing schemes and improving road infrastructure, India's expected growth of automobiles is very high. To meet this growth, many domestic and international car producers are rapidly expanding their production capacities in India. With a view that the growth experienced in last 5 years shall continue at the same pace there will be a 14% YoY growth in demand for steel. Assuming vehicles would continue to use similar amount of steel (about 70% of total weight) the domestic demand of auto grade steel should reach about 5 million tonnes by 2015 from the present level of 1.5 million tonnes for producing cars, MUV's and LCV's. Further, India is likely to emerge as a major supplier of semi-finished auto grade steel to other countries. (Source: ACMA report)

Infrastructure & Construction – It is projected that the Tenth Plan outlay for civil aviation is Rs. 129 billion, for roads is Rs. 597 billion, for telecom is Rs. 870 billion and for power is Rs. 1.76 trillion. This expected investment in infrastructure will create substantial demand for high quality steel products in the market. (Source: Ministry of Finance)

Other sectors that consume special and stainless steel include defense and railways.

In addition to the domestic market there is also a growing export market. Countries like Thailand, Philippines & Indonesia also have low per capita production of vehicles.

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Consumption

Recent consumption trends indicate that India is at a demand inflection point and that if this trend sustains, the country could emerge as the next big driver (producer and consumer) of the global steel industry. The National Steel Policy, 2005 targets a consumption of 65 mtpa by 2012 and 110 mtpa by 2020 at CAGR of 7.3 per cent per annum.

An increasing investment in infrastructure, construction and urbanisation as well as growth in its automobile, white goods and industrial projects, is further adding to the optimism within the domestic industry.

Power: Addition of 41,000 MW of power generating capacity between 2002 and 2007 and about 61,000 MW between 2007 and 2012 should drive steel offtake, leading to an incremental consumption of 0.4 million tonnes in FY2006 itself.

Roads: The government intends to embark on the construction of 48 new projects with a view to fourlane about 10,000 kms of roads in addition to the existing ongoing programme of NHAI. With steel intensity in the roads under construction being considerably higher than the legacy infrastructure, the outlook for increased steel consumption on this count appears optimistic.

Housing: Low interest rates and easy availability of housing finance has resulted in a housing boom; the Housing and Urban Development Corporation intends to add two million houses every year (35 per cent in urban areas), estimated to create an additional annual demand of 0.6 to 0.8 mtpa of steel.

Malls: From 25 malls in 2003, India expects to commission more than 220 malls by 2006 (estimated 40 million sq ft) and 600 malls by 2010 (100 million sq ft).

Automobile and ancillaries: In 2004-05, India's auto industry consumed about 2.8 mt of steel (about 8 per cent of India's steel consumption). This is expected to grow at 11-12 per cent over the next three years following India's emergence as a global outsourcing hub for the auto industry.

White goods: Rising income and the easy availability of low cost finance has started white goods (refrigerators, air conditioners and washing machines) revolution in India, leading to an increased consumption of steel.

Industrial Projects: India's industrial growth is encouraging a number of companies to reinvest leading to an increased consumption of steel, the steel industry is expected to emerge as a major steel consumer itself.

The positive outlook for increasing steel demand in India along with the strategic advantages offered have resulted in a keen interest from domestic and international steel majors for setting up steel projects in India.

Import and Export of Iron & Steel

- Iron & Steel are freely importable as per the extant policy.
- India has been importing around 1.5 Million Tonnes of steel annually

IMPORT OF IRON AND STEEL (In 000 tonnes)			
Year	Pig Iron	SteelTOTAL (CARBON)	Total Value (Pig Iron + Steel) (Rs. In Crores)
1991-92	152	1043	1441.32
1992-93	73	1115	1676.00
1993-94	21	1153	1613.00
1994-95	1	1936	2536.00
1995-96	8	1864	3181.00
1996-97	15	1822	3053.00
1997-98	3	1815	2904
1998-99	2	1637	N.A.
1999-2000	3	2200	N.A.
2000-2001	2	1632	N.A.

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Year	Pig Iron	SteelTOTAL (CARBON)	Total Value (Pig Iron + Steel) (Rs. In Crores)
2001-2002	2	1375	N.A.
2002-2003	1	1510	N.A.
2003-04	2	1650	.N.A.
2004-05	7	2050	N.A.
2005-06 (Apr-Dec)	2	2873	N.A.

(Source: www.steel.nic.in, official website of Ministry of Steel, Government of India)

Although India started exporting steel way back in 1964, exports were not regulated and depended largely on domestic surpluses. However, in the years following economic liberalisation, export of steel recorded a quantum jump.

EXPORT OF IRON AND STEEL (In 000 Tonnes)					
Year	Pig Iron	Semis	Finished Carbon Steel	TotalSteel	Total Value (Rs. Crores)
1991-92	-	5	368	373	283
1992-93	16	154	741	895	708
1993-94	620	585	1020	1605	1678
1994-95	466	399	873	1272	1438
1995-96	502	395	925	1320	1939
1996-97	451	300	1622	1922	2231
1997-98	785	503	1880	2383	2512
1998-99	281	174	1770	1944	N.A.
1999-2000	290	328	2670	2998	N.A.
2000-2001	230	195	2805	3000	N.A.
2001-2002	242	270	2730	3000	N.A.
2002-2003	629	460	4506	4966	N.A.
2003-04	576	701	5221	5922	N.A.
2004-05	177	225	4375	4777	N.A.
2005-06 (Apr-Dec)	204	280	3320	3804	N.A.

(Source: www.steel.nic.in, official website of Ministry of Steel, Government of India)

BUSINESS OVERVIEW

Ankit Metal & Power Limited (AMPL) was promoted in 2002 by Mr. Suresh Kumar Patni with a view to set up an Integrated Steel Plant to manufacture Sponge Iron, M.S. Ingots/Billets, Re-Rolled products along with a captive power plant. The project is being setup at village Chhatna, Jorehira in Bankura District of West Bengal with the following manufacturing facilities, to be implemented in phases.

	Particulars	Capacity
Phase-I		
1	Sponge Iron Plant	105000 TPA
Phase-II		
1	Induction Furnaces with Billet Casting Plant	65140 TPA
2	Re-rolling Mill	100000 TPA
3	Waste Heat Recovery Based (WHRB) Captive power plant	8.5 MW
Phase-III		
1	Atmospheric Fluidised Bed Combustion (AFBC) Based Captive power plant	4 MW

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The Company is going to exploit the inherent synergies within the current value chain and will operate as an end-to-end manufacturer of steel. The project will fully integrate the Company over the entire value chain, i.e. the process will start from the raw material i.e. iron ore/coal to value added finished steel. The other major objective of the project is to gainfully utilize waste heat/char coal generated in the manufacturing process in the plant to generate Power.

Sponge Iron unit has started its operation since October, 2005 whereas the operations of the Billet Casting unit has started in January, 2006.

Re-rolling Mill, WHR based captive power plant and 4 MW AFBC captive power plant are estimated to start their operation from July, 2007.

The Company was promoted by the Kolkata based S. K. Patni who is operating in the Iron & Steel and Ferro-Alloys industry for nearly two decades with marketing presence across India having in-depth knowledge of the iron & steel market. The group has various activities like manufacturing, with facilities in the States of West Bengal and Orissa under the name & style of Impex Ferro-Tech Limited and Rohit Ferro-Tech Limited., and trading & import of steel intermediates under Impex Metal & Ferro Alloys Pvt. Ltd. The product portfolio of the group presently comprises a range of value added products ranging from Sponge Iron, Billets, TMT Bars, Rods, Manganese & Chromium based Ferro Alloys, Metals, Minerals and other steel related products.

Location of the Project

The project is located at village Chhatna, Jorehira, dist: Bankura in the state of West Bengal.

The proposed unit will get the benefit of subsidised power at Bankura as well as supply of Iron Ore from nearby mines of Joda, Barbil, Noamundi, Keonjhar in Orissa and also from Chattisgarh; while the required coal is available in Ranigunj area located within a radius of 50-60 Kms. from the plant site. Thus, the plant site is located centrally between the two major raw material sourcing areas and this shall help in saving costs on logistics and transportation.

The Registered office of the Company is situated at 35, Chittranjan Avenue, Kolkata -700 012; and the Corporate office at 33, Chittaranjan Avenue, 1st floor, Kolkata-700 012.

STATUS OF THE PROJECT

Phase I of the Project (Already implemented)

The Company has set up manufacturing facility to produce high grade of sponge iron. The project has been appraised by State Bank of India, Commercial Branch N.S. Road, Kolkata 700 001 which has funded the term loan and working capital requirements of the company's project.

The sponge iron manufacturing phase comprising a 350 TPD Kiln for the manufacture of 105,000 TPA of Sponge Iron with a projected cost of Rs. 2864 lacs has started its commercial operations in October 2005. The projected cost of this unit was further revised to Rs.3825 lacs and was appraised by State Bank of India.

The facilities of the Phase -I have been summarized as under:-

Module	Rationale	Installed Capacity	Detailed Engineering & Consultancy
Rotary Kiln (DRI mode)	For manufacturing of Sponge Iron to meet the captive requirement and Sale in the Market.	105,000 TPA	Industrial Technical Consultant, Raipur

Phase - II

M.S. Ingot/ Billet Division

The Company is having an integrated facility to produce 65,140 TPA of M.S. Ingots/ Billets. The technical consultancy and detailed engineering of various facilities for its steel melting shop the Company has appointed reputed consultants from respective fields.

This division has started its operation from January 2006.

Re-Rolling Mill Division

The Company proposes to install a 100,000 MTPA capacity Rolling Mill to produce TMT bars/wire rods and other rolled products out of the Billets produced from its Steel Melting Shop which produces 65140 mt of billets per year. The Company intends to purchase balance quantity of billets about 35000 mt per year to convert into the rolled products.

WHRB Captive Power Plant

The Company will use the Waste Gases generated out of its 350 TPD Rotary Kiln to produce 8.5 MW of Power. This captively generated power shall be used in the Sponge Iron, Induction Furnaces & Rolling Mill division.

The facilities of Phase -II are summarized as under:-

Module	Rationale	Installed Capacity	Detailed Engineering & Consultancy
Steel Melting Shop (comprising of Induction Furnaces and Continuous Casting Machine)	For manufacturing of M.S. Ingots & Billets to captively use in Re-rolling mill for producing TMT/wire rod & other rolled products.	65140 TPA	N.C. Associates, Patna
Re-rolling Mill (100000 tons PA) (Expected to be commissioned by July, 2007)	For manufacturing of Rolled products including TMT/wire Rods.	100,000 TPA	Rana Udyog Pvt. Ltd, Kolkata
Captive Power Plant (8.5 MW) (Expected to be commissioned by July, 2007)	To use the waste heat gas generated from DRI Kilns and to meet the captive power requirement of the Plant.	8.5 MW.	Shaktipunj Engineers Pvt. Ltd. Raipur & AKB Power Consultants Pvt. Ltd.

Phase - III

AFBC based Captive Power Plant

The Company proposes to produce 4 MW Power from the AFBC based power plant by using the Char coal generated from the Rotary Kiln along with the low-grade coal. This captively produced power shall be used to meet the requirements of the Company.

The facilities of Phase -III are summarized as under:-

Module	Rationale	Installed Capacity	Detailed Engineering & Consultancy
Captive Power Plant (4.0 MW) (Expected to be commissioned by July, 2007)	To use the waste Char generated from DRI Kilns and to meet the captive power requirement of the Plant.	4.0 MW.	Shaktipunj Engineers Pvt. Ltd. Raipur & A. K. Biswas & Co., Kolkata

PLANT, MACHINERY, TECHNOLOGY & PROCESS

For details regarding plant & machinery, please refer Section “Objects of the Issue” beginning on page no. 21 of this Red Herring Prospectus.

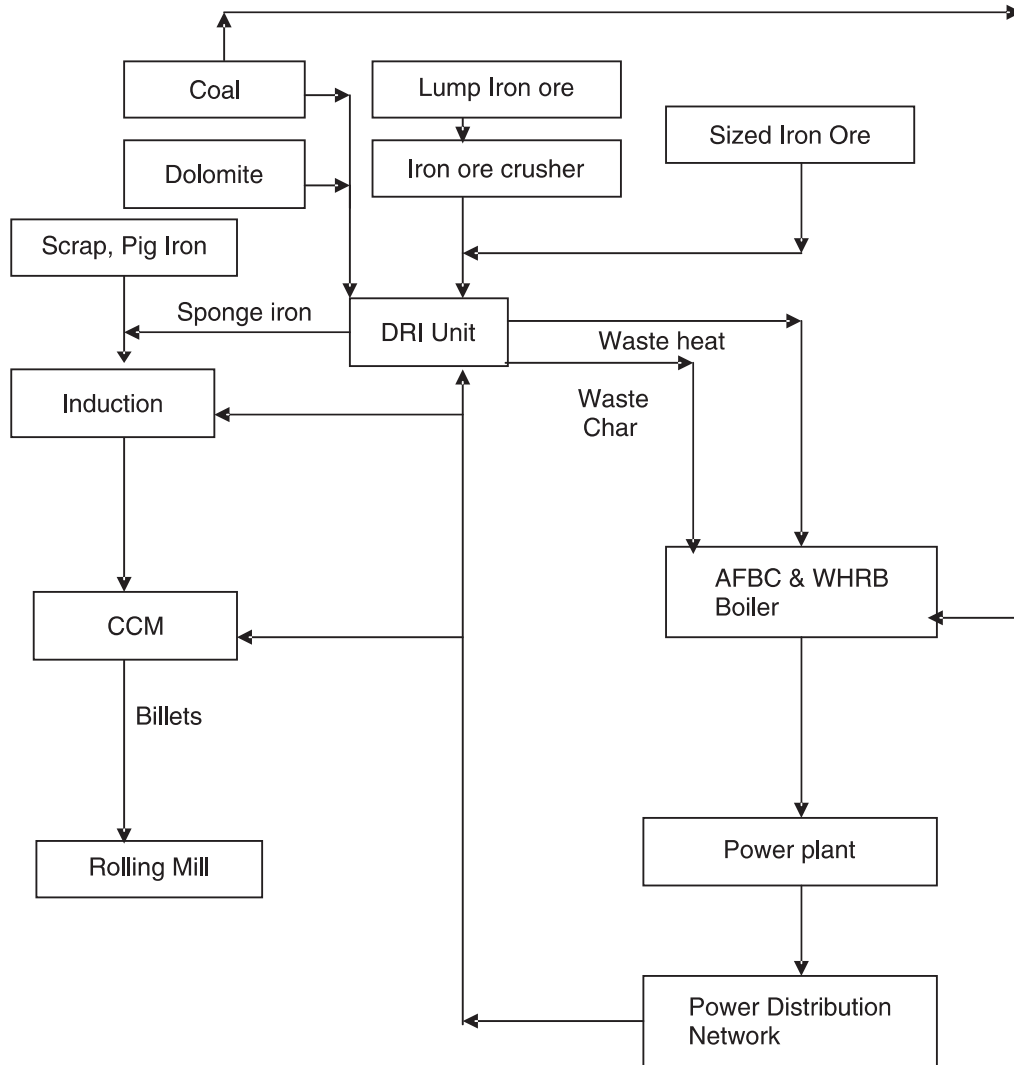
MANUFACTURING PROCESS

The choice of the technology was based on the merits and demerits of various technologies, the status of technology, flexibility of operation, availability of raw materials, capital investment and economics of operations. The DRI – IF – CCM – RM route is considered for the Company’s Integrated Steel Plant. The proposed detailed manufacturing process for the integrated steel plant is given below.

The Process Flow Chart

The following schematic represents the process flow chart of the overall operations of the Company, subsequent to the implementation of Phase II & III:

PROCESS FLOW-CHART



ROTARY KILN PROCESS FOR DRI (DIRECT REDUCED IRON)

Process based on use of rotary kiln is well established in the country. The materials handling system accepts incoming raw materials (Lump ore, coal and dolomite) from road transportation and conveys the material to stockpiles. Typically, the materials are recovered from the stockpiles by front-end loaders, which then unload the material into conveyors. The ore is screened to remove fines and a portion of the coal crushed to a size suitable for pneumatic injection. Once processing is complete, the materials are delivered to day bins. The raw materials are transferred from the day bins via Electronic weigh feeders and are fed in controlled quantities to the feed end of the kiln. The kiln rotates slowly, causing the ore and the coal to move towards the discharge end of the kiln, while being heated and reduced. The kiln is refractory lined and equipped with refractory dams at the feed end and discharge end in order to maximise reaction time. The coal provides the heat for the endothermic reductions that produce DRI. Air, for combustion of the coal, is added readily to the kiln via air tubes, which are mounted at various positions along the length of the kiln. By using a technique of injection of crushed coal at the discharge end of the kiln, the process may be operated successfully without the necessity for any hydrocarbon fuel, such as natural gas or oil, material bed temperatures of up to 1,075 degree C. can be easily sustained. The reactions in the kiln are carefully controlled by varying the quantity of coal injected from the discharge end of the kiln and by regulating the amount of air introduced along with the length of the kiln through the air tubes. On discharge from the kiln the DRI has a metalisation of more than 90%. Depending on the coal, the

sulphur content of the DRI can be controlled to as low as .05-.055 per cent, while other impurities are chiefly dependent on the quality of the ore. Once the product passes out of the kiln, it is cooled in rotary cooler, it is then transferred to a product handling building for separation of the residual char, ash and spent limestone waste products, and for classification of the DRI into size fractions. The separation trains use a combination of magnetic separation and air elutriation to achieve an ore all target iron yield of more than 95%. The waste gas produced by the kiln process is extracted from the feed end of the kiln. The gas is at high temperature and also contains some residual coal. These are burnt to remove the carbon monoxide and hydrocarbons, which further increases the gas temperature.

STEEL MAKING PROCESS (STEEL MELTING SHOP)

Induction Furnace

The induction melting technology has brought a significant change in global steel scenario where it has been proved that the steel produced out of sponge iron mixed with Cast Iron and MS Melting Scrap/Pig Iron coupled with Electric Induction Furnace has become formidable process and can offer better economics at a relatively smaller scale operations.

The process involves the charge mix of raw material mainly sponge iron 50-60%, pig iron/C.I. scrap/M.S. Scrap 50-60%% into molten bath with constant power track through solid state generator converting A.C. power into D.C. power and again to convert the same into A.C. power after changing the frequency of cycle in between 50 to 500 Hz through thyristor (an electronic device) This converted A.C. power with a frequency of 250 to 500 Hz is passed through capacitor rack to achieve the desired voltage and the same is passed through copper bus bar into molten bath having copper coil cooled through water circulation, transport the heat energy into molten bath at constant voltage and KW to melt the iron and steel at a temperature of 1550°C.

The continuous efforts made by technologists in establishing mini steel plants all over India, sponge iron manufacturers and medium frequency melting induction furnace equipment manufacturer have developed the process parameters by which considerable quantity of sponge iron are used in steel making. This has brought a new era in steel melting technology in the country where scrap scarcity can no more be a threat to the mini steel plants. The economy of steel making rather introduced induction furnace route to convert sponge iron and scrap into steel where better productivity could be attained with proportionately lower scale.

Continuous Casting

The casting ladle after treatment at the ladle furnace is picked up by the ladle handling crane and placed on the ladle stand of the continuous casting machine. In the mean time a tundish lined with refractory materials, preheated to about 1700 °C and mounted on the tundish car is moved from the reserve position to the casting position. The ladle slide gate is opened to allow flow of liquid steel into the tundish. The liquid steel stream from the ladle to tundish is protected by ceramic tube to avoid oxidation and formation of inclusions in the steel. Prior to start of casting operation, dummy bars are introduced into the moulds. The gap between dummy bar head and mould walls is sealed with asbestos chord and small pieces of steel scrap are placed over the dummy bar head for chilling of initial liquid steel. Water supply to moulds, secondary cooling zone and machine cooling is then switched on. When the liquid steel level in the tundish reaches a predetermined level, the nozzles of the tundish are opened for flow of metal into the moulds. The liquid steel stream from tundish to mould is protected by shroud system to ensure superior quality of cast products. When the liquid steel level in the mould reaches about 100-150 mm from its top, the drives of the mould oscillating mechanisms and withdrawal and straightening units are switched on. The withdrawal of dummy bar begins at the minimum speed and gradually increases to normal casting speed within a few minutes. The lubrication of mould walls is done by adding requisite quantity of mould lubrication oil.

During casting operation, the metal level in mould is maintained within predetermined limits by adjusting the strand withdrawal speed. The liquid steel level in the tundish is also kept within permissible range by adjusting the opening of ladle slide gate. The partially solidified strand after leaving the mould passes through the strand guide rollers segments where intensive but controlled cooling of the strands is achieved by direct water spray with the help of nozzles. The solidified strand is guided through strand guides, withdrawal and straightening unit before entering in the cutting zone. The dummy bars are separated from the cast strands of billet caster when dummy bars reach beyond the withdrawal and straightening unit and are stored in a dummy bar storage device till their introduction is required for the next cast. The cast strands are cut into predetermined length by automatic oxy-LPG cutting torches. The cut billets / blooms are delivered to cooling bed through run- out roller tables. Pushers are provided for pushing billets / blooms on the cooling bed where these billets will be marked. The marked billets are lifted by billet handling magnet crane for storage in the billet storage bay.

Rolling Mill

Billets are used in the Rolling Mill division to make the finished products such as TMT, bars, wire rods etc. Blooms from Steel Melting Shop are received in the Bloom Storage Bay and are stacked size-wise as well as grade-wise. These are then inspected for surface defects.

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Depending on the product being rolled, blooms are lifted by the EOT crane and placed on the Charging Gate of the Reheating Furnace. After this, complete operation of the Reheating rolling and cooling of bars is mechanized and automated through stand-alone automation as well as process control from computers.

Well heated and soaked blooms are discharged from the front end of the Reheating Furnace by an Extractor. The bloom then travels toward the Reversing Mill. On the way, Descaling takes place in a Descaler by high pressure water jets. Blooms then enter the Reversing Mill. Depending on the final product, a number of to and fro passes are given at the reversing mill with the help of roller tables, manipulators and turning device. Heavy Rounds & RCS (Round Corner Steel) are finish rolled from the Reversing Mill itself and taken to Hot Saw for cropping and dividing into Cooling Bed Lengths through on line heat treatment solution. Cooled bars are then lifted from the cooling bed cradle by the storage bay EOT crane and taken for inspection or post rolling finishing operations.

For other sizes, bars from Reversing Mill pass through the Intermediate and Finishing Mill strands. Here also, depending on the Rolling Schedule, a number of to and fro passes are taken at the intermediate stands. The finished bars are end cropped and then divided into Cooling bed lengths at Hot Saws. Two Cooling Beds are provided to cope with the high rate of rolling. After cooling, the bars pass through inspection and/or finishing facility section. Finished bars are bundled and stacked grade-wise for easy identification at the time of dispatch.

WHRB AND AFBC CAPTIVE POWER PLANT

The Waste Heat Recovery Based (WHRB) power plant shall utilize the waste heat generated from the Sponge Iron Kiln and is sized and designed to extract maximum heat energy contained in the waste gases emanating from the Kiln.

The boiler pressure part internals will be designed among other considerations to withstand mechanical wear from the abrasive dust particles carried by the waste gases. The boiler consists of economiser, evaporator, super heater, integral piping, waste gas ducting with expansion joints, supporting structures, platforms and walkways, soot blowers etc. The proposed WHRB shall be unfired, single drum, top supported, three passes, natural circulation type. The high temperature dust laden waste gases from DR plant kiln will enter the first pass of the boiler. The water wall is the first heat transfer section arranged in the direction of gas flow. The entire section is made of water-cooled enclosure formed by tube fusion welded panel or fin welded panel tube.

The water section is partitioned and a screen is provided at the inlet of second pass to safeguard the super-heater from anyfouling. Front-end rear wall is continuous and connected to top/bottom header. The sidewalls are provided with headers, which in turn are connected to steam drum by supply/riser tubes. Super heater-1 and 2 are the second heat transfer section in the direction of gas flow. It consists of plain tube assembly, inlet & outlet headers and connected links. Super heater section will be arranged in two stages with a spray type de-super heater in between to control the steam temperature. Depending upon the design, the super heater will be followed by evaporator section. Evaporator is located in the second pass after super heater - 1 in the direction of gas flow. It consists of inclined coils assembly made of plain tubes, inlet & outlet headers and connected link. Evaporator-2 & 3 (optional) are located in the third pass in the direction of gas flow, having the coils similar to the evaporator coils. As per design three or four blocks of economiser will be provided in the third pass to cool the gases up to around 160°C. Adequate number of shoot blowers will be provided for on-line cleaning of heating surfaces. Soot blowing may be of steam type or acoustic depending upon the design. The drum and super heater outlet will be provided with spring-loaded safety valves of adequate relieving capacity. The Boiler will be provided with a suitable control system to ensure maximum steam generation for different waste gas inlet conditions. An attemporator will be provided to ensure constant super heater outlet temperatures over a wide operating range. The control system will be designed to ensure steady steam flow and temperature conditions. A three-element drum level control system consisting of drum level transmitter, feed water flow transmitter, steam flow transmitter and flow controller etc. will be provided.

One AFBC (Atmospheric Fluidized Bed Combustion) boiler of 4 MW capacity will be installed to augment steady flow of steam to the Steam Turbo Generator (STG). This will stabilize the steam supply to STG because WHRB steam flow will be fluctuating depending upon the Kiln process.

The AFBC boiler will fed from the coal reject fines and char generated from the DRI process, and thereby, it is cost effective to produce power. The coal fines and char will be fed into the AFBC boiler through the storage bunkers built alongwith the boiler through a weighing and batching system. The coal and char will be fluidized and aerated in the main boiler zone causing complete burning of the fuel, and the steam collected from boiler zone will be superheated to the equated temperature and passed in to the steam drum. From there, the steam will go to the common header of the STG unit.

The Complete Power plant is fully automated with DCS system to control all the instruments and safeties of the boiler and turbine as well as complete production process.

The basic function of the Captive Power Plant in this unit would be to ensure availability of adequate electrical energy in a cost effective manner utilizing primarily off gases and waste char generated by the DRI unit. The power so generated will be used for feeding the DRI, IF, CCM, Rolling Mill modules and meeting general requirements associated with the production of steel.

The fuels envisaged for power generation are:

- Waste gases and Char generated from DRI process.
- Off grade and rejected coal fines.

COLLABORATIONS

Except availing financial assistance from banks and others, we have not entered into any technical or financial agreement.

INFRASTRUCTURE FACILITIES

RAW MATERIALS

For Sponge Iron Unit (DRI Division)

The main raw materials for the production of Sponge Iron are Iron Ore and Coal, and the requirement for the production of 1 MT of Sponge Iron is as follows:

Input	Unit	Unit Consumption
Iron Ore	M.T.	1.60
Coal	M.T.	1.500

Sourcing Arrangements of major Raw-Materials

Iron Ore

Iron ore is available in the mines at Orissa, Jharkhand, Karnataka, Chattisgarh etc. The nearest iron ore mines are situated at Sundergarh and Keonjhar districts of Orissa. AMPL is currently fulfilling its requirement from Essel, Rungta, Ganwardhan, Kharbant, Khandadshar, Sekradih mines. AMPL has installed an iron ore crushing plant at its site for sizing of the iron ore lumps. The unit is not facing any problem in procuring the required quantity of iron ore.

Coal

The unit is using washed coal for production of sponge iron. Required coal is available in the mines located in the raniganj area dist Burdwan Of west Bengal or from Bharat cocking coal ltd. a subsidry of Coal India Ltd. The mines are located within the radius of 50 to 60 kms. Coal is currently purchased from Eastern coalfield & Central coalfield to attain the quality of staem coal fit to be charged in the DRI kilns. Coal is also imported from China in bulk quantity.

The Company had also applied for Coal-Linkage and Coal Blocks for its requirements and the process is in the advanced stage. The Company has also been identified for captive coal block at Chakla, Mednirai, Tubed & Jitpur in the Eastern Coalfield area within a proximity of 50 to 60 kms. Further, the Company had also applied for obtaining Mining Lease Licence for Coal for its own captive consumption.

For Steel Melting Shop

The main raw materials for M.S. Ingots/ Billets production are Sponge Iron, Pig iron and Scrap, and the requirement for the production of 1 MT of M.S. Ingot/ Billets are as follows:

Input	Unit	Unit Consumption
Sponge Iron	M.T.	0.540
Pig Iron/ Cast Iron/ M.S. Scrap	M.T.	0.540
Power	Units	600

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Sourcing Arrangements of major raw-materials:

Sponge Iron

The required Sponge Iron for the entire capacity of the Steel Melting Shop is manufacturing in Spong Iron Division, and therefore, the question of sourcing the material from outside does not arise.

Pig iron

Required Pig iron is plentifully available in the neighboring areas. Company is present procuring from MMTC, Tata Metalik, KIC Metalik etc.

Scrap

Required Scrap is available in the local markets. Company is present procuring from Railway Auction, Private Auction besides importing from global market depending upon the market.

For Re-rolling Mill

The main raw material for producing Rolled Products is M.S. Billets. The Company will be producing 65,140 mt Billets per year from its Steel Melting Division, and the balance requirement of around 35,000 to 40,000 mt billets per annum shall be sourced from local market. There are plenty of Billets plants in the neighbouring areas, and therefore, the situation of unavailability will not arise.

For Captive Power plant (WHRB & AFBC)

Major raw material of WHRB power plants is waste gas whereas of AFBC based power plant is coal and coal char respectively.

The entire requirement of waste gas will be met through the gas generated from Sponge Iron Kiln.

For AFBC based power plant, the char coal generated from the Sponge Iron kiln will be used, and the low grade coal (E & F grade) is available from the mines located in the raniganj area in West Bengal located within the radius of 50 to 60 kms from the plant site.

As stated above, the Company had already applied for Coal-Linkage and Coal Blocks for its requirements and has been identified for coal block within proximity of 50 to 60 kms.

POWER AND FUEL

The total power requirement of the entire plant of the Company including various auxiliary facilities is 20 MVA as enumerated below:

Division	Av Load At 100% (MVA)
Sponge Iron Plant	2.00
Induction Furnace/Continuous Casting Plant	10.50
Re- Rolling plant	5.50
Captive Power plant 8 MW	0.75
Captive power Plant 4 MW (AFBC)	0.25
Other Ancillaries	1.00
Total	20.00 MVA

The Company has already entered into the power supply agreement with WBSEB for supply of 9 MVA uninterrupted power supply at its plant, besides provision for One no. 1000 KVA & Two nos. 750 KVA DG sets. The balance requirement of the Power will be met with the Company's WHRB & AFBC based Captive Power Plants which will generate 12.5 MVA of power.

Thus, the Company will have enough power to run its entire unit alongwith the auxiliary facilities.

WATER

Water requirement at the existing Jorehira plant is 700 Cu. Mtr/day and is met through water reservoir. The Company is also developing the water pipe line from Darkeshwar river which is 15 kms from our plant site, and for which, necessary approval from concerned authorities have been obtained.

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Division	Requirement (in Cubic Metre)
Sponge Iron Plant	250
Continuous Casting Plant & Induction Furnace	100
Re- Rolling plant	50
Captive Power plant 8 MW	150
Captive power Plant 4 MW (AFBC)	100
Other Ancillaries	50
Total	700

MANPOWER

The Company has total of 85 employees on the pay roll of the Jorehira Pant. The proposed manpower requirement of the project is estimated at 250. The detailed break up is as given below:

Persons	Numbers
Managerial	10
Supervisors & administrators	25
Clerical, stores & other	35
Workers	
Skilled	60
Unskilled	120
Total	250

The company proposes to recruit the manpower in a phased manner depending on the progress made in implementation of the project. Recruitment of skilled/semiskilled manpower is not expected to pose any problem since the company is an established player.

COMPRESSED AIR

Compressed air shall be required for operating the pneumatic cylinders of the rotary shearing machines and for general cleaning purposes. An air compressor along with accessories has been provided in the project having a capacity rating of 300 Ncu.m/hr. at 0.3 Mpa.

ENVIRONMENTAL CLEARANCE

In manufacturing of Sponge Iron and Power, ash is generated as waste product which is not harmful & will be supplied to nearby cement plants. In manufacture of Billets in Steel Melting Shop, slag is generated as waste which is used for road making & filling purpose. The Company has received necessary approvals from pollution control Board of West Bengal for its operations.

Controlling of pollution within the norms prescribed by the Pollution Control Board is achieved with the discharge of hot gases through a 30 meter recuperator & chimney.

FIRE FIGHTING FACILITIES

In order to combat any occurrence of fire in the proposed plant premises, fire protection facilities have been envisaged for the various units of the plant including office buildings, stores, laboratories, etc.

PRODUCTS OF THE COMPANY

Presently, the Company is producing Sponge Iron and M.S. Ingots/ Billets through DRI - IFF - CCM route. With the operation of Re-rolling Mill, the Company will be producing TMT/ wire rods & other rolled products.

Products	Nature of the product
Sponge Iron	Industrial
M.S. Ingot/ Billets	Industrial
TMT & other Rolled Product	Consumer

End users of the products of the company are Re-Rolling Mills, forging units, construction Industry & wire drawing units, railways and Engineering Industries.

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MARKET

COMPETITION

The Company will face competition from a number of players in this industry. The company will have an edge over its competitors in this highly competitive market due to entire value-chain integration of its manufacturing facilities which results in lower production cost.

The competitors in similar line of business include Jai Balaji Sponge Ltd, Gallant Metal Ltd, Vikash Metal & Power Limited, Adhunik Metaliks Ltd. However, these companies are not in the business of manufacturing and trading in same product range entirely which Issuer Company is doing and the technologies adopted by these units in Iron making are also different. So none of these Companies has exactly same product composition as that of the Issuer Company. In addition, the Data on industry share and customer reach for each of the above units is also not available readily from any source available to public.

KEY PLAYERS AND MARKET SHARE

The industry is highly segmented, where-in large numbers of unorganized players are operating and only few of them are organized plyers. Some of the key players in the industry are Monnet Ispat, Jindal Steel And Power Ltd etc.

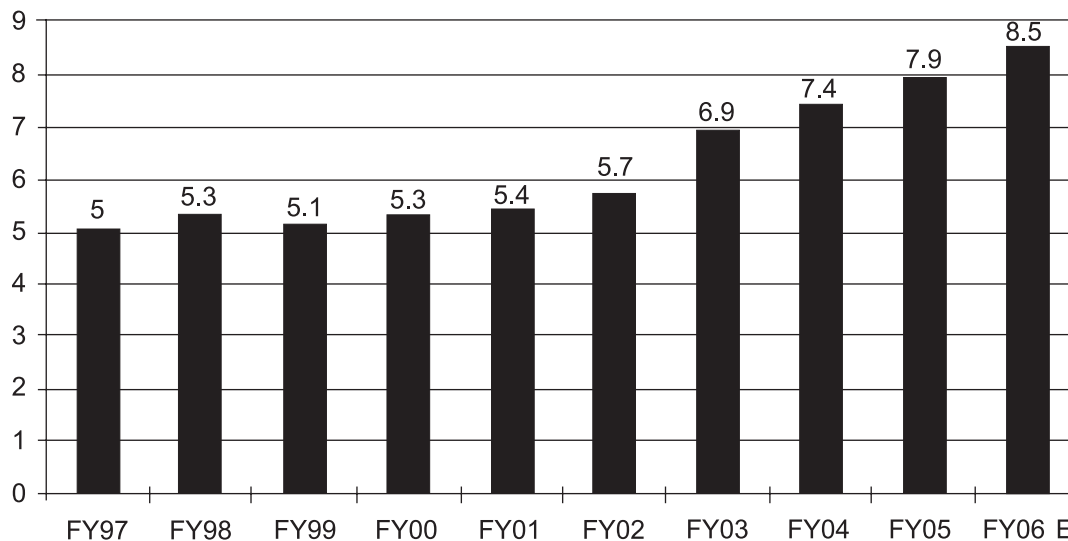
MARKET DETAILS

The sponge iron industry continues to show good profits by posting net profits of Rs 1,449 million in the first 9 months of 2004-05 as against Rs 767 million in the corresponding period of 2003-04, a jump of almost 90 per cent. The increase in PAT can be attributed mainly to the increase in operating profits. The topline in sponge iron showed an impressive growth of 86 per cent during 9 Month 2004-05 compared with the corresponding period of 2003-04, due to growth in volumes and increase in prices.

Spurt in steel demand are driving volumes:

Sponge iron production increased by 22.6 per cent to 7.2 million tonnes during April-December 2004 from 5.8 million tonnes in the corresponding period of 2003. Finished steel production, which is the lone driver of sponge iron demand, increased by 5-6 per cent during 2004-05 Sponge iron is used in steel manufacturing in EAF/IFs along with scrap. With the change in the government's scrap import policy, following explosions at Bhushan Steels, scrap imports have fallen. In addition, international scrap prices have been high. This rise in scrap prices and its scarcity have led to higher sponge iron content in the charge mix of EAF. These factors contributed to healthy demand for sponge iron.

Past Production figures of the Sponge Iron Sector (M Ton)



source: *crisinfac*

There is an improvement in capacity utilization and thus, an increase in sponge iron production in India over the next two years. About 2m-ton capacity is likely to be added by FY06. However, demand for sponge iron is slated to exceed 8.5 MT, and incremental demand would more than absorb the incremental supply. The CAGR from the FY1997 to FY2006 is estimated to be 6.1%.

Demand and high scrap prices resulted in high prices:

In the first 9 months of 2004-05, average prices were almost 47 per cent higher than the levels in the corresponding period of 2003-04, due to high input costs and strong demand. Sponge iron prices are linked to international scrap prices, as scrap is a close substitute to sponge iron.

Sponge iron prices in 2005-06

Sponge iron prices are seen stable in 2005-06, at around Rs 10,500-121,500 per tonne (which are now at the level of Rs 12,000-12500 per tonne). A slight correction in prices will be seen due to mounting capacities. However, production growth is likely to be restricted due to coal shortage, restricting the fall in prices. The shortage of coal is likely to restrict production, while high scrap prices and buoyant growth in steel production will result in high demand for sponge iron, thereby maintaining the demand supply balance.

Prices of sponge iron are dependant on the following factors:

- Sponge iron demand-supply
- Prices and availability of raw materials
- Prices of imported scrap.

Sponge iron demand-supply

Entry barriers in the sponge iron industry are very low due to low capital requirement and low gestation period. As a result, when sponge iron prices are high and market fundamentals are good many small capacities start coming up. The industry has witnessed significant growth in capacities in 2004-05. According to industry sources, the coal-based sponge iron capacity will grow by around 2.5 million tonnes in 2005-06. On the other hand, the demand for sponge iron is set to grow at 20-22 per cent, resulting in an incremental demand of around 1.3 million tonnes. Thus, industry fundamentals of the sponge iron industry are expected to weaken.

Sponge iron demand in 2005-06

Since 2000-01, sponge iron demand (for coal-based units) has increased at a CAGR of 21 per cent. The demand for sponge iron is driven by steel production through the induction furnace (IF)/electric arch furnace (EAF) route. Steel makers use sponge iron with scrap as a charge mix in IF/EAF. Ideally, in EAF/IF, sponge iron and scrap are used in the ratio of 60:40 in the charge mix. However, this ratio keeps changing as per the availability and prices of scrap. We are expecting the sponge iron demand to increase by around 20 per cent in 2005-06. Our outlook is primarily based on the following factors:

Growth in steel production

According to IISI (The International Iron & Steel Institute), currently, out of 32-33 million tonnes of finished steel production in India, around 38 per cent is manufactured through the EAF/IF route. We assume steel production growing at around 7 per cent, resulting in similar growth in production through the EAF route. Thus, the rise in steel production in the country will boost the demand for sponge iron.

Other Markets

Prolific steel producers like Russia and other CIS countries are now also turning into large consumers of steel. In the former USSR countries, while the production was flat for CY03, consumption grew at 4.5%. For CY04, demand is expected to pick up at roughly the same rate while production is expected to grow at 1%.

STEEL BILLETS

Manufacturing Process

Steel billets are manufactured either by ingot casting and rolling through looming & billet mills or by forging or by continuous-casting of billets directly from liquid steel. Billets manufactured by forging are mostly alloy or special steels. Pencil ingots of smaller sizes, manufactured in mini steel plants are also used as substitute of billets. Due to better yield, less energy consumption and capital investment, continuous-casting is being practiced even for annual production levels of 25,000-30,000 t billets.

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Users

The billet being a semi-finished product is used for further processing for production of suitable products. It is used as a feedstock to rolling mills for production of long products like wire rods, bars/rods and light structural. Billet is also used extensively in forge shops and machine shops for production of engineering goods and also as feedstock for seamless tubes.

Industry Scenario & Market Potential of Steel Billets

Demand & Supply Forecasts

While projecting all-India demand for steel billets, the requirement of the same for integrated steel plants (primary producers) has not been considered, since their captive requirement goes for finished steel production. In view of the above, demand for steel billets excluding the captive requirement of integrated steel plants is mainly dependent on production levels of bars and rods and structural by secondary producers. The anticipated production of mild steel bars and rods and structural from secondary producers during 2006-07 is of the order of 11.8 million tonne. Billet requirement for producing the above products will be around 12.5 million tonne. The production of pencil ingots/billets from secondary sector during 2006-07 is likely to be about 10.0 million tonne, which include mild steel, medium/high carbon steel, alloy steels etc. It is estimated that the share of mild steel will be of the order of 7.5 million tonne. The quantity of mild steel billets available for sale from integrated steel plants (BSP, TISCO, DSP & RINL) is likely to be around 3.0 million tonne (0.8 million tonne BSP, 0.76 million tonne TISCO, 0.85 million tonne DSP and 0.6 million tonne Vizag). Thus total availability of mild steel billets would be around 10.5 Mt (7.5 Mt from secondary sector +3 Mt from integrated steel plants) as against the requirement of the order of 12.5. So there will be shortfall of around 2 Mt billets during 2006- 07.

With the liberalized export policies and considering the trade prevailing in Asian countries, an export provision of around 1 Mt of billets has been considered during 2006-07.

Based on the above, resultant gaps/surpluses of billets emerge as follows:

Resultant Gaps (-)/Surpluses(+) for Mild Steel Billets

Year	Demand		Availability	Resultant Gaps (-) and Surplus (+)	
	Domestic	With Export		Without Export	With Export
2006-07	12500	13500	10500	(-) 2000	(-) 3000

The end consumption of constructional steel in this country has lately increased by a very great magnitude. The major consumers being thermal power unit and the expansion programme of the steel plants both in primary as well as in secondary sector, in addition to this other normal growth oriented construction programme like housing complex, PWD construction, Industrial Complex, Sports Complex, Bridges, etc. are there. This large-scale consumption rate has created a big gap in the total supply & availability of rolled steel. This demand supply gap has been felt more acutely in some zonal regions in this country. The Eastern & North-East zones are particularly affected. The annual production capacities of rolling mills in West Bengal & Assam are about 815,000 tonnes and 207,000 tonnes respectively. Whereas the production capacity of mini steel plant producing billets/ ingots amount to 500,000 tonnes and 40,000 tonnes annually. Naturally the shortfall in this two states amounting to 482,000 tonnes has to be met by either billets received from the main producers or billets/ingots from the secondary producers. The production rate of main producer is not likely to increase radically and the arc furnace based industries are virtually closed due to higher production cost, hence the void is likely to continue or increase unless the cost of consumables being used in the arc furnace becomes low or the consumption pattern of constructional steel changes. Since neither of these are going to change radically this void of billets/ingots is likely to continue for a long time to come. It is apprehended that the growth of construction oriented industries and other programmes to be undertaken by the various Government Agencies will reach to an appreciable level within a few years 10 come and therefore capacities addition to billet / Ingot production would be a necessity.

Infrastructure and housing construction boost demand for long products

Long products are expected to grow at a healthy 9 per cent in 2003-04, and a CAGR of 6.9 per cent from 2004-05 to 2007- 08. In long products, bars and rods are expected to outperform the other segments. A strong demand growth from housing and infrastructure augurs well for the industry. In the Union Budget 2003-04, the government announced a major thrust for the infrastructure sector. It announced 48 new road projects with an outlay of Rs 4,000 billion. Eight port and shipping projects are

also going on. These will require a large amount of long steel, particularly bars and rods. Low interest rates and tax sops have boosted the urban housing sector, which is fairly steel- intensive. This growth is expected to continue, pushing the demand for long steel. In recent times, the demand growth rate for structurals has fallen, due to lack of large projects in power or manufacturing. Growth will remain low in spite of new investments in the power sector, because the housing sector has begun shifting from structurals to bars and rods, which are more easily available, and are more cost-effective.

source: crisinfac

MARKETING & SELLING ARRANGEMENTS

Currently the product portfolio of the Company includes Sponge Iron and Billets. After Commissioning & Installation of Rerolling Plant, the Company will roll its billets to manufacture TMT/ wire rods and other rolled products and sale in market. Presently, the Company is selling its billets to other Rolling mills.

Presently, sponge iron is captively consumed as well as sold in the local market. Main customers are Shakambhari Overseas Trading P. Ltd, Jainex Metaliks Ltd., Radhika Electrocast P. Ltd.

The Company is selling its billets to other Rolling mills & exports the products. The main customers are Sesa International Ltd, Mortex India & Siam Property Steel co. Ltd.

Further, the Company has also started trading activity in the similar line of products including TMT and rolled items and having very good clientele for steels products, which will be used at the time of selling its own rolled product.

The marketing is headed by Mr. Ankit Patni, Managing Director of the Company, with support of experienced marketing professionals from this industry. The Company has adopted direct marketing approach and is currently selling its products directly through its agent located at Delhi, Haryana, Punjab, U.P. etc. The other areas are covered directly by the Kolkata Sales Office. The Company sells its products to the Integrated Steel Plant through direct tendering process where it has been enlisted as registered vendors.

The Company has presently a wide network of selling agents, which will be used for selling of the Companies products. Besides the above the Company has also an efficient marketing team, which will be used for controlling of the agent as well as direct marketing of the products to the large manufacturers.

EXPORT OBLIGATION AND EXPORT POSSIBILITIES

There is no export obligation of the company as on date.

Total export during the year 2006-2007 is Rs.2933.87 lacs i.e. 13.98%, out of the total sale of Rs.20993.70 lacs. Major export sales made in Nepal & UAE are Rs.2446.74 lacs & Rs.487.12 Lacs respectively. Presently, the Company has export order in hand for 1000 MTs of Billets from Nepal.

BUSINESS STRATEGY

The Company's strategy is to operate the business in an efficient & effective way so as to supply quality products that satisfy its customer's needs and add value to its stakeholders. The focus of the Company will be to increase the contribution on the products by reducing the cost of production, control over logistics, ensure uninterrupted raw material supply, command high prices through value added products and to ensure long term sustainability of the Company.

COMPETITIVE STRENGTHS

In today's world of high competition, the Company being an Integrated producers is better placed on account of:

- Better cost structure due to multipoint value addition and economies of scale.
- Power availability at cheaper cost due to captive power plant.
- Continuous water supply with dedicated water pipeline installed.
- Better technology resulting in lower costs and better quality.
- Better access to capital due to size.
- Better pricing control and access to markets.
- Proximity to the availability of Raw materials
- Long-term access to raw materials thereby increasing immunity to the steel cycle.

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Availability of key raw materials will be a limiting factor for growth of any industry. However, with the proposed allotment of coal lonkage/ blocks and mines, the Company will be placed advantageously as compared to other steel manufacturer.

The Company believes that with the above strengths alongwith the promoter's wide experience in the Iron & Steel sector, the Company can easily ward off the threat of competition.

CAPACITY AND CAPACITY UTILISATION

The capacity and capacity utilization of the Company upto period ended 31st March, 2007 is as given below:

Sponge Iron

Particulars	2004-05	2005-06 (October, 05 onwards)	2006-07
Installed Capacity (TPA)	N.A.	105000	105000
Capacity Utilisation (%)		37.9%	41.39%
Period available (Months)		5.5	12
Production (MTs)		18243	43402

Ingots/ Billets

Particulars	2004-05	2005-06	2006-07
Installed Capacity	N.A.	65140	65140
Capacity Utilisation (%)		33.71%	61.46%
Period available (Months)		3	12
Production (MTs)		5475.72	35589

Commercial productions of Rolling Mill and Captive Power Plants have not yet started. So their past capacity utilization are not available.

Projected Capacity Utilization for next 3 years

Sponge Iron

Particulars	2007-08	2008-09	2009-10
Installed Capacity (TPA)	105000	105000	105000
Capacity Utilisation (%)	80	85	85
Period available (Months)	12	12	12
Production (MTs)	84000	89250	89250

Initially Sponge iron plants of 350 TPD have lot of problems in process control, quality control and problems in material handling, processing circuits which need a lot of amendments and changes. In the first year, Capacity utilization was quite low. Now all the necessary changes have been made and equipments are stabilized hence proposed capacity utilization was taken on the basis of Normal capacity.

Billets

Particulars	2007-08	2008-09	2009-10
Installed Capacity	65140	65140	65140
Capacity Utilisation (%)	90	90	90
Period available (Months)	12	12	12
Production (MTs)	58626	58626	58626

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As the plant has started in January 2006, it took time to stabilize in the area of continuous temperature; mould setting as a result production is low. Now, the plant is normally running, thus we are presuming the normal production for proposed capacity utilization.

Rolling Mill

Particulars	2007-08	2008-09	2009-10
Installed Capacity (TPA)	100000	100000	100000
Capacity Utilisation (%)	80	85	90
Period available (Months)	9	12	12
Production (MTs)	60000	85000	90000

Captive Power Plant (8.5 MW WHRB Captive Power Plant)

Particulars	2007-08	2008-09	2009-10
Installed Capacity (MW)	8.5	8.5	8.5
Generation Capacity (units in lacs)	74.46	74.46	74.46
Capacity Utilisation (%)	70	80	80
Period available (Months)	9	12	12
Production (units in lacs)	39.092	59.568	59.568

Captive Power Plant (4.0 MW AFBC Captive Power Plant)

Particulars	2007-08	2008-09	2009-10
Installed Capacity (MW)	4.0	4.0	4.0
Generation Capacity (units in lacs)	35.04	35.04	35.04
Capacity Utilisation (%)	70	80	80
Period available	9	12	12
Production (units in lacs)	18.396	28.032	28.032

The company has conceived a semi - automatic Rolling Mill of 60000 tons per annum in the project and now, the company has shifted to fully automatic plant with a higher capacity (100000 Tons). The reason behind expansion of capacities of Rolling mill is to sustain in the competitive market by reducing the cost & improving the quality. The capitalization cost for enhance capacity is much lower than the capital cost for separate additional plant for enhanced capacity. Cost of the product will be reduced by high production with relatively same overhead & marketing facilities, so the company is able to produce more & sell the products at a competitive rate & save in cost of publicity, Marketing distribution network & brand building to capture the same market.

Total requirement of power in the project is 20 MW & we have 9 MW power agreements with the WBSEB, thus the additional power is required for the project. 8.5 MW power is generated by using the waste heat of the sponge iron. The main reason for expansion of power plant is to meet the requirement of power & generate at a lower cost by using the waste product of the sponge iron plant & also to have a better power consistency which help in continuous smooth running of the plant.

Property

The details of the properties occupied by the Company are as under:

Sr. No.	Particulars	Nature of ownership
1	Property situated at 35, Chittaranjan Avenue, Kolkata being used as Registered Office of the Company admeasuring 500 sq. feets	Owned by Promoters
2	Property situated at 33, Chittaranjan Avenue, Kolkata being used as Corporate Office of the Company admeasuring 1500 sq. feets approx	Leasehold
3	Property situated at Chhatna, Jorehira at which plant of the company is situated admeasuring 32.51 acres.	Owned by the Company

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Purchase of the property

Details of land acquired by the company (At Chhatna, Jorehira)

Sr. No.	Name, address and description of vendor	Area in Acres	Nature of title	Amount paid/ payable (Rs.)
1	Kashinath Gorai, Burat, Mouse, Jorehira	1.95	Owned by the Company	80000.00
2	Joydev Chattopadhyay, Chhatna	0.50	-do-	25000.00
3	Anil Mukhopadhyay, Chhatna	1.64	-do-	66500.00
4	Sunil Mukhopadhyay, Chhatna			
5	Various Other Vendors*	28.42	-do-	614500.00
	Total	32.51	786000.00	

*The details of 28.42 acres of freehold land acquired from various 81 vendors for a total consideration of Rs.6,14,500/- is as under;

Sr. No.	Name, & address	Area in Acres	Nature of title	Amount paid/ payable (Rs.)
1	Smt. Kalyani Dutta , Chhatna	9.89	Owned by the Company	2.00 lacs
2	Smt. Shefali Rakshhit, Chhatna			
3	Smt. Mamata Dutta, Chhatna			
4	Sri.Uday Kundu , Chhatna			
5	Sri. Shyam Sundar Kundu, Chhatna			
6	Sri.Swapan Kundu, Chhatna			
7	Smt.Skakuntala Kundu, Chhatna			
8	Smt. Reba Kunda, Chhatna			
9	Sri. Subal Kundu, Chhatna			
10	Sri. Kamal Kundu, Chhatna			
11	Sri. Rina Chattopadhyay, Chhatna	2.04	Owned by the Company	0.80 lacs
12	Smt. Subhadra Chattopadhyay, Chhatna			
13	Smt. Kalyani Mukherjee, Chhatna			
14	Sri. Arabindo Bandopadhyay, Chhatna			
15	Smt. Minuti Ganguly, Chhatna			
16	Smt. Ila Chattopadhyay, Chhatna			
17	Smt. Bharati Chattopadhyay, Chhatna			
18	Sri. Madhusudan Bandopadhyay, Chhatna			
19	Smt. Gunamayee Bandopadhyay, Chhatna			
20	Smt.Bebi Mukhopadhyay, Chhatna			
21	Smt. Chabi Rani Mukhopadhyay, Chhatna			
22	Smt. Soma Mukhopadhyay, Chhatna			
23	Sri. Dhananjoy Gorai, Chhatna	0.65	Owned by the Company	0.10 lacs
24	Sri. Gurupada Gorai, Chhatna			

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Sr. No.	Name, & address	Area in Acres	Nature of title	Amount paid/ payable (Rs.)
25	Sri. Gour Gorai, Burat, Chhatna	1.03	Owned by the Company	0.72 lacs
26	Sri. Kanai Gorai, Burat, Chhatna			
27	Sri. Gopal Gorai, Burat, Chhatna			
28	Sri. Gueram Gorai, Burat, Chhatna			
29	Sri. Nemaï Gorai, Burat, Chhatna			
30	Sri. Netai Gorai, Burat, Chhatna			
31	Sri. Chitta Gorai, Burat, Chhatna			
32	Sri. Jiten Gorai, Burat, Chhatna			
33	Sri. Fatik Gorai, Burat, Chhatna			
34	Sri. Madan Gorai, Burat, Chhatna			
35	Sri. Muktaram Gorai, Burat, Chhatna			
36	Sri. Sadhan Gorai, Burat, Chhatna			
37	Sri. Nadu Gorai, Burat, Chhatna			
38	Sri. Satish Gorai, Burat, Chhatna			
39	Sailyabala Dasi, Burat, Chhatna			
40	Sri. Helu Gorai, Burat, Chhatna			
41	Sri. Sudhir Gorai, Burat, Chhatna			
42	Sri. Sadananda Gorai, Burat, Chhatna			
43	Sri. Shibu Gorai, Burat, Chhatna			
44	Sri. Bholanath Gorai, Burat, Chhatna			
45	Sri Madhu Gorai, Burat, Chhatna			
46	Smt. Mangla Gorai, Burat, Chhatna			
47	Sri. Mantu Pal, Burat, Chhatna	0.42	Owned by the Company	0.30 lacs
48	Smt. Jyotisna Pal, Burat, Chhatna			
49	Smt. Madhabi Pal, Burat, Chhatna			
50	Smt. Dipti Pramanick, Burat, Chhatna			
51	Smt. Bandana Kundu, Burat, Chhatna			
52	Sri. Gopal Gorai, Burat, Chhatna	0.32	Owned by the Company	0.225 lacs
53	Sri. Guiram Gorai, Burat, Chhatna			
54	Sri. Tapan Chattopadhyya, Jorehira, Chhatna	14.07	Owned by the Company	2.00 lacs
55	Sri. Purna Chattopadhyya, Jorehira, Chhatna			
56	Sri Basudeb Chattopadhyya, Jorehira, Chhatna			
57	Sri. Sahadeb Chattopadhyya, Jorehira, Chhatna			
58	Sri. Sudhakar Chattopadhyya, Jorehira, Chhatna			
59	Sri. Gunjanmayee Bandopadhyya, Jorehira, Chhatna			

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Sr. No.	Name, & address	Area in Acres	Nature of title	Amount paid/ payable (Rs.)
60	Sri. Durgadas Hore, Jorehira, Chhatna			
61	Sri. Shyama Pada Chatterjee, Jorehira, Chhatna			
62	Sri. Dilip Chatterjee, Jorehira, Chhatna			
63	Sri. Subodh Kumar Hore, Jorehira, Chhatna			
64	Sri. Dayamay Hore, Jorehira, Chhatna			
65	Sri. Sukumar Chatterjee, Jorehira, Chhatna			
66	Sri. Dukhabhanjan Chatterjee, Jorehira, Chhatna			
67	Sri. Madan Hore, Jorehira, Chhatna			
68	Smt. Chhabi Rani Chakrovarty, Saltora			
69	Sri. Bimal Hore, Saltora			
70	Sri. Dulal Hore, Jorehira, Chhatna			
71	Sri. Ashoke Kumar Hore, Jorehira, Chhatna			
72	Sri. Prabhat Hore, Jorehira, Chhatna			
73	Sri. Saroj Hore, Jorehira, Chhatna			
74	Sri. Guiram Hore, Jorehira, Chhatna			
75	Sri. Haridas Hore, Jorehira, Chhatna			
76	Sri. Subhas Hore, Jorehira, Chhatna			
77	Sri. Sishir Hore, Jorehira, Chhatna			
78	Sri. Gautam Hore, Jorehira, Chhatna			
79	Sri. Mihir Hore, Jorehira, Chhatna			
80	Sri Joydev Chattopadhyay, Jorehira, Chhatna			
81	Sri. Muroli Mukhopadhyaya, Jorehira, Chhatna			

Except as stated in "Objects of the Issue" in this Offer Document and save in respect of the property purchased or acquired or to be purchased or acquired in connection with the business or activities contemplated by the objects of the Issue, there is no property which we have purchased or acquired or propose to purchase or acquire, which is to be paid for wholly or partly out of the proceeds of the present Issue or the purchase or acquisition of which has not been completed on the date of this Offer Document , other than property in respect of which:

- The contracts for the purchase or acquisition were entered into in the ordinary course of the business, and the contracts were not entered into in contemplation of the Issue nor is the Issue contemplated in consequence of the contracts; or
- The amount of the purchase money is not material. The Company has not purchased any property in which any of its promoters and/or Directors, have any direct or indirect interest in any payment made thereof.

REGULATIONS AND POLICIES

There are several legislations, which apply to companies engaged in the steel industry in India. The Company is subjected to all such laws and regulations.

The new industrial policy was formulated in 1991 to implement the Government's liberalization programme and consequent industrial policy reforms relaxed the industrial licensing requirements and restrictions on foreign investment.

In relation to the steel industry, licensing requirement for capacity creation has been abolished, except for certain locational restrictions. Steel industry has been removed from the list of industries reserved for the public sector. Price and distribution controls as well as restrictions on external trade, both in import and export, have been removed.

Under the provisions of various Central Government and State Government Statutes / Legislations, our Company is required to obtain and regularly renew certain licenses / registrations and / or to seek statutory permissions to conduct our business and operations.

The list set out above is by way of an illustration and is not an exhaustive list of all statutes applicable to the Company's operations. In addition to the below, our Company is required to comply with various labour laws and the rules framed thereunder.

A summary of the regulations and policies currently applicable/that would become applicable to our Company pursuant to the Project are as follows:

NATIONAL STEEL POLICY, 2005

The National Steel Policy, 2005 (hereinafter referred to as the "Policy") is not a regulation but a policy document which lays down a broad policy framework for India's steel industry, and aspires India to have a modern and efficient steel industry of world standards, catering to diversified steel demand.

The Policy envisages a compounded annual growth of 7.3 per cent per annum in the steel sector. To achieve this, it aims to increase production from 38 MTPA in 2004-05 to over 110 MTPA by 2020, through a multi-pronged strategy.

The Policy focuses on achieving global competitiveness not only in terms of cost, quality and product mix, but also in terms of global benchmarks of efficiency and productivity.

The Government proposes to create incremental demand for domestic consumption via promotional efforts, awareness drives and strengthening the delivery chain, particularly in rural areas. On the supply side the strategy would be to facilitate creation of additional capacity, remove procedural and policy bottlenecks in the availability of inputs such as iron ore and coal, make higher investments in R&D and HRD and encourage the creation of infrastructure such as roads, railways and ports.

THE ESSENTIAL COMMODITIES ACT, 1955

The Essential Commodities Act, 1955 (hereinafter referred to as the Act) provides for the control of the production, supply and distribution of, and trade and commerce, in certain commodities. Coal including coke and other derivatives as well as iron and steel including manufactured products of iron and steel are essential commodities as per Section 2 of the Act. Section 3 of the Act confers extensive powers on the Central Government to make orders for achieving the primary objective of exercising effective control over the supply and equitable distribution of the essential commodity at fair prices. The order made, under Section 3, by the Central Government may provide *inter alia* for regulating by licenses, permits or otherwise the production or manufacture of any essential commodity.

THE ELECTRICITY ACT, 2003

The Electricity Act, 2003 (hereinafter referred to as the "Act") was enacted with effect from June 10, 2003 repealing and replacing all the three Acts i.e. Indian Electricity Act, 1910, Electricity (Supply) Act, 1948 and Electricity Regulatory Commissions Act, 1998. The Act seeks to provide for demarcation of the roles of generation, transmission and distribution to provide for individual accountability of each. Some of the major provisions of the Act include *inter alia* the following:

1. de-licenses generation, makes captive-generation freely permissible;
2. provides open access for transmission, distribution and trading;
3. specifies technical standards, grid standards and safety requirements; and
4. introduces power trading as a distinct activity from power generation, transmission and distribution.

As regards captive power generation, Section 7 of the Act provides that a generating company may establish, operate and maintain a generating station without obtaining a license under this Act if it complies with prescribed technical standards. Section 9(1) of the Act allows any person to construct, maintain or operate a captive generation plant and dedicated transmission

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lines, subject to the condition that supply of electricity from the captive generating plant through the grid shall be regulated in the same manner as the generating station of a generating company. Section 9(2) of the Act further states that every person who has constructed a captive generating plant and maintains and operates such plant shall have the right to open access for the purposes of carrying electricity from captive generating plant to the destination of his use, subject to availability of adequate transmission facility.

INCENTIVES PROVIDED BY STATE GOVERNMENT

West Bengal Incentive Scheme, 2000

The Company is eligible for various incentives under West Bengal Incentive scheme, 2000 for its Sponge Iron Unit in Phase-I

Sr. No.	Type of Incentive available	Period & details of the Incentives	Quantum of Incentive	Authority to be approached for availing of the Incentive
1.	State Capital investment Subsidy	One-time	25% of the Fixed Capital Investment in the project subject to a limit of Rs.250 lacs	WBIDC Ltd.
2.	Interest Subsidy	7 Years*	50% of the Annual Interest liability on Loan borrowed for the implementation of the project subject to a limit of Rs.100 lacs	WBIDC Ltd.
3.	Waiver of Electricity Duty	5 Years*	Waiver of Electricity Duty consumed on production	Directorate of industries , West Bengal
4.	Employment Generation Subsidy	7 Years*	Reimbursement to the extent of 50% of the expenditure incurred for ESI & EPF Contribution	WBIDC Ltd.
5.	Remission of Stamp Duty & Registration Fees	On every purchase for the project	Remission of stamp duty and registration fee to the extent of 50% on purchase / acquisition of land and buildings for setting up of the approved project within the state of West Bengal.	Directorate of industries , West Bengal

* with effect from October, 2005.

The Company has since received the Eligibility Certificate No. INC (2000) EC-279(C) for the above incentives.

West Bengal Incentive Scheme, 2004

Further, the Company is eligible for various incentives under West Bengal Incentive scheme 2004 for its Steel Melting Shop, Re-rolling Mill and Captive Power Plant in Phase-II & Phase-III.

Sr. No.	Type of Incentive available	Period & details of the Incentives	Quantum of Incentive	Authority to be approached for availing of the Incentive
1.	State Capital investment Subsidy	One-time	10% of the Fixed Capital Investment in the project subject to a limit of Rs.250 lacs	WBIDC Ltd.
2.	Interest Subsidy	7 Years*	25% of the Annual Interest liability on Loan borrowed for the implementation of the project subject to a limit of Rs.100 lacs	WBIDC Ltd.
3.	Waiver of Electricity Duty	5 Years*	Waiver of Electricity Duty consumed on production	Directorate of industries , West Bengal
4.	Employment Generation Subsidy	7 Years*	Reimbursement to the extent of 50% of the expenditure incurred for ESI & EPF Contribution	WBIDC Ltd.
5.	Refund of Stamp Duty & Registration Fees	On every purchase for the project	Refund of stamp duty and registration fee to the extent of 50% on purchase / acquisition of land and buildings for setting up of the approved project within the state of West Bengal.	Directorate of industries , West Bengal

* with effect from January, 2006.

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The Company is also eligible for Power Subsidy under West Bengal Incentive to Power Intensive Industries Scheme, 2005

The company is eligible for the Power Subsidy to the extent of 25% on the Net energy charges for a period of 5 years w.e.f. October, 2005 depending on the Load factor achieved by the unit as below:

Monthly Average Load Factor	Admissible Incentive on Net Energy Charges	Period during which incentive will be available
Less than 40%	Nil	5 years
40% to 50%	20%	
Above 50%	25%	

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HISTORY AND CORPORATE STRUCTURE

Ankit Metal & Power Limited (AMPL), promoted by Mr. Suresh Kumar Patni, was incorporated on 7th August, 2002 as Ankit Steel Works Private Limited.

Ankit Metal & Power Limited was incorporated as a private limited company in the year of 2002 with the object of carrying on the business of all kind of Iron & steel Products and subsequently amended to install the power plant with the main aim to compete & play safe in the market as well as increase earning as the power constitute the major item of cost. Subsequently, the name of the company was changed to Ankit Metal & Power Private limited to reflect the new line of business of the company specifically.

Pursuant to change in the corporate status of the Company from Private to Public, the name of the company was further changed to Ankit Metal & Power Limited with effect from 31st August, 2004.

To meet the requirement of the fund, the company approached to the bank & got a sanction of sponge iron project from State bank of India on 07/06/2004 for an amount of Rs.1500.00 lacs. Subsequently, Loan for Melting Shop, CCM, Power Plant & Rolling mills was sanctioned by State Bank of India, Andhra Bank & Syndicate Bank & SBI Leads the consortium.

The company has gone for expansion of 4 MW AFBC based power plant with the aim to use the waste generated in sponge iron plant & have a better power consistency to reduce the cost of the products manufactured which is again funded by State Bank of India, Andhra Bank & Syndicate Bank.

Commercial production of Sponge iron plant started on 16th October 2005. 1st & 2nd Furnaces of Ingots Unit started on 2nd January 2006 & 3rd Furnace started on 12th August 2006. The production of Continuous Casting Machine (CCM) for Billets started on 1st February, 2006.

Presently, AMPL is setting up an Integrated Steel Plant comprising of:

- (i) 1,05,000 TPA Sponge Iron Plant,
- (ii) 65,140 TPA Billet Casting Plant,
- (iii) 1,00,000 TPA Re-Rolling Mill,
- (iv) 8.5 MW Waste Heat Recovery Based (WHRB) captive power plant (utilising the waste gases from the sponge iron plant) and
- (v) 4 MW Atmospheric Fluidised Bed Combustion (AFBC) based captive power plant.

The First Phase comprising of Sponge Iron Plant has commenced commercial operations in October, 2005.

A part of the 2nd Phase comprising of Steel Melting Shop for manufacturing of Ingots / Billets has started production in January 2006;

The remaining of 2nd Phase comprising of Re-rolling mill and the WHRB Captive Power Plant are estimated to be commissioned in July, 2007, whereas the AFBC Captive Power Plant is estimated to start its operation from July, 2007.

After commencement of the entire plant, the Company will be able to produce 105,000 Mt of Sponge iron, 65,140 Mt of Ingot / Billets, and 100,000 Mt of Rolled steel for selling in the market or self consumption.

Information about the Company

Name of the Company	Ankit Metal & Power Limited
Date of Incorporation	7 th August, 2002
Registration Number	21-94979
CIN Number	U27101WB2002PTC094979
Registered Office	35, Chittaranjan Avenue, Kolkata – 700 012
Corporate Office	33, Chittaranjan Avenue, 1 st Floor, Kolkata- 700 012
Corporate Status	Public Limited Company
Authorised Capital Comprising of	Rs.350,000,000/-35,000,000 Equity Shares of Rs.10 each
Paid up Capital Comprising of	Rs.20,97,55,000/-20,975,500 Equity Shares of Rs 10/- each

Major events of the Company

Year	Events
August 2002	Company was incorporated as Ankit Steel Works Private Limited
July, 2004	The Name of the Company was changed to Ankit Metal & Power Pvt. Ltd.
August 2004	The Company was converted to a Public Limited Company
October 2005	Commercial Production of Sponge Iron Unit commenced
January 2006	Commercial Production of Ingots from Induction Furnaces started
February 2006	Commercial Production of Billets from Continuous Casting Plant started
August 2006	Commercial Production of Ingots from 3 rd Induction Furnace started

Main Objects of the Company

Our main object as contained in our Memorandum of Association is:

1. To carry on the business of manufacturers, producers, assemblers, fitters, engineers, converters, processors, founders, moulders, casters, forgers, makers, fabricators, erectors, smelters, refiners, drawers, snickers, miners, repairers, rollers, re-rollers, stores, formers, extruders, recondition, machinists, finishers, exporters, importers, traders, suppliers, dealers, distributors, stockists, buyers, sellers, agents or merchants and otherwise deal in all kinds of sponge iron and its products, pig iron and its products, hot briquetted iron and its products, wrought iron and its products, metal scraps, all kinds of ferrous & non-ferrous metal & alloys, cast iron, steels, alloys steels, carbon steel, tool alloys steel, tor steel, special & stainless steels, shafting bars, rods, flats, squares from scraps, billets, pre-reduced billets, ingots, channels, tubes, poles, sheets, wire rails, joists, squares structural, rollers, ferrous and non-ferrous casting of all kinds and in particular continuous castings, chilled castings, malleable and special alloys castings, steel castings, gun metal, copper, brass and aluminium casting, copper and foundry works of all kinds, steel and metal goods and any of the by-products which will be obtained in the process of manufacturing of these products and to establish workshops for manufacture of any equipment required for any of the industries which the company can undertake and to deal in such equipment and to carry on any business or activity connected or required for the attainment of the above objects.
2. To carry on India or elsewhere the business to generate, receive, produce, improve, buy, sell, resell, acquire, use, transmit, accumulate, employ, distribute, develop, handled, protect, supply and to act as an agent, broker, representative, consultant, collaborator or otherwise to deal in electric power in all its branches of such place or places as may be permitted by appropriate authorities by establishments of thermal power plants, hydraulics power plants, atomic power plants, wind power plants, solar power plants and other plants based on any source of energy as may be developed or invented in future.

The present business of the Company is as per the main objects as contained in the Memorandum of Association.

Changes in Memorandum of Association

Since incorporation of the Company, the following changes have taken place in the Memorandum of Association of the Company.

Date	Changes
20 th August, 2003	Increase in Authorised Share Capital from Rs.20.0 lacs to Rs.200.0 lacs
20 th November, 2003	Increase in Authorised Share Capital from Rs.200.0 lacs to Rs.800.0 lacs
9 th February, 2004	Change in Object Clause of Memorandum of Association.
8 th July, 2004	Change in the name of the Company from Ankit Steel Works Private Limited to Ankit Metal & Power Private Limited
31 st August, 2004	Conversion of the corporate status of the Company, and consequently, change in name to Ankit Metal & Power Limited.
8 th November, 2004	Increase in Authorised Share Capital from Rs.800 lacs to Rs.1300 lacs
29 th March, 2005	Increase in Authorised Share Capital from Rs.1300 lacs to Rs.1900 lacs
27 th February, 2006	Increase in Authorised Share Capital from Rs.1900 lacs to Rs.2500 lacs
28 th July, 2006	Increase in Authorised Share Capital from Rs.2500 lacs to Rs.3500 lacs

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Shareholder's Agreements

At present there are no shareholding agreements between the company and any other person.

Other Material Agreements

There is no other material agreement with any other party.

Strategic Partners

There are no strategic partners of the Company as on date.

Financial Partners

The company has no financial partners.

OUR MANAGEMENT

Board of Directors

The following table sets forth the details regarding the Board of Directors.

Sr. No	Name, Designation, Father's Name, Address, Occupation.	Qualification	Date of Appointment and Term	Other Directorships
1.	Mr. Suresh Kumar Patni, Chairman Age: 47 years Father's Name: Mr. Dharam Chand Patni Address: 15, Burdwan Road, Kolkata – 27 Occupation: Business Non – independent Non Executive Director	B.com	07/08/2002 (Since Incorporation)	1. Impex Metal & Ferro Alloys Pvt. Ltd. 2. Rohit Ferro Tech Ltd. 3. Impex Ferro Tech Ltd. 4. Invesco Finance Pvt. Ltd. 5. Poddar Mach Tech Services Pvt. Ltd. 6. Sauanvi Trading & Investment Co. Pvt. Ltd. 7. Vasupujya Enterprises Pvt. Ltd. 8. Sarita Steel Tech Pvt. Ltd. 9. Shubham Complex Pvt. Ltd. 10. VSN Agro Products Pvt. Ltd.
2.	Mr. Ankit Patni, Managing Director Age: 22 years Father's Name: Mr. Suresh Kumar Patni Address:15, Burdwan Road, Kolkata – 27 Occupation: Business Non – independent Executive Director	B.Com (H); Chartered Financial Analysts (CFA)	08/08/2003 (July 3 rd ,2006 to July 2 nd , 2011)	1. Geetamax Estates Pvt. Ltd. 2. Nutech Multimax Pvt. Ltd. 3. Pioneer Multimax Pvt. Ltd. 4. Divine Trading Company Pvt. Ltd. 5. Vasupujya Enterprises Pvt. Ltd. 6. Impex Metal & Ferro Alloy P. Ltd. 7. Rohit Ferro Tech Ltd. 8. SBM Steels Pvt. Ltd.
3.	Mr. Sanjay Singh, Director (Works) Age: 32 years Father's Name : Mr. Brij Kishore Singh Address:A-10, Kanakangan, City Centre, Durgapur-713216 (West Bengal) Occupation: Service Non – independent Executive Director	B. E.	06/10/2004 (July 3 rd ,2006 to July 2 nd , 2007)	None
4.	Mr. Kailash Chand Jain, Director Age: 59 years Father's Name: Late Ishar Lal Jain Address:"Rajhans" 6, Hastings Park Road; Kolkata-27 Occupation: Chartered Accountant Independent Non Executive Director	B.Com, LLB, FCA, FCS, FICWA	31/05/2006	1. Rohit Ferro-Tech Limited 2. Vikash Metal & Power Ltd.

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Sr. No	Name, Designation, Father's Name, Address, Occupation.	Qualification	Date of Appointment and Term	Other Directorships
5.	Mr. Vijay Kumar Jain, Director Age: 41 years Father's Name: Rameshwar Dayal Jain Address: 53, Jublee Park, Kolkata – 33 Occupation: Business Independent Non Executive Director	B. Com (Hons)	03/07/2006	1. Vee Point Commerce Pvt. Ltd. 2. Vibgyor Vyapaar Pvt. Ltd. 3. Mohini Dealing Pvt. Ltd. 4. Penguin Dealers Pvt. Ltd. 5. Asha Tradecom Pvt. Ltd. 6. Vandana Vayappar Pvt. Ltd. 7. Auckland Trading Pvt. Ltd. 8. SHP Financial Services Pvt. Ltd
6.	Mr. Jatindra Nath Rudra, Director Age: 70 years Father's Name: Late Sachindra Kumar Rudra Address:3/1 B, East Road; Kolkata-700032 Occupation: Retired Independent Non Executive Director	M.E.(Civil)	31/05/2006	1. Rohit Ferro-Tech Limited

Brief profile of the Directors

Please refer to the section on “The Promoters” for brief profile of Mr. Suresh Kumar Patni, and Mr. Ankit Patni.

Mr. Kailash Chand Jain

Mr. Kailash Chand Jain is an Independent Director on the Board of the Company. He is a Commerce graduate with Honours (Gold Medallist) from the University of Guwahati, Assam. He secured First Class First position with distinction in the Advanced Accountancy, Secretarial Practice and Auditing subjects. He has obtained the degree of Bachelor of Law (LLB) from Calcutta University. He also holds the degrees of Chartered Accountant, Cost Accountant as well as Company Secretary i.e. FCA, FCS, and FICWA. He is also a member of the Institute of Internal Auditors, Florida, USA (IIA); and Indian Management Association (IMA), New Delhi and takes active part in its activities.

He has been the Regional Council Member of the ICAI for 6 years, and Chairman of the EIRC of the ICAI of India. He has been the President of the Direct Tax Professional's Association. He has long corporate experience of about 34 years in various positions ranging from Administrative Officer to Company Secretary, Chief Executive, Director and Chairman. He has supervised the activities like Accounts, Secretarial, Taxation, Finance, Legal, Administration, HR, Purchase, Stores, Production, General Management, Marketing etc. in Industrial and Commercial business houses engaged in diversified activities.

Mr. Jatindra Nath Rudra

Mr. Jatindra Nath Rudra is an Independent Director on the Board of the Company. He is Bachelor of Civil Engineering from Jadavpur University, and have has done his Master of Engineering from Calcutta University. He is also a Life Member of Institute of Surveyors, India. He was the CEO of WBIIDC, Govt. of West Bengal; the Chief Valuer of Calcutta Improvement Trust, Govt. of West Bengal; and Town Engineer, Kabwe, Republic of Zambia, Africa for 6 year on being deputed by Govt. of India.

Presently, he is a Life Fellow Member of Institution of Public Health Engineers (India), and Member of India Life Saving Society, Kolkata.

Mr. Sanjay Singh

Mr. Sanjay Singh is occupying the position of Director (Works), a whole time director on the Board of the Company. He is a Bachelor of Engineering & associated with the company since its inception. He also has the experience of implementing the project, and is presently active in the overall operation of the plant.

Mr. Vijay Kumar Jain

Mr. Vijay Kumar Jain is an Independent Director on the Board of the company. He is a Bachelor of Commerce, and is pursuing his Chartered Accountancy.

Details of borrowing powers

The Company at its Annual General Meeting held on 28th July, 2006, passed a resolution authorizing the Board of Directors pursuant to the provisions of section 293(1)(d) for borrowing from time to time all such sum of money as they may deem requisite for the purpose of the business of the company notwithstanding that the money to be borrowed together with the money already borrowed by the Company (apart from temporary loans obtained from the Company's bankers in the ordinary course of business) exceed the aggregate of the paid-up Capital of the Company and its free reserves, that is to say, reserve not set apart for any specific purpose, provided that the aggregate of sum so borrowed shall not exceed Rs.400 Crores (Rupees Four Hundred Crores only) at any point of time.

Terms of Appointment and Compensation of Managing Director / Whole Time Director

Mr. Ankit Patni, Managing Director

The Board of Directors, have, pursuant to the recommendation of the remuneration committee, in their meeting held on 3rd July, 2006 has terminated and nullified the earlier agreement entered between Mr. Ankit Patni and the Company on 1st November, 2004 and re-entered into a fresh agreement by elevating Mr. Ankit Patni (Executive Director) to hold the position of Managing Director of the Company for the period of 5 years with effect from 3rd July, 2006 subject to the approval of members in the General meeting. The summarized terms and conditions of his appointment as per agreement between the Company and Mr. Ankit Patni, dated 3rd July, 2006 are given below.

1. The Managing Director shall subject to the provisions of the Companies Act, 1956, the Articles of Association of the Company and to the terms of agreement with the board of directors shall have the whole, or substantially the whole of the management, control and superintendence for the affairs of the Company.

Provided that the Managing Director shall exercise his powers subject to the superintendence, control and direction of the Board of Directors. He shall further exercise and perform such powers and duties as the Board of Directors of the Company (hereinafter referred as the Board) shall from time to time determine.

2. Tenure of the Agreement : July 3rd,2006 to July 2nd, 2011
3. Remuneration : Rs.1,25,000/- (Rs. One Lac Twenty Five Thousands only) per month

with an authority to the Board of Directors to alter and vary the terms and conditions of the said appointment with respect to further increases in salary from time to time in such a manner as may be agreed to between the Directors and Mr. Ankit Patni.

In case of absence or inadequacy of net profits in any financial year, the remuneration payable to Mr. Ankit Patni is restricted to Part II Section II [1 (A)] of Schedule XIII of the Act.

4. In the event of any amendment made by the Government in the guidelines or ceiling on the managerial remuneration including perquisites during the proposed terms of his appointment, the Board of Directors be and is hereby authorized to alter or vary the remuneration including perquisites within the ceiling as laid down in Schedule XIII of the Companies Act, 1956.
5. The Managing Director shall be entitled to exercise the following powers without prejudice to the generality of the provisions vested in him under this agreement:
 - a. Subject to the provisions of the Companies Act, 1956, Articles of Association of the Company and within the overall superintendence of the Board and Committee of Directors, the Managing Director shall be entitled to exercise all such powers and to do all such acts and things as the Company is authorized to do, provided that the Managing Director shall not exercise any power or do any act or thing which is specifically directed whether by the Act or the Articles or otherwise to be exercised or done by the Company in the Committee of Directors' Meeting or Board Meeting and/or in the General Meeting.
 - b. To operate on any banking and other accounts and to draw, to make, accept, execute, encash, give, discount, negotiate, retire, pay, satisfy, sign all contracts, cheques, bills of exchanges, drafts, orders, promissory notes, hundies, interest and dividend warrants, other securities and other negotiable instruments as required in the ordinary course of the business.

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- c. To represent the company before any authority in Central, State Government or local administration or other authorities, banks, financial institutions or elsewhere to sign/file all the agreements, forms, papers and other documents before any Government authorities such as Company Law Board, Registrar of Companies, Reserve Bank of India, Income Tax Authorities and such other authorities relating to the finance, accounts, income tax, companies act etc., and under such other laws and regulations on behalf of the Company.
 - d. To institute, prosecute, proceed, defend, oppose, compromise, abandon, refer to arbitration, execute or become non-suited in case of any claims, suits, applications and/ or other legal proceedings, whatsoever against the company or to which the Company may be a party, including trade marks, trade names, trade property and passing off actions and revenue proceedings relating to tax on income, profits, capital and taxation generally or otherwise by or against the Company.
 - e. To engage/ retain/ appoint any Attorneys, Solicitors, Vakils, Pleaders, Advocates or legal practitioners for and on behalf of the Company to act or appear in respect of any suit or legal proceedings before any court, civil, criminal, consumer forum, city court, Dist. court, Hon'ble High court and Hon'ble Supreme Court of India, Tribunal or other authority in respect of any matter to which the Company may be a party or otherwise interested.
 - f. To make/ sign/ execute/ present/ file all applications, complaints, petitions, written statements, execution petitions, pleadings and affidavits, vakalatnamas, other documents, confirmation or otherwise and to verify and sign all such papers and statements on behalf of the company as may be necessary for conduction litigation with the right to refer any matter to the Board of Directors of the Company for seeking any specified/ad-hoc authority as may be necessary.
 - g. To appoint, remove or suspend managers, executives, consultants, advisors, officers, assistants, clerks, agents, servants for permanent, temporary or special services as he may from time to time think fit and to determine their powers and duties and fix/ increase/ decrease/make changes in their salary, emoluments or remuneration and/ or require security in such cases and such amounts as he may think fit.
 - h. To enter into contracts and/ or float tenders for the purchase and/ or sale of goods or award works contracts or hire services for the Company.
6. The Managing Director shall not be paid any sitting fees for attending the meetings of the Board of Directors or Committee thereof from the date of his appointment.
 7. During his tenure as managing Director, Mr. Ankit Patni shall be directly in charge of the overall operations of the Company and will oversee and co-ordinate all other functional areas of the Business.
 8. He shall be entitled to all business traveling and related expenses incurred in connection with the Company's interest in line with travel Policy of the company.
 9. Subject to the provisions of the Companies Act, 1956 each party has the right of terminating the appointment upon giving two months notice in writing.
 10. If at any time Mr. Ankit Patni ceases to be the Director of the Company for any cause whatsoever, he shall cease to be the Managing Director of the Company.

Mr. Sanjay Singh, Director (Works)

The Board of Directors, have pursuant to the recommendation of the remuneration committee, in their meeting held on 3rd July, 2006 appointed Mr. Sanjay Singh as Director (Works) for a period of 1 (One) year with effect from 3rd July 2006 to 2nd July, 2007 subject to approval of members in General Meeting. The terms and conditions of his appointment as per agreement between the Company and Mr. Sanjay Singh, dated 1st August, 2006 are given below:

1. The Director (Works) shall have control over the affairs of the factories of the Company, provided that the Director (Works) shall exercise his powers subject to the superintendence, control and direction of the Board of Directors and the Managing Director. He shall further exercise and perform such powers and duties as the Board of Directors of the Company (hereinafter referred as the Board) shall from time to time determine subject to any directions and restrictions given or imposed by the Board.
2. The Company shall pay to the Director (Works) as Salary a sum of Rs. 25,000/- (Rupees Twenty Five Thousand Only) per month with an authority to the Board of Directors to alter and vary the terms and conditions of the said appointment with respect to further increases in salary from time to time in such a manner as may be agreed to between the Directors and Mr. Sanjay Singh.

3. In case of absence or inadequacy of net profits in any financial year, the remuneration payable to Mr. Sanjay Singh is restricted to Part II Section II [1 (A)] of Schedule XIII of the Act.
4. The Director (Works) shall be the occupier of the factory as defined in the Factories Act, 1948.
5. The Director (Works) shall be entitled to exercise the following powers, however under superintendence and control of the Managing Director, without prejudice to the generality of the provisions vested in him under this agreement:
 - a. To represent the company before all municipal bodies, corporations, Panchayats, Railways and other Government Departments and file all the agreements, forms, papers and other documents before any Governments Authorities as may be applicable to factory law such as central Excise Department, Sales Tax Department, Trade License, Professional Tax and labour affairs.
 - b. To apply for and obtaining all Registrations, licenses, permits and renewals thereof from the Central Excise Department, Sales Tax Departments, other Governments Departments and to sign all correspondence, documents and books of accounts for applying registration.
 - c. To institute, prosecute, proceed, defend, oppose, compromise, abandon, refer to arbitration, execute or become non-suited in case of any claims, suits, applications and/ or other legal proceedings, whatsoever against the company or to which the Company may be a party, passing off actions and to institute prosecute, proceed, defend, oppose, compromise actions (Civil, Criminal and revenue) before the Courts, Tribunals and Excise Authority.
 - d. To prepare, sign and submit all returns and statements, declarations and verify the same by production of the books and vouchers before the concerned authorities and to make pre-authentication for removal of Goods under the cover of Central Excise.
 - e. To liaison with dispatch department/Transporters, so that the orders booked by the sales team is dispatched in time and the quality and quantity of the goods dispatched remain perfect to avoid all the complaints and to make pre-authentication for removal of Goods under the cover of central Excise.
6. The Director (Works) shall not be paid any sitting fees for attending the meeting of the Board of Directors or Committee thereof from the date of his appointment.
7. The Director (Works) shall not as long as he functions as the Director (Works) become interested or otherwise concerned directly or through his wife or children in any selling or other agency of the company, without the prior approval of the Central Government.
8. The Director (Works) shall perform all the duties as may be delegated by the Board of Directors, Committee of Directors and the Managing Director from time to time subject to the provisions of the Companies Act, Articles of Association of the Company and under any other Acts.
9. The Company shall be entitled to terminate the agreement in the event of the Director (Works) being guilty of misconduct or such intention to or negligence in the discharge of his duties or in the conduct of the Company's business as the Director (Works) or any breach of this agreement which in opinion of the Board renders his retirement from the office of the Director (Works).
10. If at any time Mr. Sanjay Singh ceases to be the Director of the Company for any cause whatsoever, he shall cease to hold the office as the Director (Works).
11. If before the expiration of this agreement the tenure of the office of the Director (Works) shall be determined by reason of reconstruction or amalgamation whether by the winding up the Company or otherwise, the Director (Works) shall have no claim against the Company for damage.
12. Subject to the provisions of the Companies Act, 1956 each party has the right of terminating the appointment upon giving One (1) months notice in writing. However, the Company shall not be liable to give any notice if this agreement is terminated by the reason specified in clause-9 of this agreement.

CORPORATE GOVERNANCE

We have complied with the requirements of the applicable regulations, including the Listing Agreement to be entered into with Stock Exchanges and the SEBI Guidelines, in respect of corporate governance, including constitution of the Board and Committees thereof. Our corporate governance framework is based on an effective independent Board, separation of the Board's supervisory role from the executive management and constitution of Board Committees.

ANKIT METAL & POWER LIMITED

We have a Six-member Board with a Non-Executive Chairman constituted in compliance with the Companies Act and listing agreement with Stock Exchanges and in accordance with best practices in corporate governance i.e. having half of the Board's strengths as Independent. The Board of Directors functions either as a full Board or through various committees constituted to oversee specific operational areas. Our management provides the Board of Directors detailed reports on its performance on a quarterly basis.

COMMITTEES OF THE BOARD

Audit Committee

The terms of the Audit Committee comply with the requirements of Clause 49 of the listing agreement to be entered into with the Stock Exchanges. The Committee consists of two independent Directors namely Mr. Kailash Chand Jain, Mr. Jatindra Nath Rudra, and one non-executive director Mr. Suresh Kumar Patni. Mr. Kailash Chand Jain is the Chairman of the Audit Committee. The Company Secretary is the Secretary of our Audit Committee.

The principal functions of the Committee are to:

- Review the Company's financial statements, before submission to, and approval by, the Board;
- Review the Company's procedures for detecting fraud and whistle blowing and ensure that arrangements are in place by which staff may, in confidence, raise concerns about possible improprieties in matters of financial reporting, financial control or other matters;
- Review management's and the internal auditor's reports on the effectiveness of the systems for internal financial control, financial reporting and risk management;
- Monitor the integrity of the Company's internal financial controls;
- Assess the scope and effectiveness of the systems established by management to identify, assess, manage and monitor financial and non-financial risks;
- Review the internal audit program and ensure that the internal audit function is adequately resourced and has appropriate standing within the Company;
- Receive a report on the results of the internal auditor's work on a periodic basis;
- Review and monitor management's responsiveness to the internal auditor's findings and recommendations; and
- Monitor and assess the role and effectiveness of the internal audit function in the overall context of the Company's risk management system.

Remuneration Committee

The Remuneration Committee of our Board comprises three non-executive directors. Mr. Jatindra Nath Rudra is the Chairman of the Remuneration Committee.

- 1) Mr. Jatindra Nath Rudra - Non-executive Independent Director
- 2) Mr. Kailash Chand Jain - Non-executive Independent Director
- 3) Mr. Suresh Kumar Patni - Non-Executive Director

The Company Secretary of the Company acts as the Secretary to the Committee.

Investor Grievances and Share Transfer Committee

The Company has constituted a "Investor' Grievances and Share Transfer Committee" to redress the complaints of the share holders in respect of matters pertaining to transfer of shares, non-receipt of annual report, dematerialization of shares, non-receipt of dividend etc. The Committee currently comprises following three directors. Mr. Jatindra Nath Rudra is the Chairman of the Investor Grievances and Share Transfer Committee

- 1) Mr. Jatindra Nath Rudra - Non-executive Independent Director
- 2) Mr. Vijay Kumar Jain - Non-executive Independent Director
- 3) Mr. Ankit Patni - Managing Director

The Company Secretary of the Company acts as the Secretary to the Committee.

ANKIT METAL & POWER LIMITED

The provisions of the listing agreement to be entered into with the Stock Exchanges with respect to corporate governance will be applicable to us immediately upon the listing of our Equity Shares on the Stock Exchanges. We intend to comply with such provisions. We undertake to adopt the Corporate Governance Code in accordance with Clause 49 of the listing agreement to be entered into with the Stock Exchanges prior to obtaining the listing approval of the Stock Exchanges. We have complied with SEBI Guidelines in respect of corporate governance, especially with respect to independency of the Board and constituting the Committees as required.

Shareholding of the Directors

The shareholding of the directors on the date of the issue of the Red Herring Prospectus is as follows:

Sr. No.	Name of Director	No. of Equity Share
1	Mr. Suresh Kumar Patni	505,000
2	Mr. Ankit Patni	900,100
3	Mr. Sanjay Singh	Nil
4	Mr. Kailash Chand Jain	Nil
5	Mr. Vijay Kumar Jain	Nil
6	Mr. Jatindra Nath Rudra	Nil

Interests of Directors

All the non executive directors of Ankit Metal & Power Limited May be deemed to be interested to the extent of fees, if any, payable to them for attending meetings of the Board or Committee thereof as well as to the extent of other remuneration and/or reimbursement of expenses payable to them as per the applicable laws.

The Directors may be regarded as interested in the shares & dividend payable thereon, if any, held by or that may be subscribed by and allotted/transferred to them or the companies, firms and trust, in which they are interested as Directors, Members, partners and or trustees. All Directors may be deemed to be interested in the contracts, agreements/arrangements entered into or to be entered into by AMPL with any Company in which they hold Directorships or any partnership or proprietorship firm in which they are partners or proprietors as declared in their respective declarations.

The Managing Director and Executive Director of Ankit Metal & Power Limited are interested to the extent of remuneration paid to them for services rendered to the Company.

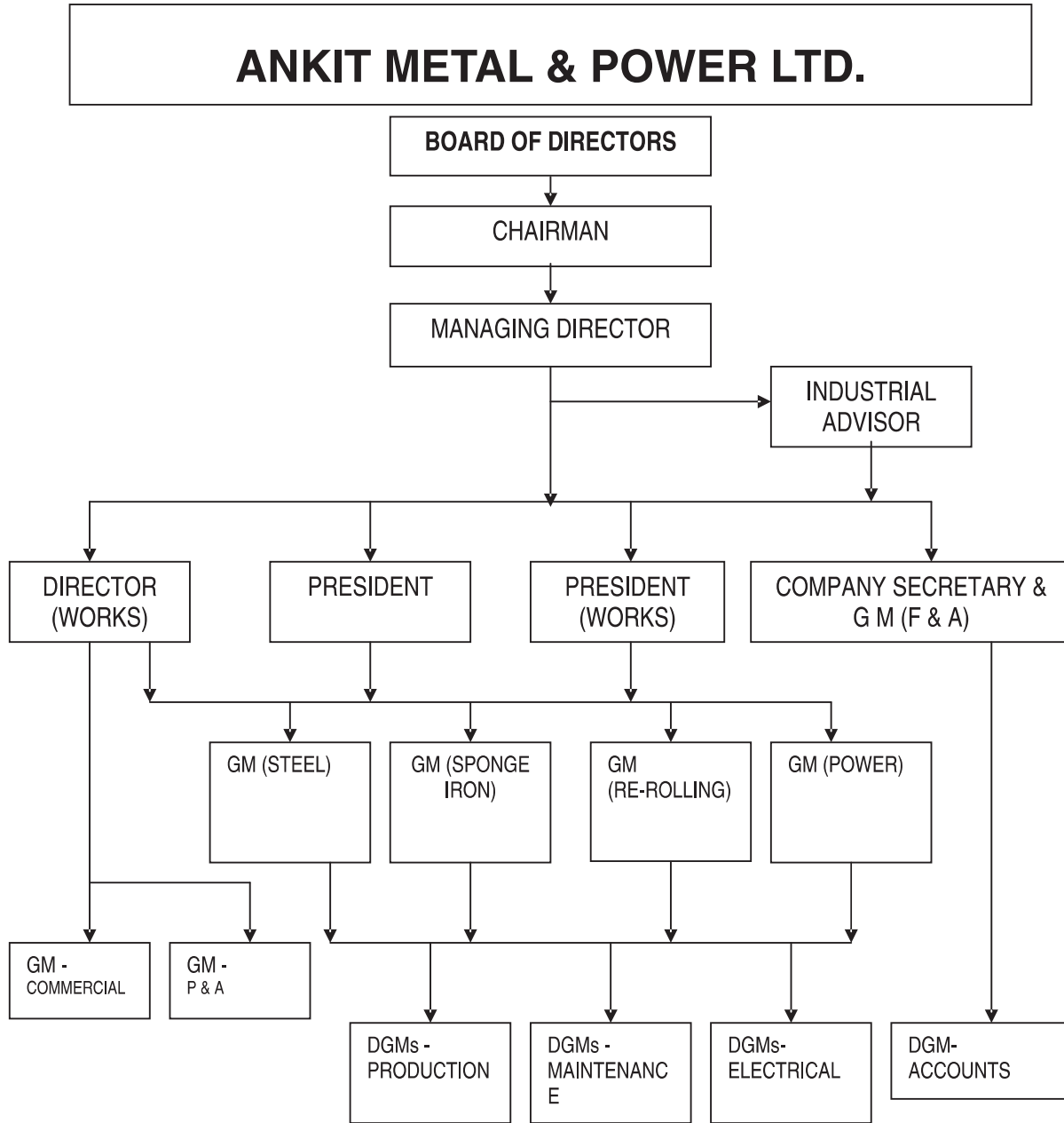
Except as stated under Related Party Transactions on page no. 91 of the Red Herring Prospectus, the Company has not entered into any Contract, Agreements or Arrangements during the preceding two years from the date of the Red Herring Prospectus in which the directors are interested directly or indirectly and no payments have been made to them in respect of the contracts, agreements or arrangements which are proposed to be entered with them.

Changes in Directors during Last Three Years

Change in the composition of the Board of Director during the last 3 years from the date of filing of the Red Herring Prospectus:

Sr. No.	Name	Date of Appointment	Date of Resignation	Reason for Resignation
1	Mr. Rohit Patni	06.10.2004	31.05.2006	To comply with Corporate Governance
2	Mr. Sanjay Singh	06.10.2004	—	
3	Mr. Kailash Chand Jain	31.05.2006	—	
4	Mr. Vijay Kumar Jain	03.07.2006	—	
5	Mr. Jatindra Nath Rudra	31.05.2006	—	
6	Mrs. Sarita Patni	—	03.07.2006	To comply with Corporate Governance

ORGANISATION CHART



Key-Managerial Personnel

The Company is managed by its Board of Directors, assisted by qualified professionals, with vast experience in the field of production/finance/ distribution/marketing and corporate laws. The following key personnel assist the Management:

Sr. No.	Name	Age	Qualification	Designation	Date of appointment	Experience in years	Previous employment
1	Mr. J. P. Tapuriah	63	B. Tech, Dip. In Management	Industrial Advisor	01.08.2003	40	Consultant for Impex Ferro Tech Ltd
2	Mr. Bijay Kumar Kedia	59	B. Sc. (Mech. Eng.)	President	01.05.2006	35	Neelachal Ispat Nigam Ltd
3	Mr. S.C. Jain	58	B. E. (Metallurgical)	President-Works	01.06.2006	34	Vikash metal & power ltd.
4	Mr. R. B. Suman	43	B. E. (Mechanical Engineering)	Sr. G. M. (Power Plant)	01.03.2007	19	Bhaskar Steel & Ferro Alloy Ltd.
5	Mr. Chandra Kumar Jain	31	B.Com (H), C.A, C.S.	Company secretary & GM (F & A)	01.11.2005	8	Manmohan Mineral Industries Pvt Ltd
6	Mr. K. Rahman	57	M.A. B.com (Hons)	GM (Commercial)	01.02.2006	35	GIS Group
7	Mr. Malay Kotal	35	PGDC (Thermal Power), B.E. (Mechanical)	GM (Mechanical)	02.01.2004	11	Monnet Ispat Ltd.
8	Mr. S. S. Das	43	Diploma (Metallurgical Engineering)	GM (Process)	15.07.2006	17	ATIBIR Industries Co. Ltd.
9.	Mr. Sourindra Mozumder	37	P. G. Diploma In Personnel Management	GM (P & A)	06.01.2007	14	Shyam Sel Ltd.
10	Mr. Amlendu Ghosh	52	B.E-Electrical	GM (Electrical)	01.07.2006	26	Rohit Ferro-Tech Ltd.
11	Mr. M. Pachlagia	40	B. Com (Hons)	G. M. (Purchase)	12.09.2006	22	Bally Jute Co. Ltd.
12	Mr. Sunil Chandra Bose	57	B.E. (Mechanical)	Works Manager (Rolling Mill)	07.07.2006	35	Juipster Steel
13	Mr. S. K. Banerjee	44	Diploma in Electrical Engineering	Manager-Instrumentation	01.12.2005	22	Monnet Ispat Ltd,
14	Mr. Uday Narayan Singh	43	B.Sc.	Works Manager (Induction & CCM)	01.04.2006	23	Jawalla Steels Pvt..Ltd.
15	Mr. B. B. Singh	43	B.A.	Manager (CCM)	15.07.2006	21	Shyam Steel Industries Ltd.

All the above Employees, Key Managerial Personnel are the permanent employees of the Company.

Shareholding of Key Managerial Personnel

None of our Key Managerial Employees hold any shares in the Company.

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Bonus or Profit Sharing Plan for the Key Managerial Personnel

There is no Profit Sharing Plan for the Key Managerial Personnel. The Company makes bonus payments to the employees based on their performances.

Changes in the Key Managerial Personnel in the last twelve months:

Name	Designation	Date of Joining	Date of resignation
Mr. Sanjeev Bhushan	President		19.06.2006
Mr. Pradip Singh	GM (Purchase)		30.06.2006
Mr. R. K. Shrivastave	GM (Mech)		01.07.2006
Ms. Lata Damani	Company Secretary		31.07.2006
Mr. G. L. Tulsyan	Manager (Power Plant)		11/11/2006
Mr. Uday Shankar Banerjee	GM (P & A)		01/10/2006
Mr. D. P. Tiwari	Assit. Vice President (power plant)		28/02/2007
Mr. S. C. Jain	Director Operation	01.06.2006	
Mr. D.P.Tiwari	Asst. Vice President (Power Plant)	14.08.2006	
Mr. P. K. Ghosh	Sr. Manager Electrical (Power Plant)	01.08.2006	
Mr. B.B.Singh	Manager (CCM)	15.07.2006	
Mr. Shiv Shanker Das	GM (process)	15.07.2006	
Mr. Sunil Chandra Bose	Works Manager (Rolling Mill Divn)	07.07.2006	
Mr. U. S. Banerjee	GM (P & A)	10.07.2006	
Mr. Amlendu Ghosh	GM- Electrical	01.07.2006	
Mr. R. B. Suman	Sr. G. M. (Power Plant)	01.03.2007	
Mr. M. Pachlagia	G. M. (Purchase)	12.09.2006	
Mr. Sourindra Mozumder	GM (P & A)	06.01.2007	

Other than above, there are no material changes in the key managerial personnel during last one year.

HUMAN RESOURCES

Training and Development

We place a lot of emphasis on training and development of our employees. Employees in all the departments undergo regular training programs to upgrade their skills to the changing requirements of the industry. Also, the Company has the policy to recruit trainees with technical background who are then taken on pay-roll of the Company based on their performances.

Disclosures Regarding Employees Stock Option Scheme / Employees Stock Purchase Scheme

Till date, the Company has not introduced any Employees Stock Option Scheme / Employees Stock Purchase Scheme.

Payment or Benefit to Officers of the Company

Except statutory benefits upon termination of their employment in our Company or superannuation, no officer of our Company is entitled to any benefit upon termination of his/her employment.

OUR PROMOTERS

Mr. Suresh Kumar Patni, Mrs. Sarita Patni, Mr. Rohit Patni and Mr. Ankit Patni, M/s. Invesco Finance Pvt Ltd, M/s. Poddar Mech Tech Services Pvt. Ltd., M/s. Suanvi Trading & Investment Company Pvt. Ltd., and M/s. Vasupujya Enterprises Pvt. Ltd. are the promoters of the Company. A brief profile of promoters is given herewith:





PROMOTERS AND THEIR BACKGROUND

Mr. Suresh Kumar Patni, Chairman, son of Mr. Dharam Chand Patni and aged about 47 years, is a Commerce graduate with a wide experience of more than two decades in Iron & Steel related ferro alloy Industry. He is also the co-promoter of Impex Metal & Ferro Alloys Pvt. Ltd, Impex Ferro-Tech Limited, and Rohit Ferro-Tech Limited for manufacturing & deal in Ferro Alloys, Metals & Minerals. With a vast experience & presence in the ferro alloys sector, he now diversified into steel sector, and promoted Ankit Metal & Power Limited to set-up an Integrated Steel Plant comprising of Sponge Iron, Captive Power, Ingots, Billets, and finally Rolled products.

Mr. Ankit Patni, Managing Director, son of Mr. Suresh Kumar Patni and aged about 22 years is a First Class Hons Graduate in Commerce from Calcutta University, and is CFA from the Institute of Chartered Financial Analysts of India, Hyderabad. He has started his carrier by associating with this Company as Executive Director from November, 2004, and gained a good experience under the supervision & guidance of his father Mr. S. K. Patni. Now, he has been promoted as Managing Director of the Company, and is controlling the overall affairs of the Company including the finance, raw material procurements & marketing.

Mrs. Sarita Patni, wife of Mr. Suresh Kumar Patni, aged about 42 years is also associated as promoter of Impex Metal & Ferro Alloys Pvt. Ltd. and Rohit Ferro-Tech Limited.

Mr. Rohit Patni, son of Mr. Suresh Kumar Patni, aged about 23 year, has recently completed his B.E. in Computer Science & Engineering from PESIT, Bangalore. Presently, he is pursuing MBA from Cardiff University, UK.

Name of the Promoter	Mr. Suresh Kumar Patni	Mrs. Sarita Patni	Mr. Rohit Patni	Mr. Ankit Patni
Photograph of the promoter				
Driving License No.	WB-01-251116	-	-	-
Passport Details	Z022307	Z022166	Z022256	Z022261
Permanent Account No.	AESPP2029L	AFYPP9461K	AIQPP6728E	AJWPP2920M
Voter's Identity No.	Wb/23/148/435118	Wb/23/148/435119	-	HZG3517943
Name of Bank & Branch	Bank of Baroda, C. R. Avenue Branch, Kolkata	Indian Bank, G.C. Avenue Branch, Kolkata	Bank of Baroda, C.R. Avenue Branch, Kolkata	Bank of Baroda, C.R. Avenue Branch, Kolkata
Bank Account No.	05900100002334	465118130	05900100003126	05900100004215

Poddar Mech Tech Services Pvt. Ltd

The Company was incorporated on 21.03.1996 having its registered office at 35.C. R. Avenue, Kolkata-700012. The Company is a Non- Banking Financial Company. As the company is NBFC company, the main business is to raise & lend the money at a competitive rate & gain the profit by investing in companies having a bright future.

Poddar Mech Tech Services (P) Limited was founded and promoted by Mr. Rajesh Poddar and Mr. Jai Kumar Jha. Mr. Suresh Kumar Patni is now the promoter of the Company and the Company is controlled by him. Being a private limited Company SEBI Takeover Regulations are not applicable to it.

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Date of Incorporation	21.03.1996
Registration No	21-78292
Nature of Business	Investment
NBFC No.	B-05-03217
PAN No.	AABCP75342
Banker	HDFC Bank, Bag (East) Branch, Kolkata
Account No.	0082320008281

The present directors of the Company are:

Name of Director	Date of Appointment
Mr. Suresh Kumar Patni	04.08.2003
Mrs. Sarita Patni	04.08.2003

Shareholding Pattern

The Shareholding Pattern of the Company as on 31.03.2007 is as below:

Particulars	No. of share	% shareholding
Mr Suresh Kumar Patni	758700	48.12
Mrs. Sarita Patni	123000	7.80
Baid India Pvt. Ltd	185000	11.7
Ess Emm Enclasive Pvt Ltd	85000	5.39
Others (Friends, Relatives & Associates holding less than 5% shares)	425000	26.99
Total	1576700	100.00

The financials for the last 3 years are given below:

(Rs in Lacs)

Year Ended March 31 st	2006	2005	2004
Total Income	4.13	171.95	402.19
Profit after tax (PAT)	0.22	2.32	0.26
Share Capital	157.67	128.67	88.17
Reserves (excluding revaluation reserve)	1032.72	771.49	404.67
Miscellaneous Expenditure	0.56	0.56	0.41
Net Worth	1189.83	899.60	492.43
Earnings per share (EPS) (Rs.)	0.01	0.18	0.03
Net Asset Value (NAV) per share	75.46	69.92	55.85

Source: Audited Financial Statements

Notes:

1. Face Value of each equity share is Rs.10/-
2. For the Calculation of Earning per Share and Net Asset Value per Share, Number of equity shares outstanding at the end of the year has been considered. Share application money pending allotment has not been considered.
3. Miscellaneous expenditure is consisting of preliminary expenses (Rs.20830/-) & share issue expenses (Rs.5000/-), which is written off in 5 years. During the year 2006, Rs. 25000/- paid to ROC as a fees relating to increase in share capital which

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is written off in five year (every year Rs. 5000/-). The networth of the company consists of Share Capital and Reserves & Surplus reduced by miscellaneous expenses.

There are no defaults in meeting any statutory/bank/institutional dues. No Proceedings have been initiated for economic offence against the company and it is not a sick company within the meaning of sick Industrial Companies (Special Provision) Act, 1985 or is under winding up.

Invesco Finance Pvt Ltd

The Company was incorporated on the 16.02.1995 having its registered office at 35, C. R. Avenue, Kolkata-700 012. The Company is a Non- Banking Financial Company. As the company is NBFC company, the main business is to raise & lend the money at a competitive rate & gain the profit by investing in companies having a bright future.

Invesco Finance Pvt Limited was founded and promoted by Mr. Sandeep Kumar Sethia & Mr. Ram Singh. Mr. Suresh Kumar Patni is now the promoter of the Company and the Company is controlled by him. Being a private limited Company SEBI Takeover Regulations are not applicable to it.

Date of Incorporation	16.02.1995
Registration No	21-68360
Nature of Business	Investment
NBFC No.	B-05-0337
PAN No.	AAACI5663E
Banker	Canara Bank, Canning Street Branch, Kolkata
Bank Account No.	11456

The present directors of the Company are:

Name of Director	Date of Appointment
Mr. Suresh Kumar Patni	04.08.2000
Mrs. Sarita Patni	04.08.2000

Shareholding Pattern

The shareholding pattern of the Company as on 31.03.2007 is as below:

Particulars	No. of share	% shareholding
Mr. Suresh Kumar Patni	338500	17.80
Mrs. Sarita Patni	243500	12.80
Poddar Mech Tech Services Pvt. Ltd.	25000	1.31
Others (Friends, Relatives & Associates holding less than 5% shares)	1295000	68.09
Total	1902000	100.00

The financials for the last 3 years are given below:

(Rs in Lacs)

Year Ended March 31	2006	2005	2004
Total Income	8.34	2.56	2.21
Profit after tax (PAT)	5.04	0.65	0.31
Share Capital	190.20	190.20	88.95
Reserves (excluding revaluation reserve)	429.71	424.68	120.28
Miscellaneous Expenditure	0.97	0.76	0.44
Net Worth	618.94	614.12	208.79
Earnings per share (EPS) (Rs.)	0.26	0.03	0.03
Net Asset Value (NAV) per share	32.54	32.29	23.47

Source: Audited Financial Statements

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Notes:

1. Face Value of each equity share is Rs.10/-
2. For the Calculation of Earning Per Share and Net Asset Value per Share, Number of equity shares outstanding at the end of the year has been considered. Share application money pending allotment has not been considered.
3. During the financial year 2005 & 2004, the company allotted 1012500 and 25000 shares respectively of Face value Rs.10/- per share at a Premium of Rs. 30/- per share as a result of which reserve & surplus increase inspite of negligible income.

There are no defaults in meeting any statutory/bank/institutional dues. No Proceedings have been initiated for economic offence against the company and it is not a sick company within the meaning of sick Industrial Companies (Special Provision) Act, 1985 or is under winding up.

Suanvi Trading & Investment Co Pvt Ltd

The Company was incorporated on the 04.02.1996 having its registered office at 35, C.R. Avenue, Kolkata-700 012. The Company is a Non- Banking Financial Company. As the company is NBFC company, the main business is to raise & lend the money at a competitive rate & gain the profit by investing in companies having a bright future.

Suanvi Trading & Investment Co Pvt Limited was founded and promoted by Mr. Vishnu Kumar Maskara Mr. Sunil Kumar Maskara. Mr. Suresh Kumar Patni is now the promoter of the Company and the Company is controlled by him through various entities. Being a private limited Company SEBI Takeover Regulations are not applicable to it.

Date of Incorporation	04.02.1996
Registration No	21-78986
Nature of Business	INVESTMENT
NBFC No.	B-05-04569
PAN No.	AADCS67311
Banker	Punjab National Bank, CR Avenue Br., Kolkata
Bank Account No.	0091002100891788

The present directors of the Company are:

Name of Director	Date of Appointment
Mr. Suresh Kumar Patni	18.05.2002
Mrs. Sarita Patni	18.05.2002

Shareholding Pattern

The Shareholding Pattern of the Company as on 31.03.2007 is as below:

Particulars	No. of share	% shareholding
Mr. Suresh Kumar Patni	40100	2.29
Mrs. Sarita Patni	50725	2.90
Invesco Finance Pvt. Ltd.	665725	38.03
Apsara trex (P) Ltd	87500	5.00
Others (Friends, Relatives & Associates holding less than 5% shares)	906250	51.78
Total	1750300	100.00

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The financials for the last 3 years are given below:

(Rs in Lacs)

Year Ended March 31	2006	2005	2004
Total Income	9.61	3.59	12.44
Profit after tax (PAT)	4.23	0.97	0.22
Share Capital	175.03	175.03	99.91
Reserves (excluding revaluation reserve)	611.89	611.89	295.54
Miscellaneous Expenditure	0.48	0.68	0.35
Net Worth	786.44	786.24	395.10
Earnings per share (EPS) (Rs.)	0.24	0.06	0.02
Net Asset Value (NAV) per share	45.17	44.92	39.55

Source: Audited Financial Statements

Notes:

1. Face Value of each equity share is Rs.10/-
2. For the Calculation of Earning per Share and Net Asset Value per Share, Number of equity shares outstanding at the end of the year has been considered. Share application money pending allotment has not been considered.
3. During the financial year 2005, the company allotted 601250 shares of face value Rs.10/- per share at a premium of Rs.30/- per share and 150000 shares at a premium of Rs.90/- per share, as a result of which reserve & surplus increase inspite of negligible income.

There are no defaults in meeting any statutory/bank/institutional dues. No Proceedings have been initiated for economic offence against the company and it is not a sick company within the meaning of sick Industrial Companies (Special Provision) Act, 1985 or is under winding up.

Vasupujya Enterprises Pvt. Ltd.

The Company was incorporated on 28th day of February, 1995, having its registered office at 863, Marshall House, 33/1, N.S.Road, Kolkata-700 001. The Company is a Non-Banking Finance Company (NBFC). As the company is NBFC company, the main business is to raise & lend the money at a competitive rate & gain the profit by investing in companies having a bright future.

Vasupujya Enterprises Pvt. Ltd was founded and promoted by Mr. Sushil Kumar Jain Mr. Naresh Kumar Agarwal. Mr. Suresh Kumar Patni is now the promoter of the Company and the Company is controlled by him. Being a private limited Company SEBI Takeover Regulations are not applicable to it.

Date of Incorporation	28.02.1995
Registration No.	21-068371
Nature Of Business	Investment
NBFC No.	B-05-03821
Pan No.	AACV8958M
Banker	HDFC Bank, Stephen House Branch, Kolkata
Bank Account No.	0082320011656

The present directors of the Company are:

Name of Director	Date of Appointment
Mr. Suresh Kumar Patni	01.12.2004
Mr. Ankit Patni	01.12.2004

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Shareholding Pattern

The Shareholding Pattern of the Company as on 31.03.2007 is as below:

Particulars	No. of share	% shareholding
Mr. Suresh Kumar Patni	554500	36.98
Mrs. Sarita Patni	252200	16.82
Mr Ankit Patni	348850	24.06
Mr. Rohit Patni	344300	23.75
Total	1499850	100.00

The financials for the last 3 years are given below:

(Rs in lacs)

Year Ended March 31	2006	2005	2004
Total Income	1.96	1.04	0.05
Profit after tax (PAT)	0.85	0.46	-0.20
Share Capital	149.99	149.99	84.01
Reserves (excluding revaluation reserve)	6202.88	6201.84	2645.51
Miscellaneous Expenditure	0.84	0.00	0.00
Net Worth	6352.03	6351.83	2729.52
Earnings per share (EPS) (Rs.)	0.06	0.03	0.00
Net Asset Value (NAV) per share	423.57	423.44	324.90

Source: Audited Financial Statements

Notes:

1. Face Value of each equity share is Rs.10/-
2. For the Calculation of Earning per Share and Net Asset Value per Share, Number of equity shares outstanding at the end of the year has been considered. Share application money pending allotment has not been considered.
3. During the financial year 2004, the company allotted 539900 shares of face value Rs.10/- each at a premium of Rs.490/- per share and during the financial year 2005, 336200 shares at premium of Rs.490/- per share & 323550 shares at a premium of Rs.590/- per share, as a result of which reserve & surplus increase inspite of negligible income.

There are no defaults in meeting any statutory/bank/institutional dues. No Proceedings have been initiated for economic offence against the company and it is not a sick company within the meaning of sick Industrial Companies (Special Provision) Act, 1985 or is under winding up.

Declaration

The Company confirms that the Permanent Account Number, Bank Account Number, Passport No, Voter ID, the Company registration numbers and the addresses of the Registrar of Companies where the above promoter companies have been registered, have been submitted to the BSE at the time of filing of the Draft Red Herring Prospectus with them.

Common Pursuits

There are no common pursuits among the company and its Group/ Associate companies.

Contribution by Promoter Companies in share capital of the issuer company

84.62% (1,77,50,000 shares) of existing share capital of Ankit Metal & Power Limited is contributed by Promoter companies. Fund for such contribution is generated by allotting shares to promoters & others.

Name of promoter companies	No of shares	Contribution in share capital (Rs.)	Contribution in Reserve & Surplus (Rs.)
Poddar Mech Tech Services Pvt. Ltd.	3640000	36400000	6500000
Invesco Finance pvt. Ltd.	1555000	15550000	8600000
Suanvi Trading & investing Co. Pvt. Ltd.	2185000	21850000	20500000
Vasupujya Enterprises Pvt. Ltd.	10370000	103700000	103700000
Total	17750000	177500000	139300000

Interest of Promoters & Directors

The promoters may be deemed to be interested to the extent of shares held by them, their friends or relatives, and benefits arriving from their holding directorship in the Company. The Corporate office of the issuer company is taken on lease from one of its group company for Rs. 8000/- per month for a period of eleven months renewable for a further period with mutual consent. The promoters are not interested in any property acquired by AMPL within two years from the date of the Red Herring Prospectus. The promoters are not interested in any loans and advances given by the company, neither are they beneficiary of any such loans or advances.

The following Companies/ventures promoted by the promoters of the company and the promoters may be deemed to be interested in these companies:

Name of the concern	Types of concern	Interested party
VSN Agro Products Limited	Company	Mr. Suresh Kumar Patni
Sarita Steel -Tech Pvt Limited	Company	Mr. Suresh Kumar Patni Mrs. Sarita Patni
Impex Ferro - Tech Limited	Company	Mr. Suresh Kumar Patni
Rohit Ferro - Tech Limited	Company	Mr. Suresh Kumar Patni Mrs. Sarita Patni Mr. Ankit Patni
Impex Metal & Ferro Alloys Pvt Limited	Company	Mr. Suresh Kumar Patni Mrs. Sarita Patni Mr. Ankit Patni Mr. Rohit Patni
Impex Industries	Proprietorship	Mr. Suresh Kumar Patni
Impex Mineral & Chemical Company	Proprietorship	Mr. Suresh Kumar Patni
Subham Complex Pvt. Ltd.	Company	Mr. Suresh Kumar Patni Mrs. Sarita Patni
Nutech Multimax Pvt . Ltd.	Company	Mr. Ankit Patni Mr. Rohit Patni
Pioneer Multimax Pvt. Ltd .	Company	Mr. Ankit Patni Mr. Rohit Patni
Greetamax Estates Pvt. Ltd .	Company	Mr. Ankit Patni Mr. Rohit Patni
Divine Trading Company Pvt Ltd	Company	Mr. Ankit Patni Mr. Rohit Patni
SBM Steels Private Limited	Company	Mr. Ankit Patni Mr. Rohit Patni

ANKIT METAL & POWER LIMITED

Except as disclosed above & related party transaction on page no.91, the promoters of the company have no interest other than reimbursement of expenses incurred or normal remuneration or benefit, if any.

Payment or Benefit to Promoters of the Company

No amount or benefit has been paid or given to the Company's Promoters since the incorporation of the Company nor is intended to be paid or given to any promoter of the Company except interest on unsecured loan, as and when provided by them, their normal remuneration and/or reimbursement for services as Directors of the Company or otherwise in accordance with the law.

RELATED PARTY TRANSACTIONS

For details of related party transactions please refer to page no.106 of this Red Herring Prospectus.

CURRENCY OF PRESENTATION

In this Red Herring Prospectus, all references to “Rupees” and “Rs.” and “Indian Rupees” are to the legal currency of the Republic of India.

DIVIDEND POLICY

The Company in general meeting may declare dividends to be paid to members according to their respective rights, but no dividends shall exceed the amount recommended by the board. However, the company in general meeting may declare a dividend smaller than recommended by the Board. Till date, the Company has not declared any dividend. The Equity Shares being offered through this document shall rank *pari-passu* in all respects with the other existing Equity Shares of the Company including rights in respect of dividend.

SECTION V – FINANCIAL INFORMATION
FINANCIAL INFORMATION OF ISSUER COMPANY

AUDITORS' REPORT

To

The Board of Directors
Ankit Metal & Power Limited
35, C.R. Avenue,
Kolkata- 700 012

Reg. Initial Public Offer of Ankit Metal & Power Limited– Auditors' Report as required by Part II of Schedule II of the Companies Act, 1956

Dear Sirs,

We have examined the Financial Information of Ankit Metal & Power Limited ('the Company'), which have been extracted from the financial statements audited by the then Auditors' (K.K. Chanani & Associates) for the years ended March 31, 2003 and 2004 and audited by us for the years ended March 31, 2005, 2006 and 2007 adopted by Board of Directors/ Members of the Company as attached to this report, stamped by us for identification, which has been prepared in accordance with –

- Paragraph B(1) of Part – II of Schedule II of the Companies Act, 1956, of India ('the Act') and amendments thereof;
- Securities and Exchange Board of India (Disclosure and Investor Protection) Guidelines 2000 ('the Guidelines') issued by the Securities and Exchange Board of India (SEBI) on January 19, 2000 and the amendments from time to time thereto, to the extent applicable;
- The instructions dated April 7, 2007 received from the Company, justify us to carry out the assignment in connection with the Red Herring Prospectus being issued by the Company for the initial public offering of Equity Shares.

A. Financial Information of:

We have examined the attached restated Summary of Assets and Liabilities (Annexure I) of the Company as at March 31, 2003, 2004, 2005, 2006 and 2007 and the related Summary of Profit and Loss Account (Annexure II) for each of the years ended March 31, 2003, 2004, 2005, 2006 and 2007 and the Cash Flow Statement (Annexure III) for the years ended 31st March 2006, and 2007 together referred to as 'Summary Statements' and Notes to Summary Statements as set out in Annexure V.

The Summary Statements for the years ended March 31, 2003, 2004, 2005, 2006 and 2007 have been extracted from the financial statements audited by other independent Chartered Accountants (K.K. Chanani & Associates) for the years ended March 31, 2003 and 2004 and audited by us for the years ended 31st March, 2005, 2006 and 2007. These Summary Statements have been approved by the Board of Directors.

Based on our examination of these Summary Statements we confirm that:

- a. The Summary Statements of the Company have been restated with retrospective effect to reflect the significant accounting policies (as disclosed in Annexure IV to this report) as adopted by the Company as at 29th April, 2007.
- b. There are no adjustments in the auditors' reports relating to relevant previous years, which need to be made in the Summary Statements.
- c. Qualification in the Auditors' Report, which have not been adjusted in the financial statements:
 - 1) The Company is registered under the West Bengal Incentive Scheme 2000 & 2004 of The Director of Industries, Government of West Bengal. Under the said scheme the Company is entitled to receive Capital Investment Subsidy, Interest Subsidy, Employment Generation Subsidy, Remission of stamp duty & registration fee. These shall be accounted for in the year of receipt.
 - 2) Insurance claims are accounted on cash basis.

The re-stated financial statements do not take into account or make any adjustments for the events subsequent to audit report dated April 7, 2007, July 6, 2006, August 11, 2005, July 2, 2004, July 16, 2003, on the financial statement for the financial years ended March 31, 2007, 2006, 2005, 2004, and 2003 respectively.

B. Dividends:

We confirm that the Company has not paid dividend for the financial year ended March 31, 2003, 2004, 2005, 2006 and 2007.

C. Other Financial Information:

We have examined the following financial information relating to the Company, proposed to be included in the Red Herring Prospectus, as approved by the Board of Directors of the Company and attached to this report:

- i. Summary of accounting ratios based on the adjusted profits relating to earnings per share, net asset value, operating margin, return on net worth and return on capital employed, enclosed as Annexure VI.
- ii. Capitalisation Statement as at March 31, 2007 of the Company, enclosed as Annexure VII
- iii. Tax Shelter Statement, enclosed as Annexure VIII.
- iv. Statement of Secured and Unsecured Loans and assets charged as securities, enclosed as Annexure IX.
- v. Statement of Related Party Transactions, enclosed as Annexure X.
- vi. Statement of Loans and Advances, enclosed as Annexure XI.
- vii. Details of Sundry Debtors, enclosed as Annexure XII.

In our opinion, the financial information of the Company as mentioned in paragraphs A. to C. above, read with the significant accounting policies after making regrouping/ adjustments, have been prepared in accordance with Part II of Schedule II of the Act and the Guidelines issued by SEBI.

This report is intended solely for your information and for inclusion in the Red Herring Prospectus being issued by the Company for initial public offering of Equity and is not to be used, referred to or distributed for any other purpose without our prior written consent.

Yours faithfully,

**For R.Kothari & Co.
Chartered Accountants**

**(Sanjeeb Agarwal)
Partner
M. No. 56400**

Dated: 8th May,2007

Place : Kolkata.

ANKIT METAL & POWER LIMITED

ANNEXURE-I

STATEMENT OF ASSETS & LIABILITIES AS RESTATED

The assets and liabilities of the company as at the end of each financial year since incorporation i.e. 07.08.2002 ended on 31 March 2003, 2004, 2005, 2006 and 2007 are as set out below. The assets and liabilities read with significant accounting policies and notes annexed hereto have been arrived at after making such regroupings as are considered appropriate.

(Rs.in lacs)

Particulars	As at 31.03.2007	As at 31.03.2006	As at 31.03.2005	As at 31.03.2004	As at 31.03.2003
Fixed Assets:					
Gross Block	5691.12	5461.70	114.98	81.02	-
Less: Depreciation	407.59	112.83	4.62	1.09	-
Net Block	5283.53	5348.87	110.36	79.93	
Less: Revaluation Reserve	-	-	-	-	-
Net Block after adjustment for Revaluation Reserve	5283.53	5348.87	110.36	79.93	-
Capital work-in progress	5548.73	652.54	3853.83	372.48	0.09
Total Fixed Assets (A)	10832.26	6001.41	3964.19	452.41	0.09
Investments (B)					
Current Assets, loans and Advances:					
Inventories	4808.50	2149.03	-	-	-
Sundry Debtors	2785.91	2430.50	-	-	-
Cash & Bank Balances	496.75	94.23	64.42	14.33	0.83
Loans and Advances	3072.57	2240.33	656.88	523.35	-
Total (C)	11163.73	6914.09	721.30	537.68	0.83
Liabilities and Provisions:					
Secured Loans	7777.39	5593.42	1623.06	10.83	-
Unsecured Loans	3117.15	186.58	417.58	12.00	-
Current Liabilities and Provisions	5355.47	2764.56	369.55	59.37	0.47
Deferred Tax Liability	523.62	185.60	-	-	-
Total (D)	16773.63	8730.16	2410.19	82.20	0.47
Net worth (A+B+C-D)	5222.36	4185.34	2275.30	907.87	0.45
Represented by					
1. Share Capital (A)	2097.55	2097.55	1291.05	629.55	1.00
2. Reserves	3153.61	2099.44	945.05	283.50	-
Less: Revaluation Reserve	-	-	-	-	-
Reserves (Net of Revaluation Reserves) (B)	3153.61	2099.44	945.05	283.50	-
Share Application (C)	-	-	50.00	-	-
Miscellaneous Expenditure (D)	28.80	11.65	10.80	5.18	0.55
Net worth (A+B+C-D)	5222.36	4185.34	2275.30	907.87	0.45

ANNEXURE-II

SUMMARY STATEMENT OF PROFITS & LOSSES AS RESTATED

We report that the profits of the company for the financial period since incorporation i.e. 07.08.2002 ended on 31st March 2003, 2004, 2005, 2006 and 2007 are as set out below. The Profit and Loss Account read with significant accounting policies and notes annexed hereto have been arrived at after charging all expenses of manufacture, working and management including depreciation and after making such adjustments and regroupings as are considered appropriate.

Rs.in lacs

PARTICULARS	31.03.2007	For the 31.03.2006	Year ended 31.03.2005	31.03.2004	From the period 07.08.2002 to 31.03.2003
Income					
Sales					
Sales of goods traded	12425.89	4276.81	0.32	0.08	-
Sales of goods manufactured	-	-	-	-	-
Domestic / Exports	8567.81	2065.98	-	-	-
Sub Total	20993.70	6342.79	0.32	0.08	-
Other Income	120.31	2.41	-	-	-
Increase In Inventories	385.89	392.14	-	-	-
TOTAL INCOME	21499.90	6737.34	0.32	0.08	-
Expenditure	-	-	-	-	-
Trading Purchases	10728.26	3834.62	-	0.07	-
Raw Materials consumed	5057.32	1173.86	0.26	-	-
Manufacturing Expenses	1496.63	321.24	-	-	-
Payments to and Prov for employees	24.29	12.77	-	-	-
Cenvat/Vat	1570.84	538.40	-	-	-
Administrative & other Expenses	191.86	58.26	-	-	-
Exchange Fluctuation	32.98	-	-	-	-
TOTAL EXPENDITURE	19102.18	5939.15	0.26	0.07	-
Net profit before interest, depreciation, Tax and extraordinary items	2397.72	798.19	0.06	0.01	-
Interest	(491.44)	(153.90)	-	-	-
Depreciation	(294.76)	(108.20)	-	-	-
Net Profit before tax and Extraordinary Items	1611.52	536.09	0.06	0.01	-
Provision for Taxation	(216.65)	(49.50)	(0.02)	-	-
Provision for Deferred Tax	(338.02)	(185.60)	-	-	-
Provision for FBT	(2.68)	(2.59)	-	-	-
Extraordinary items (net of tax)	-	-	-	-	-
Deferred MAT Credit Entitlement	-	49.50	-	-	-
Net Profit after Extraordinary Items as per audited Balance Sheet(A)	1054.17	347.90	0.04	0.01	-
Adjustment on account of change in Accounting Policy (B)	-	-	-	-	-
Adjusted Profit & Loss(A-B)	1054.17	347.90	0.04	0.01	-
Previous Year Surplus	347.95	0.05	0.01	-	-
Balance Carried to Balance Sheet	1402.12	347.95	0.05	0.01	-

ANKIT METAL & POWER LIMITED

ANNEXURE-III

CASH FLOW STATEMENT FROM THE RESTATED FINANCIAL STATEMENT FOR THE YEAR ENDED 31st MARCH 2005, 2006 AND 2007.

Rs. in lacs

Particulars	31 st March, 2007	31 st March, 2006	31 st March, 2005
A. Cash Flows from Operating Activities			
Net Profit before Tax & Extraordinary Items	1611.52	536.09	0.07
Adjustments for:			
Depreciation	294.76	108.20	-
Interest Income	10.33	(2.41)	-
Exchange Fluctuation	32.98	-	-
Interest Expenses	491.44	153.90	-
Preliminary Expenses written off	3.78	2.16	-
Operating Profit before Working Capital Changes	2444.81	797.94	0.07
Adjustments for:			
Trade & Other Receivables	(1152.87)	(3964.45)	(133.53)
Inventories	(2659.45)	(2149.04)	-
Trade Payables & Other Liabilities	2368.18	2343.74	310.16
Cash Generated from Operations	1000.67	(2971.81)	176.69
Income Taxes Paid	(37.99)	0.82	-
Exchange Fluctuation Gain	(32.98)	-	-
Net Cash from Operating Activities	929.70	(2972.63)	176.69
B. Cash Flows from Investing Activities			
Purchase of Fixed Assets (incl. Advances) & Capital W.I.P.	(5125.62)	(2145.43)	(3511.77)
Interest Received	(10.33)	2.41	-
Deposits	(267.81)	(78.31)	(6.00)
Net Cash from Investing Activities	(5403.76)	(2221.33)	(3517.77)
C. Cash Flows from Financing Activities			
Issue of Share Capital	6.60	1563.00	1373.00
Proceeds from Borrowings	5114.55	3739.37	2017.80
Interest Paid	(491.44)	(153.90)	-
Preliminary Expenses	(5.10)	(3.00)	(5.63)
Public Issue Expenses	(15.84)	-	-
Net Cash used in Financing Activities	4608.77	5145.47	3385.17
Net Increase/(Decrease) in Cash and Cash			
Equivalents (A+B+C)	134.71	(48.50)	44.09
Cash and Cash Equivalents at the beginning of period	9.92	58.42	14.33
Cash and Cash Equivalents at the end of period	144.63	9.92	58.42

Notes:

- The above Cash Flow has been prepared under the "Indirect Method" as set out in Accounting Standard-3 on Cash Flow Statement issued by Institute of Chartered Accountants of India.
- The Accounting Standard on cash flow Statement issued by the Institute of Chartered Accountants of India was not applicable for the years ended March 31, 2003, & 2004.

ANNEXURE- IV

NOTES TO ADJUSTMENTS AND GROUPINGS

1. Share Application pending allotment for Rs.50.00 lacs as on 31.03.2005 has been regrouped under Current Liabilities.
2. Expenses relating to Carriage, Customs, Duty & Loading Expenses in the year 31st march 2006 has been regrouped with Raw Materials & stores Consumption.

ANNEXURE-V

ACCOUNTING POLICIES AND NOTES ON ACCOUNTS

A. SIGNIFICANT ACCOUNTING POLICIES

A. SIGNIFICANT ACCOUNTING POLICIES

1. Basis of preparation of financial statements.

- a) The financial statements have been prepared under the historical cost convention and in accordance with the generally accepted accounting principles & the provisions of the Companies Act, 1956
- b) Accounting policies not specifically referred to otherwise are consistent with generally accepted accounting principles.

2. Fixed Assets

- a) Expenditure which are of Capital nature are capitalized at a cost which comprises of purchase price and all other expenditure directly attributable to the cost of bringing the assets to its working condition for the intended use. Assets under erection / installation are shown as Capital -Work-In -Progress. Capital assets and Capital work-in-progress are net of CENVAT credit availed / available thereon.
- b) Incidental Indirect Expenses including interest on loan relating to the project are apportioned amongst the Fixed Assets on the basis of their Cost of Erection / acquisition on commencement of commercial production.

3. Depreciation

Depreciation on Fixed Assets calculated on straight line method at the rates and in the manner prescribed in the Schedule XIV of Companies Act, 1956

4. Inventories

Inventories are valued at lower of Cost and Net Realizable Value. Finished goods and Work in Progress include cost of conversion and other overheads incurred in bringing the inventories to their present location and condition.

5. Recognition of Income & Expenditures

Revenue / Income and Cost / Expenditures are generally accounted for on accrual basis as they are earned or incurred except insurance claim recoverable which is accounted for as and when received.

6. Sales

Sales are recognized on dispatch of goods to customers. It includes Excise Duty & Sales tax.

7. Subsidy

- a) The Company is registered under the **West Bengal Incentive Scheme 2000 & 2004** of The Director of Industries, Government of West Bengal. Under the said scheme the Company is entitled to receive Capital Investment Subsidy, Interest Subsidy, Employment Generation Subsidy, Remission of stamp duty & registration fee. These shall be accounted for in the year of receipt.
- b) The Company has been granted eligibility certificate under the West Bengal Incentives to Power Intensive Industries Scheme, 2005, promulgated by the Department of Commerce & Industries, Government of West Bengal, Vide notification no. 276-CI/O/Incentive/052/05/i dt. 19.05.2005, effective from 1st April 2004. Under the said scheme, the company is entitled to receive Incentive on energy charges, which have been accounted for in the books on accrual basis.

8. Taxation

- a) Current Tax is determined at the amount of tax payable in respect of taxable income for the period, computed with relevant tax rules and tax laws. In case of tax payable as per provisions of MAT under Section 115JB of the Income Tax Act, 1961, Deferred MAT Credit entitlement is separately recognized as advance

ANKIT METAL & POWER LIMITED

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

9. Retirement Benefits

The provision of payment of Gratuity Act is not applicable to the company since any of the employees of the company is yet to complete 5 years of continuous service.

10. Preliminary Expenses

Preliminary Expenses are amortized over a period of 5 years as applicable U/s 35D of the Income Tax Act, 1961, after the commencement of commercial production.

11. Borrowing Costs

Borrowing costs that are directly attributable to the acquisition, construction or production of qualifying assets is capitalized as part of the cost of that asset. Other borrowing costs are recognized as expenses in the period in which they are incurred.

12. Impairment of Assets

At each Balance sheet date the company assesses whether there is any indication that assets may be impaired. If any such indication exists, the company estimates the recoverable amount. If the carrying amount of the assets exceeds its recoverable amount, an impairment loss is recognized in the accounts to the extent the carrying amount exceeds the recoverable amount.

B. NOTES ON ACCOUNTS

- Certain balances of the Sundry Creditors, Sundry Debtors, Unsecured Loans and Advances are subject to Confirmation.
- Interest of Rs 10.28 lacs (P.Y Rs.263.49 Lacs) Capitalized during the year as identified for acquisition & construction of Qualifying assets. Rs 343.24 Lacs (P.Y Rs.99.61 Lacs) transferred to Pre operative expenses as a borrowing cost.
- Contingent Liabilities not provided for in the books of Accounts:

(Rs in Lacs)

SL No	Particulars	31.03.2007	31.03.2006
1	In respect of Bank Guarantees given	100.00	90.00
2	In respect of Bills discounted with Banks	1349.38	50.00
3	In respect of Letter of Credit opened	185.00	74.40
4	Commitments against Capital Expenditure (Net of Advances)	915.02	3045.61

- In the opinion of the Board of Directors, the Current Assets, Loans & Advances have a value on realization in the ordinary source of business at least equal to the amount at which they are stated in the accounts.
- During the year, the company has started the Commercial Production of Sponge Iron & Billet Division. Re-rolling & Power plants are yet to start Commercial activity, therefore all the related expenses in the nature of Administrative expenses as identified by the management, have been transferred to Pre-operative Expenses Account.
- | | | |
|------------------------------------------|-------------|-------------|
| Managerial Remuneration | 2007 | 2006 |
| Remuneration paid to whole time Director | 1457,548 | 536,091 |
- Related party disclosure as per AS – 18 - Refer Annexure X**
- The Company has adopted Accounting Standard – 22, "Accounting for Taxes on Income", and accordingly, the Company has provided deferred tax liability of Rs. 338.02 lacs for the financial years ended 31st March, 2007.

Components of Deferred tax liabilities / assets as on 31.03.2007 are as under:

Components of Deferred Tax Liability:

Difference in the WDV as per IT rules and as per Companies Act, 1956 Rs. 52,362,275

Components of Deferred Tax Assets:

Unabsorbed Depreciation & Business Loss Rs. 0

Net Deferred Tax Liability Rs. 52,362,275

9. Segment Reporting (AS-17)

The Company is engaged in single business segment (steels), thus disclosures are not being made as required under AS-17 issued by The Institute of Chartered Accountants of India.

10. Capacity, Production, Sales & Stock

A) Licensed Capacity: N.A.

Installed Capacity: Sponge Iron 105000 M.T. Per Annum (P.Y- 105000),M.S. Ingots /Billets 65100 M.T.P.A.(P.Y. 65100)

(Installed Capacity has been certified by the management and not verified by the auditors being a technical matter)

	For the Year Ended 31.03.07		For the Year Ended 31.03.06	
	Qty (M.T)	Value (Rs Lacs)	Qty (M.T)	Value (Rs Lacs)
Opening Stock	1094.70	151.22	Nil	Nil
Production/Purchase	127901.00	10728.26	37915.50	3834.62
Sales	124064.80	20993.70*	36820.80	6342.80*
Closing Stock	4930.90	520.50	1094.70	151.22

* Includes Excise Duty amounting to Rs.855.43 lacs (P.Y 276.29.) and Trading Sale of Rs.11947.97 Lacs.(P.Y 4276.81)

B) Raw Materials Consumed

	For the Year Ended 31.03.07		For the Year Ended 31.03.06	
	Qty (M.T)	Value (Rs Lacs)	Qty (M.T)	Value (Rs Lacs)
Iron Ore	69047.95	2052.72	28551.24	521.68
Coal	46048.57	1140.26	24695.81	376.44
Pig Iron	7055.83	776.80	495.27	54.81
Scrap	5764.70	539.00	1437.38	154.43
Others	-	548.55	-	66.50
TOTAL		5057.33		1173.86

C) Value of Imported & indigenous Consumption

i) Raw material consumed

	For the Year Ended 31.03.07		For the Year Ended 31.03.06	
	Value (Rs Lacs)	%	Value (Rs Lacs)	%
Imported	21.07	0.42%	92.75	11.20%
Indigenous	5036.25	99.58%	2437.14	88.80%
Total	5057.32	100.00%	2529.89	100.00%

i) Store & spare parts consumed

	For the Year Ended 31.03.07		For the Year Ended 31.03.06	
	Value (Rs Lacs)	%	Value (Rs Lacs)	%
Imported	11.51	12.26%	-	-
Indigenous	82.38	87.74%	17.09	100.00%
Total	93.89	100%	17.09	100.00%

ANKIT METAL & POWER LIMITED**1. Expenditure in Foreign Currency****(Rs.in lacs)**

	2006-07	2005-06
a) Raw Materials	-	245.82
b) Stores & Spares	16.90	1.97
TOTAL	16.90	247.79

EARNINGS PER SHARE (EPS)

Particulars	Unit	31st March 2007	31st March 2006	31st March 2005	31st March 2004	31st March 2003
Adjusted Profit used as Numerator for calculating Basic and Diluted EPS	Rs.in lacs	1054.16	347.90	0.04	-	-
Weighted Average No. of shares used as Denominator for calculating Basic EPS	No of Shares	20975500	13020979	6805553	-	-
Weighted Average No. of Potential shares (due to Share Application pending Allotment) used as Denominator For calculating Diluted EPS	No of Shares	20981417	13020979	7055553	-	-
Nominal Value of Shares	Rs.	10	10	10	-	-
Basic EPS	Rs.	5.03	1.66	-	-	-
Diluted EPS	Rs.	5.02	2.68	-	-	-

ANNEXURE-VI**SUMMARY OF ACCOUNTING RATIOS:**

Accounting Ratios	31st March 2007	31st March 2006	31st March 2005	31st March 2004	31st March 2003
Earnings per share (Rs)+	5.03	2.68	-	-	-
Return on Net worth %	20.19%	8.31%	-	-	-
Net Asset Value per share (Rs)	24.90	19.95	17.24	14.42	4.50
No. of equity shares of Rs.10 each	20975500	20,975,500	12,910,500	6,295,500	100,000

+ Calculated as per AS-20

ANNEXURE-VII

CAPITALISATION STATEMENT

(Rs. in lacs)

Particulars	PRE ISSUE AS AT 31.03.2007	Adjustment for present issue *
Short Term Debt	5219.86	-
Long term debt	5674.70	-
Total debt	10894.56	-
Shareholders fund		-
Share capital	2,097.55	-
Reserves and surplus	3153.61	-
Sub-Total	5251.16	-
Less: Miscellaneous Expenditure	28.81	-
Total shareholders fund	5222.35	-
Long term Debt/Equity	1.08	-

* Share Capital and Reserves (Post Issue) can be calculated only after conclusion of the book-building process.

ANNEXURE- VIII

TAX SHELTER STATEMENT

(Rs. in lacs)

PARTICULARS	31.03.2007	31.03.2006	31.03.2005	31.03.2004	31.03.2003
Profit before fringe benefit tax-restated	1611.52	536.09	0.07	0.01	-
Less: Fringe Benefit Tax	2.67	2.59	-	-	-
Profit after fringe benefit tax-Restated	1608.85	533.50	0.07	0.01	-
Chargeable at normal rate	1611.52	536.09	0.07	0.01	-
Chargeable at special rate- Minimum Alternate Tax	Nil	533.50	-	-	-
Tax Rate (including surcharge and education cess)					
Normal rate (%)	33.66	33.66	36.59	35.88	36.75
Special rate (%) - MAT	N.A	8.42	-	-	-
Tax at Notional rates	542.44				
Chargeable at normal rate	-	180.45	0.02	0.00	0.00
Total tax at Normal Rates (A)	542.44	180.45	0.02	0.00	0.00
Tax at MAT Rates (B)	-	44.92	-	-	-
Adjustments					
Timing Difference					
Difference between Tax Depreciation & Book Depreciation	682.37	873.25	-	-	-
Business Loss/ Unabsorbed Depreciation	321.86	(321.86)	-	-	-
Total Timing Difference (C)	1004.23	551.39	-	-	-

ANKIT METAL & POWER LIMITED

(Rs. in lacs)

PARTICULARS	31.03.2007	31.03.2006	31.03.2005	31.03.2004	31.03.2003
Total Permanent Difference (D)	-	-	-	-	-
Net adjustment (E) = (C) + (D)	1004.23	551.39	-	-	-
Tax (Savings)/ Expenditure thereon (F)	(338.02)	(185.60)	-	-	-
Total Taxation Provision at Normal income tax Rates for the year (G)=(A)+(F)	204.42	(5.15)	-	-	-
Tax Payable [higher of (B) or (G)]	204.42	44.92	-	-	-
Tax Provision as per Books	216.65	49.50	0.02	-	-
Difference	12.23	4.58	0.02	-	-

1. During the period ended March 31, 2007 the Company has provided for tax liability in accordance with the provisions contained in of the Income Tax Act.
2. The above information has been obtained from the Return of Income reviewed and filed (except for the financial year ended March 31, 2006 & 2007.)

ANNEXURE-IX
Secured Loans:

(Rs. in lacs)

Particulars	As at 31 st March 2007	As at 31 st March 2006	As at 31 st March 2005	As at 31 st March 2004	As at 31 st March 2003
(A) Secured Loans					
From Banks for Working Capital					
State Bank of India	1214.90	665.49	84.10	-	-
Andhra Bank	557.80	416.04	-	-	-
Syndicate Bank	-	100.09	-	-	-
State Bank Of India SLC	330.00	-	-	-	-
Term Loans from Banks					
State Bank of India- I	1200.00	1500.00		-	-
State Bank of India- II	1778.00	1342.57	1500.00	-	-
State Bank of India -III	500.00	691.56	-	-	-
Andhra Bank-I	1086.00	857.09	-	-	-
Andhra Bank-II	300.00				
Syndicate Bank	800.00				
Equipments/Car Finance Loan					
HDFC Bank Limited	9.74	3.15	7.73	8.08	-
ICICI Bank Limited	-	6.09	9.41	-	-
CITI Bank	0.96	11.32	21.25	-	-
ABN AMRO Bank	-	-	0.57	2.76	-
State Bank of India- I	-	-	-	-	-
Total	7777.40	5593.40	1623.06	10.84	0.00

Notes:

- Term Loan- I from State Bank of India are secured by pari passu charge on all movable & immovable Plant and Machinery along with equitable mortgage on factory land with Building & Shed thereon and personal guarantee of three directors
- Term Loan- II from State Bank of India, Andhra Bank & Syndicate Bank are secured by pari passu charge on the all movable & immovable of all fixed assets & current assets of phase – II
- Term Loan III- from State Bank of India, Andhra Bank & Syndicate Bank are primary secured by 1st charges by way of equitable mortgage on entire fixed assets of the company & collateral secured by 2nd parri-passu charges on the entire fixed assets of factory land, Building/shed etc. & along with equitable mortgage on office space at Kolkata & personal guarantee of three promoters & corporate guarantee of three companies.
- Cash Credit from State Bank of India, Andhra Bank & Syndicate Bank are jointly secured by hypothecation on Inventories, Book Debts and Other Current Assets with Collateral charge on Company's Fixed Assets, Office Premises and Personal Guarantee of three Directors

Unsecured Loans:

(Rs in Lacs)

Unsecured Loans	As at 31st March 2007	As at 31st March 2006	As at 31st March 2005	As at 31st March 2004	Rate of Interest
Apex Capital Markets Ltd.	0.00	50.00	0.00	0.00	10.00%
Apundarik Sales Pvt. Ltd.	5.00	5.00	5.00	0.00	12.00%
Apundarik Merchants Pvt Ltd	5.00	0.00	0.00	0.00	10.00%
Bhadawar Leasing & Finance Co Pvt Ltd	5.18	0.00	0.00	0.00	13.50%
Bhansali Fincom Pvt. Ltd.	0.00	0.00	10.00	0.00	13.50%
BMW Industries	0.00	25.42	25.57	0.00	9.00%
Chiki Finance Pvt. Ltd.	25.00	25.00	0.00	0.00	9.00%
Classic Growers Ltd.	0.00	10.16	0.00	0.00	13.50%
Cube Fintex Pvt. Ltd.	0.00	0.00	0.00	12.00	12.00%
Dolphin Agents Pvt. Ltd.	0.00	5.00	0.00	0.00	12.00%
Happy Homes & Hotels Pvt. Ltd.	0.00	0.00	20.00	0.00	14.00%
Invesco Finance Pvt Ltd	47.00	0.00	0.00	0.00	9.00%
JFC Hire Purchase Pvt. Ltd.	0.00	0.00	10.00	0.00	12.00%
Kunal Finance & Credit Pvt Ltd	25.00	0.00	0.00	0.00	15.50%
Manik Fintrade Pvt. Ltd.	0.00	5.00	0.00	0.00	13.50%
Neena Pojects Pvt. Ltd.	0.02	10.00	0.00	0.00	15.00%
Nikon Traders Pvt. Ltd.	0.00	10.00	5.00	0.00	9.00%
Nortel Dealcom Pvt. Ltd.	0.00	5.00	0.00	0.00	12.00%
P.Jainex Trads & Finance Pvt. Ltd.	0.00	5.00	5.00	0.00	12.00%
Paceman Sales Promotion Pvt. Ltd.	0.00	0.00	15.00	0.00	13.50%
Panchmukhi Agrochem Pvt. Ltd.	21.71	0.00	35.24	0.00	9.00%
Poddar Mech Tech Pvt Ltd	1.14	0.00	0.00	0.00	9.00%
Pushpak Fincap Pvt. Ltd	0.00	0.00	10.04	0.00	9.00%

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(Rs in Lacs)

Unsecured Loans	As at 31 st March 2007	As at 31 st March 2006	As at 31 st March 2005	As at 31 st March 2004	Rate of Interest
Rajkumar Tradecom Pvt. Ltd.	0.00	11.00	5.00	0.00	9.00%
Savera Vinimay Pvt. Ltd.	0.00	5.00	0.00	0.00	10.00%
Suanvi Trading & Investment Co. (P) Ltd.	7.19	0.00	151.72	0.00	9.00%
Sun Fund Management Ltd	0.00	5.00	0.00	0.00	13.50%
Salarpuria Investment Pvt Ltd	20.00	0.00	0.00	0.00	15.00%
Sunrise Prometers Pvt Ltd	20.34	0.00	0.00	0.00	9.00%
Vasupujya Enterprises Pvt Ltd	476.39	0.00	0.00	0.00	9.00%
Venerable Advertising Pvt. Ltd.	0.00	0.00	20.00	0.00	9.00%
Yash Marbles Pvt. Ltd.	0.00	10.00	0.00	0.00	9.00%
Zenon India Pvt. Ltd.	0.00	0.00	50.00	0.00	9.00%
Global Trade Finance Ltd	2458.19	0.00	0.00	0.00	10.50%
Suresh Kumar Patni	0.00	0.00	25.00	0.00	Interest Free
Sarita Patni	0.00	0.00	25.00	0.00	Interest free
TOTAL	3117.16	186.58	417.57	12.00	

Note: There was no Unsecured Loan during the year 2002-2003.

ANNEXURE-X
Related Party Transactions (As per AS-18)

- A. List of related parties over which control of the company exists – None
- B. Names of the related Parties with whom the transaction were carried out with the Company.

Name of the Related Parties	Relationship
Suresh Kumar Patni	KMP
Sarita Patni	KMP
Ankit Patni	KMP
Rohit Patni	KMP
Sanjay Singh	KMP
Suanvi Trading & Investment Company Pvt Ltd	Control of KMP
Impex Metal & Ferro Alloys Pvt Ltd	Control of KMP
Impex Ferro Tech Ltd.	Control of KMP
Invesco Finance Pvt. Ltd.	Control of KMP
Rohit Ferro- Tech Ltd.	Control of KMP
Panchmukhi Agrochem (P) Ltd.	Control of KMP
Poddar Mech tech Services P. ltd	Control of KMP
Vasupujya Enterprises P. Ltd.	Control of KMP
Naresh Kumar jain	Relative of KMP
Ajit kumar Patni	Relative of KMP

ANKIT METAL & POWER LIMITED

Note: KMP means Key Managerial Personnel

Particulars	31.03.2007	31.03.2006	31.03.2005	31.03.2004	31.03.2003
Sales During the year					
Impex Metal & Ferro Alloys Pvt Ltd	221.30	9.67	-	-	-
Rohit Ferro- Tech Ltd.	322.32	24.70	-	-	-
Purchase during the year					
Impex Metal & Ferro Alloys Pvt Ltd	244.55	230.71	-	-	-
Impex Ferro-Tech Ltd	95.21	-	-	-	-
Rohit Ferro Tech Ltd	9.86	-	-	-	-
Remuneration During the year					
Ankit Patni	12.70	5.36	-	-	-
Sanjay Singh	1.87	-	-	-	-
Interest Paid					
Suanvi Trading & Investment Company Pvt Ltd	2.82	2.63	2.22	-	-
Panchmukhi Agrochem (P) Ltd.	0.92	-	0.31	-	-
Invesco Finance Pvt Ltd	2.20	-	-	-	-
Poddar Mech Tech Ltd	1.47	-	-	-	-
Vasupujya Enterprises Pvt Ltd	14.68	-	-	-	-
Rent Paid					
<i>Impex Metal & Ferro Alloys Pvt Ltd</i>	1.08	1.08	-	-	-
Loan Received	-				
<i>Suresh Kumar patni</i>	35.00	-	25.00		
<i>Sarita Patni</i>	18.00	-	25.00		
Ankit Patni	91.00				
Rohit Patni	36.00				
Panchmukhi Agrochem (P) Ltd.	21.00	-	-	-	-
Suanvi Trading & Investment Company Pvt Ltd	65.00	-	-	-	-
Invesco Finance Pvt Ltd	50.00	-	-	-	-
Poddar Mech Tech Pvt Ltd	34.00	-	-	-	-
Vasupujya Enterprises P. Ltd	465.00	-	-	-	-
Loan Repaid					
Suresh Kumar Patni	35.00	25.00	-	-	-
Sarita Patni	18.00	25.00	-	-	-
Ankit Patni	91.00	-	-	-	-
Rohit Patni	36.00	-	-		
Invesco Finance Pvt Ltd	3.00	-	-	-	-
Poddar Mech Tech Pvt Ltd	34.00	-	-	-	-
Sunavi Trading & Invest P. Ltd.	60.00	151.72	-	-	-

ANKIT METAL & POWER LIMITED

Particulars	31.03.2007	31.03.2006	31.03.2005	31.03.2004	31.03.2003
Closing Balance					
Loans taken					
Panchmukhi Agrochem (P) Ltd.	21.71	-	35.25	-	-
Suanvi Trading & Investment Company Pvt Ltd	7.19	-	151.72	-	-
Suresh Kumar Patni	-	-	25.00	-	-
Sarita Patni	-	-	25.00	-	-
Invesco Finance Pvt Ltd	47.00	-	-	-	-
Poddar Mech Tech Pvt Ltd	1.14	-	-	-	-
Vasupujya Enterprises P.Ltd	476.39	-	-	-	-
Contribution towards equity	-	-	-	-	
Suresh Kumar Patni	-	-	-	-	0.50
Suanvi Trading & Investment Company Pvt Ltd	-	333	77	13.50	-
Panchmukhi Agrochem (P) Ltd.	-	-	-	52.50	-
Poddar Mech tech Services P. ltd	-	-	-	284	-
Vasupujya Enterprises P. Ltd.	-	1125	949	-	-
Invesco Finance Pvt. Ltd.	-	100	72	32.50	-
Ankit Patni	-	-	-	0.01	-
Sarita Patni	-	-	-	0.01	-
Naresh Kumar jain	-	-	-	0.01	-
Ajit kumar Patni	-	-	-	0.01	-
Rohit Patni	-	-	-	-	0.50

ANNEXURE- XI
Details of Loans & Advances
Rs In lacs

Unsecured Loans	As at 31 st March 2007	As at 31 st March 2006	As at 31 st March 2005	As at 31 st March 2004	As at 31 st March 2003
Advances recoverable in cash or in kind or for value to be received (Considered Good)					
For Capital Goods	820.03	946.24	252.47	504.95	-
To Suppliers & Others	1172.60	877.08	84.53	-	-
Security & Other Deposits	31.12	4.4	3.44	1.81	-
Cenvat /Service Tax Receivable	254.27	56.07	121.32	16.59	-
Balance lying with Excise Department	138.37	176.1	195.12	-	-
Deferred Premium on Forward Contract	-	-	-	-	-
Electricity Duty Refundable	2.74	54.86	-	-	-
Power Subsidy Receivable	425.10	51.98	-	-	-
Pre-paid Expenses	38.30	12.5	-	-	-
Sales tax Vat	58.95	10.5	-	-	-
Interest Accrued on FDR	10.55	0.56	-	-	-
TDS & Advance Tax	35.43	0.53	-	-	-
MAT Credit Entitlement	49.50	49.5	-	-	-
Export Incentive Receivable	35.60	-	-	-	-
TOTAL	3072.56	2240.32	656.88	523.35	-

ANNEXURE-XII

DETAILS OF SUNDRY DEBTORS:

Rs. in lacs

Unsecured Loans	As at 31 st March 2007	As at 31 st March 2006	As at 31 st March 2005	As at 31 st March 2004	As at 31 st March 2003
Secured	-	-	-	-	-
<i>Unsecured (Considered Good)</i>					
Less than 6 months	2600.80	2430.5	-	-	-
More than 6 months	185.10	-	-	-	-
Total	2785.90	2430.5	-	-	-

ANKIT METAL & POWER LIMITED

FINANCIAL INFORMATION OF GROUP COMPANIES

The information for the last 3 years based on the audited/unaudited statements in respect of all the Companies, firms, ventures, etc. promoted by the promoters irrespective of whether these are covered under section 370 (1)(B) of the Companies Act, 1956 or not.

1. Impex Ferro-Tech Limited

The Company has been incorporated on June 7th, 1995 with its registered office at 35, Chittaranjan Avenue, Kolkata-700 012 with the intention to set up a plant for manufacturing Silico Manganese and Ferro Manganese. In the year 1997-98, the Company set up two numbers submerged Arc furnaces of 3.6 & 5 MVA rating plant for manufacturing Silico Manganese and Ferro Manganese at Kalyaneswary, in the state of West Bengal. The Company further went for expansion in the year 2000-01 by installing its third furnace of 7.5 MVA. Encouraged by the market acceptance for its products the Company has further added a 8.25 MVA capacity furnace for manufacturing High Carbon Silico Manganese and converting a part of High Carbon ferro manganese into medium carbon ferro manganese through SSM converter route. The Company has been awarded ISO 9001: 2000 certification.

Impex Ferro-Tech Ltd is manufacturing the Silico Manganese and Ferro Manganese. The issuer company is engaged/ proposes to engage in manufacturing of sponge iron, M.S. Ingots & Billets & TMT Rods & engaged in trading of steels items which is different from business of Impex Ferro-Tech Ltd.

Shareholding Pattern as on 31/03/2007

Particulars	No. of share	% shareholding
Promoters		
Mr Vimal Kumar Patni	235100	0.94
Mr Suresh Kumar Patni	226100	0.90
Mr. Naresh Kumar Patni	198100	0.79
Mr. Virendra Kumar Patni	175600	0.70
Mr. Ajit Kumar Patni	175000	0.70
Mr. Vijay Kumar Patni	20000	0.08
Mr. Dharanchand Patni	15000	0.06
Mrs. Babita Jain	5000	0.02
Mr. Vikas Patni	5000	0.02
Dhodwalal Enterprises Pvt Ltd	4527500	18.11
VSN Agro Products Pvt Ltd	3930000	15.72
Impex Cement Pvt LTd	2559500	10.24
Patni Metal & Ferro Alloys Pvt Ltd	2354000	9.42
Sub total	14425900	57.70
Body Corporate	2992263	11.97
Individual	7555264	30.22
NRI	26573	0.11
Total	25000000	100.00

Board of Directors

The following are the Board of Directors:

Name	Designation
Mr. Vimal Kumar Patni	Chairman
Mr. Suresh Kumar Patni	Managing Director
Mr. Virendra Kumar Jain	Whole Time Director
Mr. N.K. Jain	Director
Mr. C.S. Dugar	Director
Mr. K. K. Chanani	Director
Mr. P. N Khandelwal	Director

The financial highlights for the last 3 years are given below:

(Rs. in lacs)

Year Ended March 31	2006	2005	2004
Total Income	17027.32	14287.05	7380.27
Profit after tax (PAT)	485.83	456.71	241.83
Share Capital	2500.00	2500.00	1634.20
Reserves (excluding revaluation reserve)	1745.48	1259.65	808.32
Miscellaneous Expenditure	56.66	75.17	9.37
Net Worth	4188.82	3684.48	2433.15
Earnings per share (EPS) (Rs.)	1.94	1.83	1.48
Net Asset Value (NAV) per share	16.76	14.74	14.89

Source: Audited Financial Statements

Notes:

- i) Face value of each equity share is Rs.10/-.
- ii) For the calculation of Earnings Per Share and Net Asset Value Per Share, number of equity shares outstanding at the end of the year has been considered. Share application money pending allotment has not been considered.

There are no defaults in meeting any statutory/bank/institutional dues. No proceedings have been initiated for economic offences against the Company and it is not a sick Company within the meaning of Sick Industrial Companies (Special Provisions) Act, 1985 or is under winding up.

Share Quotation

Highest and lowest price of equity as quoted on BSE (Designated stock Exchange) in the last six months

Month	High (Rs.)	Low (Rs.)
Nov 2006	12.40	10.21
Dec 2006	15.37	10.48
Jan 2007	14.70	13.11
Feb 2007	16.65	12.83
Mar 2007	13.34	10.20
Apr 2007	12.69	10.00

Source: www.bseindia.com

Market value on the filing date of the Prospectus with the Registrar of Companies (will be updated)

ANKIT METAL & POWER LIMITED

Last issue by Impex Ferro-Tech Limited

In December 2004, Impex Ferro-Tech Ltd made a public issue of 80,00,000 Equity Shares of Rs.10 each for cash at par aggregating Rs. 800 Lacs.

Current market price

The closing market price of Equity Share of the Company on BSE on 24th May, 2007 was Rs.13.70.

Particulars of changes in Capital Structure since the date of issue

There has been no change in the capital structure of the Company since the date of the issue.

Statement regarding cost and progress of implementation schedule

The Total Fund requirement of the Project:

Particulars	Amount (Rs. in lacs)
Installation of SSM Converter and 8.25 MVA Furnace.	1312.70
Repayment of unsecured loan	225.00
Issue and listing expenses	49.92
Total	1587.62

Utilisation of issue proceeds in the Project:

Issue Proceeds	800.00
Installation of 8.25 MVA Furnace	525.08
Repayment of unsecured loan	225.00
Issue and listing expenses	49.92

The schedule of implementation of the project:

Particulars	Schedule for implementation
Construction of Building and Civil Works	May 2004
Installation of Plant & Machinery and other equipments	July 2004
Trial Run	August 2004
Commercial Production	August 2004

Installation of the Plant & Machinery and other equipment were finished in August, 2004 instead of July, 2004; and consequently, the Trial Run & Commercial production was delayed by one month i.e. started in September, 2004. Barring this delay of one month, the Company has successfully implemented the project as projected in the Prospectus.

Mechanism evolved for Redressal of Investor Grievances

The Registrar to the Issue i.e. Maheshwari Datamatics Pvt. Ltd, Kolkata, handles investors' grievances. A fortnightly status report of the complaints received and redressed by them is forwarded to the Company. The Company also co-ordinate with the Registrar to the issue in attending to the grievances of the investors.

The Company assures that the following schedules shall be adhered to by the Board of Directors in respect of the complaints, if any, to be received.

Sr. No.	Nature of the Complaints	Time Taken
1	Non-receipt of the refund warrants or sharecertificates	Within 7 days of receipt of complaint, subject to production of satisfactory evidence.
2	Change of Address notification	Within 7 days of receipt of information
3	Any other complaint in relation to Public Issue	Within 7 days of receipt of complaint with all relevant details.

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The Company has appointed Mr. Pradip Kumar Agarwal as Compliance Officer who would directly deal with SEBI office with respect to implementation of various laws, rules, regulations and other directives issued by SEBI and matters related to investor complaints. The investors may contact the compliance officer in case of any pre issue/post issue related problems. The Compliance officer will be available at the following address:

IMPEX FERRO TECH LIMITED

35, Chittaranjan Avenue, 4th Floor, Kolkata-700 012
Tel.: +91-033-2211-9805/9806/8807/9729,
Fax: +91-033-2215-5134/2211-9834
E-Mail: info@impexferrotech.com

2. Rohit Ferro-Tech Limited

The Company was incorporated on April 7th, 2000 as a private limited Company with its Registered Office at 35, C. R. Avenue, Kolkata – 700 012. The status of the Company was subsequently changed to Public Company under the name & style of Rohit Ferro-Tech Limited with effect from 24th June 2004. The Company is currently manufacturing 40,000 MTPA High Carbon Ferro Chrome from its 3 furnaces at Bishnupur in the state of West Bengal. The Company is in the process of expansion by setting up 110,000 MPTA capacity plants at Jajpur in the state of Orissa; and another furnace at Bishnupur for 15,000 MTPA. Thus, the total combined capacity of the Company shall increase to produce 165,000 MPTA of High Carbon Ferro Chrome. The export counts for more than 41% of the Company's total turnover for the year ended 31st March, 2006.

Rohit Ferro-Tech Ltd is manufacturing the ferro chrome & issuer company is engaged/proposes to engage in manufacturing the sponge iron, Ingots/ billets & TMT Rods & Power which is totally different from Its group company Rohit Ferro-Tech Ltd.

Shareholding Pattern as on 31/03/2007

Particulars	No. of share	% shareholding
Promoters		
Mr. Suresh Kumar Patni	1020100	2.96
Mrs. Sarita Patni	680100	1.97
Mr. Rohit Patni	515000	1.49
Mr. Ankit Patni	383807	1.11
Suanvi Trading & Investment Company Pvt Ltd	6545000	18.99
Invesco Finance Pvt Ltd	5037500	14.62
Poddar Mech Tech Services Pvt Ltd	3455000	10.03
Vasupujya Enterprises Pvt Ltd	3250000	9.43
Sub total (Promoters)	20886507	60.61
FI/FII	250	0.001
Body Corporate	8571019	24.869
Individual	4959431	14.39
NRI	45738	00.13
Total	34462945	100.00

Board of Directors

Name of the Director	Designation
Mr. Suresh Kumar Patni	Managing Director
Mrs. Sarita Patni	Director
Mr. Binit Jain	Executive Director
Mr. Ankit Patni	Chairman
Mr. Kailash Chand Jain	Director
Mr. Jayant Chatterjee	Director
Mr. Jatindra Nath Rudra	Director

ANKIT METAL & POWER LIMITED

The financials for the last 3 years are given below:

(Rs in lacs)

Year Ended March 31	2006	2005	2004
Total Income	15830.19	10357.45	3481.93
Profit after tax (PAT)	2624.31	774.68	331.40
Share Capital	1751.52	1626.12	1305.62
Reserves (excluding revaluation reserve)	3636.83	1231.18	331.42
Miscellaneous Expenditure	37.33	17.32	6.26
Net Worth	5351.02	2839.98	1630.78
Earnings per share (EPS) (Rs.)	15.10	4.76	2.54
Net Asset Value (NAV) per share	30.55	17.46	12.49

Source: Audited Financial Statements

Notes:

- i) Face value of each equity share is Rs.10/-.
- ii) For the calculation of Earnings Per Share and Net Asset Value Per Share, number of equity shares outstanding at the end of the year has been considered. Share application money pending allotment has not been considered.

There are no defaults in meeting any statutory/bank/institutional dues. No proceedings have been initiated for economic offences against the Company and it is not a sick Company within the meaning of Sick Industrial Companies (Special Provisions) Act, 1985 or is under winding up.

Share Quotation

Highest and lowest price of equity share as quoted on BSE (Designated stock Exchange) in the last six months

Month	High (Rs.)	Low (Rs.)
Nov 2006	41.10	31.10
Dec 2006	39.10	31.25
Jan 2007	40.00	31.55
Feb 2007	44.50	27.55
Mar 2007	30.90	24.45
Apr 2007	36.90	26.30

Source www.bseindia.com

Market value on the filing date of the Prospectus with the Registrar of Companies (will be updated).

Last issue by Rohit Ferro-Tech Limited

In March 2006, Rohit Ferro-Tech Ltd made a public issue of 1,69,47,667 Equity Shares of Rs.10/- each for cash at par aggregating Rs.5084.30 Lacs.

Current market price

The closing market price of Equity Share of the Company on BSE on 24th May, 2007 was Rs.32.30.

Particulars of changes in Capital Structure since the date of issue

There has been no change in the capital structure of the Company since the date of the issue.

Statement regarding cost and progress of implementation schedule

The Funds requirement

Particulars	Amount (Rs. in lacs)
Ferro Alloy Plant at Jajpur, Orissa (As appraised by the Bank)	10034.00
Additional Capital Expenditure	1402.12
Public Issue Expenses and listing at BSE and NSE	250.00
Total	11686.12

Utilisation of issue proceeds

(Rs. In lacs)

Issue Proceeds	5,084.32
Ferro Alloy Plant at Jajpur, Orissa	3527.82
Additional Capital Expenditure	1402.12
Public Issue Expenses and listing at BSE and NSE	154.38

Implementation Schedule

The project is being implemented at the Kalinganagar, Dist: Jajpur in Orissa comprising of 4 Nos. 16.5 MVA capacity Submerged Arch Furnaces.

The schedule of implementation of the project is given as follows:

Particulars	Commencement	Projected Completion/ Revised Completion date
Acquisition of land	-	Already acquired
Development of land	-	Already completed
Civil & Structure Works	Feb '05	Mar '06
Purchase of Plant & Machinery	Jan '05	Feb '06
Installation & Commissioning	Dec '05	Mar'06 /Oct '06
Trial runs	Mar '06	Mar'06 /Oct '06
Commencement of commercial production	Apr' 06	Apr'06 /Oct '06

The commercial production has started since December, 2006 with a delay of 8 months.

Mechanism evolved for Redressal of Investor Grievances

Rohit Ferro-Tech Ltd has formed Investor Grievance cum Share Transfer committee comprising of two independent Directors, Mr. J K. Chatterjee being the Chairman.

This committee specifically looks into the redressing transfer of shares, non-receipt of the declared dividends etc. The Company shall adhere to the following schedule in respect of below mentioned complaints:

Nature of the Complaint	Time Taken
Non-receipt of the refund warrants or share certificates.	Within 7 days of receipt of complaint, subject to production of satisfactory evidence.
Change of address notification	Within 7 days of receipt of information
Any other complaint in relation to Public Issue	Within 7 days of receipt of complaint with all relevant details.

Disposal of Investor Grievances

The Company settles investor grievances expeditiously and satisfactorily. The agreement between the Company and the Registrar to the Issue provides for retention of records with the Registrar to the Issue, Maheshwari Datamatics Pvt Limited, for a period of at least one year from the last date of dispatch of letters of allotment, demat credit, and refund orders to enable the investors to approach the Registrar to the Issue for redressal of their grievances.

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The Company estimates that the average time required by it or the Registrar to the Issue for the redressal of routine investor grievances shall be seven working days from the date of receipt of the complaint. In case of non-routine complaints and where external agencies are involved, the Company or the Registrars will seek to redress these complaints as expeditiously as possible.

The Company has appointed, Mr. Pramod Kumar Jain Company Secretary, Rohit Ferro-Tech Ltd as the Compliance Officer and he may be contacted in case of any pre-issue or post-issue related problems such as non-receipt of allotment advice, refunds orders and demat credit, etc. He can be contacted at:

Rohit Ferro-Tech Ltd

35, Chittaranjan Avenue, 4th Floor Kolkata-700 012
Ph: +91-33- 22119805/6; Fax: +91-33- 2211-4134
E-mail: ipo@rohitterrotech.com

3. Impex Metal & Ferro Alloys Pvt Ltd

Impex Metal & Ferro Alloys Pvt. Ltd. was incorporated on 31.05.1991 under the Companies Act 1956 as a private limited Company. The Company is engaged in trading and import of Ferro Alloys, Metals and Minerals. The issuer company is engaged/ proposes to engage in manufacturing of sponge iron, M.S. Ingots & Billets & TMT Rods & engaged in trading of steels items which is different from business of Impex Metal & Ferro Alloys Pvt. Ltd.

Shareholding Pattern as on 31/03/2007

Name	No. Of Shares	% shareholding
Suresh Kumar Patni	37880	21.47
Sarita Patni	9640	5.46
Invesco Finance Pvt. Ltd.	7000	3.97
Lochan Agro Pvt. Ltd.	10000	5.67
Siddhi Domicile Pvt. Ltd.	10000	5.67
Ess EMM Enclave Pvt. Ltd.	12500	7.09
Others (Friends, Relatives & Associates) holding less than 5% shares	89380	50.67
TOTAL	176400	100.00

Board of Directors

The following are the Board of Directors:

Name	Designation
Mr. Suresh Kumar Patni	Director
Mrs. Sarita Patni	Director
Mr. Rohit Patni	Director
Mr. Ankit Patni	Director

The financials for the last 3 years are given below:

(Rs in lacs)

Year Ended March 31	2006	2005	2004
Total Income	8225.84	8235.21	6710.73
Profit After Tax (PAT)	65.73	72.76	63.66
Share Capital	176.40	176.40	152.65
Reserves (Excluding Revaluation Reserve)	352.05	286.32	146.23
Miscellaneous. Expenditure	-	-	-
Net Worth	528.45	462.72	298.88
Earning Per Share (EPS) (Rs.)	46.63	41.25	41.70
Net Asset Value (NAV) per share	299.58	262.31	195.79

Source: Audited Financial Statements

Notes:

- i) Face value of each equity share is Rs.100/-.
- ii) For the calculation of Earnings per Share and Net Asset Value per Share, number of equity shares outstanding at the end of the year has been considered. Share application money pending allotment has not been considered.
- iii) There are no defaults in meeting any statutory/bank/institutional dues. No proceedings have been initiated for economic offences against the Company and it is not a sick Company within the meaning of Sick Industrial Companies (Special Provisions) Act, 1985 or is under winding up.

4. VSN Agro Products Pvt. Ltd.

The Company was incorporated on 7th November 1996 under the Companies Act, 1956 as a Private Limited. The Company was incorporated with the main object of carrying out business in agro products and investments.

Shareholding pattern as on 31/03/2007

Name	No. of shares	% shareholding
Suresh Kumar Patni	100	0.01
Naresh Kumar Jain	130100	13.98
Bear Bull Distributors Pvt Ltd	50000	5.37
Perkin Dealers Pvt Ltd	50000	5.37
Sunkissed Traders Pvt Ltd	50000	5.37
Dhalewal Enterprises Pvt Ltd	130000	13.97
Impex Industries Ltd	120000	12.89
Others (Friends, Relatives & Associates) holding less than 5% shares	400600	43.04
TOTAL	930800	100.00

Board of Directors

The following are the Board of Directors:

Name	Designation
Mr. Vimal Kumar Patni	Director
Mr. Suresh Kumar Patni	Director
Mr. Naresh Kumar Jain	Director

The financials for the last 3 years are given below:

(Rs in lacs)

Year Ended March 31	2006	2005	2004
Total Income	0.81	0.28	0.29
Profit After Tax (PAT)	0.06	0.06	0.07
Share Capital	93.08	93.08	93.08
Reserves (Excluding Revaluation Reserve)	121.45	121.39	121.33
Miscellaneous. Expenditure	0.17	0.28	0.39
Net Worth	214.36	214.19	214.02
Earning Per Share (EPS)(Rs.)	0.00	0.00	0.00
Net Asset Value (NAV) per share	23.03	23.01	22.99

Source: Audited Financial Statements

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Notes:

- i) Face value of each equity share is Rs.10/-.
- ii) For the calculation of Earnings per Share and Net Asset Value per Share, number of equity shares outstanding at the end of the year has been considered. Share application money pending allotment has not been considered.

There are no defaults in meeting any statutory/bank/institutional dues. No proceedings have been initiated for economic offences against the Company and it is not a sick Company within the meaning of Sick Industrial Companies (Special Provisions) Act, 1985 or is under winding up.

5. SARITA STEEL-TECH PRIVATE LIMITED

The Company was incorporated on 13th February 2004 under the Companies Act, 1956 as a Private Limited Company with an object to deal & manufacture in the Iron & Steel sector. The Company has not started any operations, and thus, there is no Profit & Loss account is prepared for the year ended 31st March '2005.

Shareholding pattern as on 31/03/2007

Sr. No.	Name of shareholder	No. of share	% shareholding
1	Mr. Suresh Kumar Patni	5000	50
2	Mrs. Sarita Patni	5000	50
	Total	10000	100

Board of Directors

The following are the Board of Directors:

Name	Designation
Mr. Suresh Kumar Patni	Director
Mrs. Sarita Patni	Director

The financials for the last 3 years are given below:

(Rs in lacs)

Year Ended March 31	2006	2005	2004
Equity Capital	1.00	1.00	N.A.
Reserves (Excluding Revaluation Reserve)	0.00	0.00	
Miscellaneous. Expenditure	0.65	0.61	
Net Worth	0.35	0.39	
Total Income	0.00	0.00	
Profit After Tax (PAT)	0.00	0.00	
Earning Per Share (EPS) (Rs.)	0.00	0.00	
Net Asset Value (NAV) per share in Rs.	3.54	3.85	

Source: Audited Financial Statements

Notes:

1. Face Value of each equity share is Rs.10/-
2. For the Calculation of Earning per Share and Net Asset Value per Share, Number of equity shares outstanding at the end of the year has been considered. Share application money pending allotment has not been considered.

There are no defaults in meeting any statutory/bank/institutional dues. No Proceedings have been initiated for economic offence against the company and it is not a sick company within the meaning of sick Industrial Companies (Special Provision) Act, 1985 or is under winding up

6. IMPEX MINERAL & CHEMICAL COMPANY

Impex Mineral & Chemical Company is a proprietorship firm set up by Mr. Suresh Kumar Patni in the year 1982. The firm is engaged in the trading of Silica Ramming Mass and other various kinds of minerals & refractory products.

The financials of the firm for the last 3 years are as follows:

(Rs in lacs)

Year Ended March 31	2006	2005	2004
Sales	1.20	4.68	9.34
Profit/ Loss before Tax	0.54	0.81	2.40
Proprietor's Capital Account	(4.56)	(4.98)	(0.16)

Source: Unaudited financial Statements

There are no defaults in meeting any statutory/bank/institutional dues. No Proceedings have been initiated for economic offence against the firm.

7. IMPEX INDUSTRIES

Impex Industries is a proprietorship firm set up by Mr. Suresh Kumar Patni in the year 1991. The firm is engaged in the trading of Ferro Silicon & other misc. ferro alloys & issuer company is engaged/ proposes to engage in manufacturing the sponge iron, Ingots/ billets & TMT Rods & Power which is totally different from Its group company Impex Industries.

The financials for the last 3 years are given below:

(Rs in lacs)

Year Ended March 31	2006	2005	2004
Sales	0.80	-	7.56
Profit/ Loss before Tax	(0.55)	(2.64)	5.17
Proprietor's Capital Account	(9.97)	(9.62)	0.07

Source: Unaudited financial Statements

There are no defaults in meeting any statutory/bank/institutional dues. No Proceedings have been initiated for economic offence against the firm.

8. GREETAMAX ESTATES PVT. LTD.

The company was incorporated on 19th February 1991, under the companies Act, 1956 as a private limited company for investing and dealing in real estate.

Shareholding pattern as on 31/03/2007

Sr. No.	Name of shareholder	No. of share	% shareholding
1	Invesco Finance Pvt. Ltd.	42500	42.83
2.	Sarita Patni	15000	15.12
3.	Panchmukhi Agro Chem Pvt. Ltd.	13720	13.83
4.	Suresh Kumar Patni	28000	28.22
	Total	99220	100

Board of Directors

The following are the Board of Directors:

Name	Designation
Mr. Rohit Patni	Director
Mr. Ankit Patni	Director

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The financials for the last 3 years are given below:

(Rs in lacs)

Year Ended March 31	2006	2005	2004
Total Income	1.20	0.83	0.83
Profit After Tax (PAT)	0.35	0.30	0.23
Share Capital	9.92	9.92	9.92
Reserves (Excluding Revaluation Reserve)	0.12	0.00	0.00
Miscellaneous. Expenditure	0.00	0.23	0.53
Net Worth	10.04	9.69	9.39
Earning Per Share (EPS) (Rs.)	0.35	0.30	0.23
Net Asset Value (NAV) per share	10.12	9.77	9.46

Source: Audited Financial Statements

Notes:

- Face Value of each equity share is Rs.10/-
- For the Calculation of Earning per Share and Net Asset Value per Share, Number of equity shares outstanding at the end of the year has been considered. Share application money pending allotment has not been considered.

There are no defaults in meeting any statutory/bank/institutional dues. No Proceedings have been initiated for economic offence against the company and it is not a sick company within the meaning of sick Industrial Companies (Special Provision) Act, 1985 or is under winding up.

9. PIONEER MULTIMAX PVT. LTD.

The company was incorporated on 19th February 1991, under the companies Act, 1956 as a Private Limited Company for investing and dealing in real estate.

Shareholding pattern as on 31/03/2007

Sr. No.	Name of shareholder	No. of share	% shareholding
1	Invesco Finance Pvt. Ltd.	42500	42.83
2.	Sarita Patni	15000	15.12
3.	Panchmukhi Agro Chem Pvt. Ltd.	13720	13.83
4.	Suresh Kumar Patni	28000	28.22
	Total	99220	100.00

Board of Directors

The following are the Board of Directors:

Name	Designation
Mr. Rohit Patni	Director
Mr. Ankit Patni	Director

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The financials for the last 3 years are given below:

(Rs in lacs)

Year Ended March 31	2006	2005	2004
Total Income	1.20	0.83	0.83
Profit After Tax (PAT)	0.35	0.26	0.24
Share Capital	9.92	9.92	9.92
Reserves (Excluding Revaluation Reserve)	0.12	0.00	0.00
Miscellaneous. Expenditure	0.00	0.24	0.50
Net Worth	10.04	9.68	9.42
Earning Per Share (EPS) (Rs.)	0.35	0.26	0.24
Net Asset Value (NAV) per share	10.12	9.76	9.50

Source: Audited financial Statements

Notes:

1. Face Value of each equity share is Rs.10/-
2. For the Calculation of Earning per Share and Net Asset Value per Share, Number of equity shares outstanding at the end of the year has been considered. Share application money pending allotment has not been considered.

There are no defaults in meeting any statutory/bank/institutional dues. No Proceedings have been initiated for economic offence against the company and it is not a sick company within the meaning of sick Industrial Companies (Special Provision) Act, 1985 or is under winding up

10. NUTECH MULTIMAX PVT. LTD.

The company was incorporated on 20th March 1991, under the companies Act, 1956 as a private limited company for investing and dealing in real estate.

Shareholding pattern as on 31/03/2007

Sr. No.	Name of shareholder	No. of share	% shareholding
1	Invesco Finance Pvt. Ltd.	42500	42.83
2.	Sarita Patni	15000	15.12
3.	Panchmukhi Agro Chem Pvt. Ltd.	13720	13.83
4.	Suresh Kumar Patni	28000	28.22
	Total	99220	100.00

Board of Directors

The following are the board of directors:

Name	Designation
Mr. Rohit Patni	Director
Mr. Ankit Patni	Director

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The financials for the last 3 years are given below:

(Rs in Lacs)

Year Ended March 31	2006	2005	2004
Total Income	1.20	0.83	0.83
Profit After Tax (PAT)	0.35	0.28	0.24
Share Capital	9.92	9.92	9.92
Reserves (Excluding Revaluation Reserve)	0.30	0.00	0.00
Miscellaneous. Expenditure	0.00	0.06	0.34
Net Worth	10.22	9.86	9.58
Earning Per Share (EPS) (Rs.)	0.35	0.28	0.24
Net Asset Value (NAV) per share	10.30	9.94	9.66

Source: Audited financial Statements

Notes:

- Face Value of each equity share is Rs.10/-
- For the Calculation of Earning per Share and Net Asset Value per Share, Number of equity shares outstanding at the end of the year has been considered. Share application money pending allotment has not been considered.

There are no defaults in meeting any statutory/bank/institutional dues. No Proceedings have been initiated for economic offence against the company and it is not a sick company within the meaning of sick Industrial Companies (Special Provision) Act, 1985 or is under winding up.

11. SUBHAM COMPLEX PVT. LTD.

The company was incorporated on 17th December 1998, under the companies Act, 1956 as a private limited company for investing and dealing in real estate.

Shareholding pattern as on 31/03/2007

Sr. No.	Name of shareholder	No. of share	% shareholding
1	Mr. Suresh Kumar Patni	51000	70.64
2.	Mrs. Sarita Patni	21200	29.36
	Total	72200	100.00

Board of Directors

The following are the board of directors:

Name	Designation
Mr. Suresh Kumar Patni	Director
Ms. Sarita Patni	Director

The financials for the last 3 years are given below:

(Rs in Lacs)

Year Ended March 31	2006	2005	2004
Total Income	0.00	0.00	0.00
Profit After Tax (PAT)	(0.13)	(0.06)	(0.07)
Share Capital	7.22	7.22	7.22
Reserves (Excluding Revaluation Reserve)	0.00	0.00	0.00
Miscellaneous. Expenditure	0.59	0.46	0.42
Net Worth	6.63	6.76	6.80
Earning Per Share (EPS) (Rs.)	0.00	0.00	0.00
Net Asset Value (NAV) per share	9.18	9.36	9.42

Source: Audited financial Statements

Notes:

- i) Face Value of each equity share is Rs.10/-
- ii) For the Calculation of Earning per Share and Net Asset Value per Share, Number of equity shares outstanding at the end of the year has been considered. Share application money pending allotment has not been considered.

There are no defaults in meeting any statutory/bank/institutional dues. No Proceedings have been initiated for economic offence against the company and it is not a sick company within the meaning of sick Industrial Companies (Special Provision) Act, 1985 or is under winding up.

12. DIVINE TRADING CO. PVT. LTD.

The company was incorporated on 7th August 1995, under the companies Act, 1956 as a Private Limited Company for investing and dealing in real estate & others.

Shareholding pattern as on 31/03/2007

Sr. No.	Name of shareholder	No. of share	% shareholding
1	Mr. Rohit Patni	17500	22.52
2.	Mr. Ankit Patni	60200	77.48
	Total	77700	100.00

Board of Directors

The following are the board of directors:

Name	Designation
Mr. Rohit Patni	Director
Mr. Ankit Patni	Director

The financials for the last 3 years are given below:

(Rs in Lacs)

Year Ended March 31	2006	2005	2004
Total Income	1.02	2.78	3.45
Profit After Tax (PAT)	0.44	(0.08)	0.42
Share Capital	7.77	7.77	7.77
Reserves (Excluding Revaluation Reserve)	1.05	0.62	0.70
Miscellaneous. Expenditure	0.01	0.01	0.01
Net Worth	8.81	8.38	8.46
Earning Per Share (EPS) (Rs.)	0.56	0.00	0.54
Net Asset Value (NAV) per share	11.34	10.78	10.88

Source: Audited financial Statements

Notes:

- i) Face Value of each equity share is Rs.10/-
- ii) For the calculation of Earning per Share and Net Asset Value per Share, Number of equity shares outstanding at the end of the year has been considered. Share application money pending allotment has not been considered.

There are no defaults in meeting any statutory/bank/institutional dues. No Proceedings have been initiated for economic offence against the company and it is not a sick company within the meaning of sick Industrial Companies (Special Provision) Act, 1985 or is under winding up.

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13. SBM STEELS PRIVATE LIMITED

The company was incorporated on 19th August, 1996, under the companies Act, 1956 as a private limited company with the main object for manufacturing & dealing in Iron & Steels Products. Promoter & director of issuer Company acquire shares of the company on 28/03/2007.

Shareholding pattern as on 31/03/2007

Sr. No.	Name of shareholder	No. of share	% shareholding
1	Rohit Patni	103000	54.21
2.	Ankit Patni	61000	32.10
3.	Invesco Finance Pvt. Ltd.	26000	13.69
	Total	190000	100

Board of Directors

The following are the Board of Directors:

Name	Designation
Mr. Rohit Patni	Director
Mr. Ankit Patni	Director
Mr. Ratan Lal Goyal	Director
Mr. Bhagirath Mittal	Director

The financials for the last 3 years are given below:

(Rs in lacs)

Year Ended March 31	2006	2005	2004
Total Income	0.00	0.00	0.00
Profit After Tax (PAT)	(0.07)	(0.11)	(0.20)
Share Capital	19.00	19.00	19.00
Reserves (Excluding Revaluation Reserve)	0.00	0.00	0.00
Miscellaneous. Expenditure	0.98	1.12	0.85
Net Worth	18.02	17.88	18.15
Earning Per Share (EPS) (Rs.)	(0.04)	(0.06)	(0.11)
Net Asset Value (NAV) per share	9.48	9.51	9.56

Source: Audited Financial Statements

Notes:

- Face Value of each equity share is Rs.10/-
- For the Calculation of Earning per Share and Net Asset Value per Share, Number of equity shares outstanding at the end of the year has been considered. Share application money pending allotment has not been considered.

There are no defaults in meeting any statutory/bank/institutional dues. No Proceedings have been initiated for economic offence against the company and it is not a sick company within the meaning of sick Industrial Companies (Special Provision) Act, 1985 or is under winding up.

There are no sales or purchases between our Company and any company in the Promoter Group exceeding 10% of the sales or purchases of our Company.

For details on litigations and disputes pending against our group companies/concerns and defaults made, please refer to section titled "Outstanding Litigations" on page no.129 of this Red Herring Prospectus.

There is no company/firm with which the promoters of the issuer company have disassociated themselves during preceding three years.

CHANGES IN ACCOUNTING POLICIES IN THE LAST THREE YEARS

There have been no changes in Accounting Policies in the past three years.

ANKIT METAL & POWER LIMITED

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

Overview of the business of the Company

The Company is in the business of manufacturing High Grade of Ferrum Sponge Iron & High Grade of M. S. Billets since October '2005 & 1st January 2006 respectively by installing one 350 MT Klin & three 7 tones Electric Arch Furnaces to produce 105000 TPA & 65140 TPA. During the financial year 2006-07, it has produced 43402 MT of Sponge Iron & 35589 Mt of M. S. Billets.

Cash Flow

The table below summaries the cash flow for the year ended March 31, 2005, March 31, 2006 and March 31, 2007.

(Rs in lacs)

	Financial Year Ended March 31 st 2007	Financial Year Ended March 31 st 2006	Financial Year Ended March 31 st 2005
Cash Flow from Operating Activities	929.70	(2972.62)	176.69
Cash Flow from Investing Activities	(5403.76)	(2221.33)	(3517.77)
Cash Flow from Financing Activities	4608.77	5145.46	3385.17
Net Cash Increase/(Decrease) in Cash & Cash Equivalents	134.71	(48.49)	44.09

Significant developments subsequent to the last financial year

In the opinion of the Directors, no circumstances have arisen since the date of last financial statement disclosed in the Red Herring Prospectus that materially and adversely affect or are likely to effect the trading or profitability of the Company, the value of its assets, or its ability to pay liabilities within the next twelve months.

Factors that may affect results of operations

- Fluctuation and increase in raw material prices.
- Fluctuation and decrease in finished goods prices.
- New Competitive businesses.
- Government rules and regulation relating to Sponge Iron and Steel Industry.
- Any slowdown in the economic growth in general and infrastructure growth in particular.

Discussion on results of operation

A summary of the past financial results based on the restated accounts are given below:

(Rs. in lacs)

For the year ended	31.03.2007	31.03.2006	31.03.2005	31.03.2004
Production (In MT)	78991.00	23718.82	-	-
Income				
Sales:				
Domestic	17344.42	6048.65	00.32	00.08
Export (including SARRC Countries)	2933.87	53.26	-	-
Other Income	120.31	2.41	-	-
Increase (Decrease) in Inventories	385.89	392.13	-	-
Total (A)	20784.49	6496.45	00.32	00.08

ANKIT METAL & POWER LIMITED

(Rs. in lacs)

For the year ended	31.03.2007	31.03.2006	31.03.2005	31.03.2004
Expenditure				
Purchases	10728.27	3834.62	00.26	00.07
Raw Material consumed	5057.33	1173.86	-	-
Manufacturing expenses	1496.62	342.46	-	-
Central Excise Duty	855.43	276.29	-	-
Administrative expenses	191.86	58.26	-	-
Staff costs	24.29	12.77	-	-
Exchange Fluctuation	32.98	-	-	-
Total Expenditure	18386.78	5698.26	00.26	00.07
EBIDTA	2397.71	798.19	00.06	00.01
Interest	491.44	153.90	-	-
Depreciation	294.76	108.20	-	-
PBT	1611.51	536.09	00.06	00.01
Provision for taxation	557.35	237.69	00.02	00.00
Deferred MAT credit Entitlement	-	49.50	-	-
PAT	1054.16	347.90	00.04	00.01

Comparison of Recent financial year with previous financial years on the major heads of the Profit & Loss Statements
Comparison of Financial Year ended 31st March 2007 With Financial Year ended 31st March 2006

Total Income

During the financial year, 2006-07, the company has registered a total income of Rs.20784.49 lacs as compared to 6496.45 lacs in the financial year 2005-06 which is 219.93% high from last year. The increase in total income is mainly due to Production of sponge iron & M. S. Ingots/ billets for the full year & trading sales. Total Income consists of Sales of manufactured & traded products, Commission & Export incentive etc. The company has achieved export turnover of Rs. 2933.87 lacs (including SARRC countries) in comparison to Rs.53.26 lacs in the last financial year.

Raw Material consumption:-

Raw material consumption as a percentage of sales has gone up from 19.24% to 24.94% in comparison to previous year which is mainly due to increase in prices & purchase of high grade Raw Material.

Purchases:-

Purchases have gone up from Rs.3834.62 lacs to Rs.10728.27 lacs showing an increase of 179.77% from previous year. There has been a corresponding increase of 232.33% in net sales from Rs.6101.91 lacs to Rs.20278.29 lacs.

Manufacturing expenses:-

Manufacturing expenses as a percentage of total income is increased from 5.27% to 7.20% in comparison to previous year. The increase is mainly due to increase in Power & Fuel cost, Store consumption & Machinery hire charges.

Financial Charges:-

Financial charges as a percentage of total income are decreased 2.37% to 2.36% in comparison to previous year. The decrease is mainly due to increase in business volume inspite of increase in interest rate.

Profit After Tax

Profit after tax for the FY 2006-07 has increased from Rs.347.90 lacs to Rs.1054.17 lacs showing an increase of Rs.706.26 lacs i.e. 203.01%.

Comparison of Financial Year ended 31st March 2006 With Financial Year ended 31st March 2005

The project of AMPL is under implementation stage and the commercial production for the sponge iron plant & melting shop started from October 2005 & January 2006 & commercial production for entire set up is expected in July 2007 and therefore no

ANKIT METAL & POWER LIMITED

meaningful comparison can be made for 2006 with Previous Year 2005. Similarly comparison of financial year 2005 with financial year 2004 has no meaning as there was no production during these periods.

Information required as per Clause 6.10.5.5 of SEBI Guidelines

1. Unusual or infrequent events or transactions

There have been no events, other than as described in the Red Herring Prospectus in section "Financial Statements", which may be called "unusual" or "infrequent".

2. Significant economic changes that materially affected or are likely to affect income from continuing operation

With an overall upsurge in the Indian economy, the demand of Iron and Steel is at an all time high. This increase has resulted into demand of Iron & Steel Products and the company is suitably placed to benefit out of this situation as the demand for the products is from the construction & various other allied industries. The thrust of the government in the infrastructure development has also lead to high requirement of steel products leading to demand

3. Known trends or Uncertainties

Uncertainty exist over the availability and price of the raw materials namely Iron Ore, coal, Dolomite, Scrap, Pig Iron, Ferro silicon & Silico Maganese etc and prices of sponge iron, Steel billets And TMT bars etc. The risk on account of the above price fluctuation is reduced to a significant extent considering the fact that a rise in the price of basic raw material will be passed on in the form of increased price of the finished product. There are no known trends and uncertainties that have or had or are expected to have a material adverse impact on revenue or income of the Company from continuing operations.

4. Future change in relationship between costs and income

Change in cost of the raw materials has a direct impact on the revenue of the Company. However, any such increase in cost will be passed on the consumers by increasing the prices of the products.

5. Extent to which material increase in the net sales or revenue are due to increased sales volume, introduction of new products or services or increased sales prices;

Increases in net sales or revenue are due to increased sales volume as the third furnace started in the month of August 2006.and production from sponge iron plant & two-furnace comes through out the Year.

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

The Company is operating in only single-segment as on March 31, 2007 which is as follows:

Major Segment	Rs. in Lacs	% age
Iron & steel	19422.86	100%

7. New Products or business segments.

The Company is presently manufacturing Sponge Iron, which is used as raw material for manufacturing of M. S. Billets. Presently company is selling its extra production of sponge iron in the market. In future, company will operate in TMT Bars And Rods. The company is also in the process of setting 12.5 MW captive power plant at the site for captive power consumption.

8. Seasonality of business

The business of the Company is not seasonal.

9. Dependence on single or few suppliers/customers

Currently there are many suppliers of ores and coal/coke in India and dependence on few suppliers is not likely to occur. The company sells its product to various foundries, furnaces and rolling mills in eastern India and dependence on single or few customers is non existent though top ten customers constitute 60.95% of the total revenues. The Company has large number of customers, but is not able to fulfill the demand of others due to huge orders of its top customers.

10. Competitive Conditions:

The Company is suitably placed to have a competitive edge over its competitors due to the following reasons:

- Capacities for sponge iron production
- Market reputation of the promoters.
- Established product quality among the customers in domestic as well as international market
- Versatility of furnaces to produce any of the products

SECTION VI - LEGAL AND OTHER INFORMATION

OUTSTANDING LITIGATION AND MATERIAL DEVELOPMENTS

The Issuer Company certifies that except as stated herein, there is no:

- a. Pending litigations in which the Promoters are involved, defaults to financial institutions/banks, non- payment of statutory dues and dues towards instrument holders like debenture holders, fixed deposits, and arrears on cumulative preference shares by the Promoters and the companies/firms/ventures promoted by the Promoters.
- b. Pending litigations, defaults, etc. in respect of companies/firms/ventures with which the Promoters were associated in the past but are no longer associated, where their name continues to be associated with particular litigation(s).
- c.
 - i) Litigations against the Company or against any other company whose outcome could have a materially adverse effect of the position of the Company.
 - ii) Litigations against the Promoters or directors involving violation of statutory regulations or criminal offence.
- d.
 - i) Pending proceedings initiated for economic offences against the directors, the Promoters, companies /firms/ventures promoted by the Promoters.
 - ii) Past cases in which penalties were imposed by the concerned authorities.
- e. Outstanding litigations, defaults, etc., pertaining to matters likely to affect operations and finances of our Company including disputed tax liabilities, prosecution under any enactment in respect of Schedule XIII to the Companies Act, 1956
- f. Pending litigations, defaults, non payment of statutory dues, proceedings initiated for economic offences/Civil offences (including the past cases, if found guilty), any disciplinary action taken by the Board/ stock exchanges against the Company/ Promoters and their other business ventures (irrespective of the fact whether they fall under the purview of Sec 370 (1B) of the Companies Act, 1956) / Directors.

1. Under Criminal Laws

- (a) Cases filed by or against the Company - Nil
- (b) Cases filed by or against the Promoters- Nil
- (c) Cases filed by or against the Directors- Nil
- (d) Cases filed by or against the Group Companies/associate concerns - Nil

2. Under securities Laws

- (a) Cases filed by or against the Company - Nil
- (b) Cases filed by or against the Promoters- Nil
- (c) Cases filed by or against the Directors- Nil
- (d) Cases filed by or against the Group Companies/associate concerns- Nil

3. Under Tax Laws

- (a) Cases filed by or against the Company - Nil
- (b) Cases filed by or against the Promoters-

Against the promoter

Income Tax

Mr. Suresh Kumar Patni

The Income Tax Authority, Kolkata had conducted a search & seizure operation on 05.01.2004 on the office and factory premises on the Impex group of companies including the residence of its Director Mr. Suresh Kumar Patni. The Income tax investigation department has prepared their appraisal report and sent the same to the concerned authority for further processing in the above search and seizure matter. Mr. Suresh Kumar Patni has filed an Application U/s 254 C (1) of the Income Tax Act, before the Settlement Commission on 10th March, 2006.

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(c) Cases filed by or against the Directors- Nil (except for promoter directors, whose details is given in above para)

(d) Cases filed by or against the Group Companies/associate concerns-

Against the Group Companies/associate concerns

Central Excise

ROHIT FERRO-TECH LIMITED

Case/Appeal filed by/ or against:	Before Department/ Court	Background of the Case	Current Status	Amount (Rs.)	
1	C.No.V-72 (4) 11/Rohit/ Dgp-IV/05-06/2607 dated 8 th June 2005	Office of the Commissioner of Central Excise, Anti-evasion unit, Bolpur.	Show cause notice issued to the Company claiming duty of Rs.1.48 lacs on account of 129.0606 MT of Metallurgical Coke imported from China having been found short, and also claiming confiscation of the subject goods and interest & penalty. By its reply letter, the Company claimed that there was no short receipt of the goods, and also disputed its liability.	Proceeding dropped by the Department	1.48 lacs and Interest & Penalty

Sales Tax

IMPEX METAL & FERRO ALLOYS PVT. LTD.

Case/Appeal filed by/ or against:	Before Department/ Court	Background of the Case	Current Status	Amount (Rs.)	
1	Appeal filed on 28-08-03 against Assessment Order dated 27-06-03 made by the CTO BW/Charge	ACCT-Dharmtala Circle, Kolkata	For non-submission of required Sales Tax declaration forms at the time of assessment, the CTO has raised demand of Rs.1.45 lacs under the CST Act, 1956 by order dated 27-06-03 for the 4 th quarter ending 31-03-01	Hearing completed. However no demand is yet received	1.45 lacs
2	Appeal filed on 28-08-03 against Assessment Order dated 27-06-03 made by the CTO BW/Charge	ACCT-Dharmtala Circle, Kolkata	For non-submission of required Sales Tax declaration forms at the time of assessment, the CTO has raised demand of Rs.3.63 lacs on account of Tax, and Rs.1000/- on account of penalty under the WBST Act, 1994 by order dated 27-06-03 for the 4 th quarter ending 31-03-01	Hearing Completed, Tax paid Rs. 0.78 lacs & Interest Rs. 0.05 lacs	3.62 lacs for Tax, and Rs.1000/- for Penalty
3	Appeal filed on 02-11-05 against Assessment Order dated 30-06-05 made by the ACCT.BW/ Charge	DCCT-Dharmtala Circle, Kolkata	For non-submission of required Sales Tax declaration forms at the time of assessment, the ACCT has raised demand of Rs.4.56 lacs on account of Tax, and Rs.250/- on account of penalty under the CST Act, 1956 by order dated 30-06-05 for the 4 th quarter ending 31-03-03	Hearing Completed, Tax paid Rs. 2.10 lacs & Interest Rs. 0.23 lacs	4.56 lacs for Tax, and Rs.250/- for penalty

ANKIT METAL & POWER LIMITED

Case/Appeal filed by/ or against:	Before Department/ Court	Background of the Case	Current Status	Amount (Rs.)
4 Appeal filed on 02-11-05 against Assessment Order dated 30-06-05 made by the ACCT. BW/Charge	DCCT-Dharmtala Circle, Kolkata	For non-submission of required Sales Tax declaration forms at the time of assessment, the ACCT has raised demand of Rs.1.01 lacs on account of Tax, and Rs.250/- on account of penalty under the WBST Act, 1994 by order dated 30-06-05 for the 4 th quarter ending 31-03-03	Hearing completed. However no demand is yet received	1.01 lacs for Tax, and Rs.250/- for penalty
5 Appeal filed on 30-08-06 against Assessment Order dated 28-06-06 made by the ACCT. BW/ Charge	DCCT-Dharmtala Circle, Kolkata	For non-submission of required Sales Tax declaration forms & Purchase Tax at the time of assessment, the ACCT has raised demand of Rs.1.21 lacs on account of Tax and Rs.1000/- on account of penalty under the WBST Act, 1994 by order dated 28-06-06 for the 4 th quarter ending 31-03-04	Hearing Completed, Tax paid Rs. 0.42 lacs & Interest Rs. 0.05 lacs	1.21 lacs for Tax, and Rs.1000/- for penalty

Further, a notice under Section 65(1) read with Section 7 of the West Bengal Sales tax Act 1994 from Government of West Bengal, Bureau of Investigation was served upon Impex Metal & Ferro Alloys Pvt. Ltd. Limited on 24th June 2004 to produce the books of accounts for the years 2002-2003 and 2003-2004. The Company is regularly appearing and producing the necessary documents and informations before the department on the hearing dates. Meanwhile, the company has paid Rs.30 lacs (Rupees thirty lacs) to the department voluntarily.

IMPEX FERROTECH LTD.

Case/Appeal filed by/ or against:	Before Department/ Court	Background of the Case	Current Status	Amount (Rs.)
1 Appeal filed on 07-11-05 against Assessment Order dated 30-06-05 made by the ACCT. BW/Charge	DCCT-Dharmtala Circle, Kolkata	For non-submission of required Sales Tax declaration forms at the time of assessment, the ACCT has raised demand of Rs.17.75 lacs on account of Tax and interest under the WBST Act, 1994 by order dated 30-06-05 for the 4 th quarter ending 31-03-03	Appeal is still pending for hearing.	17.75 lacs for Tax and interest
2 Appeal filed on 07-11-05 against Assessment Order dated 30-06-05 made by the ACCT. BW/Charge	DCCT-Dharmtala Circle, Kolkata	For non-submission of required Sales Tax declaration forms at the time of assessment, the ACCT has raised demand of Rs.1.32 lacs on account of Tax under the CST Act, 1956 by order dated 30-06-05 for the 4 th quarter ending 31-03-03	Appeal is still pending for hearing.	1.32 lacs for Tax

Further, a notice under Section 65(1) read with Section 7 of the West Bengal Sales Tax Act 1994 from Government of West Bengal, Bureau of Investigation was served upon Impex Ferro Tech Limited on 24th June 2004 to produce the books of accounts for the years 2002-2003 and 2003-2004. The Company is regularly appearing and producing the necessary documents and informations before the department on the hearing dates. The company has paid Rs.3 lacs (Rupees Three lacs) to the department voluntarily.

ANKIT METAL & POWER LIMITED

ROHIT FERRO-TECH LTD.

Case/Appeal filed by/ or against:	Before Department/ Court	Background of the Case	Current Status	Amount (Rs.)
1 Appeal filed on 30-08-06 against Assessment Order dated 29-06-06 made by the ACCT.BW/Charge	DCCT-Dharmtala Circle, Kolkata	Disputed Purchase Tax dem and & Interest at the time of assessment, the ACCT has raised demand of Rs.1.98 lacs on account of Tax and Rs.500/- on account of Penalty under the WBST Act, 1994 by order dated 29-06-06 for the 4th quarter ending 31-03-04	Hearing Completed, Tax paid Rs. 0.64 lacs & Interest Rs. 0.02 lacs.	1.98 lacs for Tax and Rs.500/- for Penalty
2 Appeal filed on 30-08-06 against Assessment Order dated 29-06-06 made by the ACCT.BW/Charge	DCCT-Dharmtala Circle, Kolkata	For non-submission of required Sales Tax Declaration forms at the time of assessment, the ACCT has raised demand of Rs.0.30 lacs on account of Tax and Rs.750/- on account of penalty under the CST Act, 1956 by order dated 29-06-06 for the 4th quarter ending 31-03-04	Hearing Completed, Tax paid Rs. 0.12 lacs	0.30 lacs for Tax, and Rs.750/- for penalty

Income Tax

IMPEX FERROTECH LTD & IMPEX METAL & FERRO ALLOYS PVT. LTD.

The Income Tax Authority, Kolkata had conducted a search & seizure operation on 05.01.2004 on the office and factory premises on the Impex group of companies including the residence of its Directors. The Income tax investigation department has prepared their appraisal report and sent the same to the concerned authority for further processing in the above search and seizure matter. An Application U/s 254 C (1) of the Income Tax Act, before the Settlement Commission has been filed in respect of the following:

Sr. No	Name	Status	Date of filing
1.	Impex Ferro Tech Ltd	Group Company	20.01.2006
2.	Impex Metal & Ferro Alloys Pvt. Ltd	Group Company	23.01.2006

ROHIT FERRO-TECH LIMITED

The Company has received a notice U/s 153-C of the Income tax Act from the Income Tax Department on 27th January 2006 to re-file the Income tax Returns for the Assessment Years 1999- 2000 to 2004-05 (six years). In compliance of same, the Company has re-filed the required Income Tax Returns on 10th February, 2006.

4. Under civil laws

- (a) Cases filed by or against the Company - Nil
- (b) Cases filed by or against the Promoters-Nil
- (c) Cases filed by or against the Directors- Nil
- (d) Cases filed by or against the Group Companies/associate concerns- Nil

5. Under Labour laws

- (a) Cases filed by or against the Company - Nil
- (b) Cases filed by or against the Promoters-Nil
- (c) Cases filed by or against the Directors- Nil

(d) Cases filed by or against the Group Companies/associate concerns- Nil

6. Under various statutory laws

(a) Cases filed by or against the Company – Nil

(b) Cases filed by or against the Promoters- Nil

(c) Cases filed by or against the Directors- Nil

(d) Cases filed by or against the Group Companies/associate concerns- Nil

7. Under various other laws including various notices received, defaults made, penalties levied etc

Nil

Amount Outstanding to SSI Undertaking or other creditors

There are no SSI Undertakings or other creditors to whom the Company owes an amount exceeding Rs.1 Lac which is outstanding for more than 30 days from the due date.

Material Developments

There are no material developments after the date of the last audited balance sheet as on March 31, 2007, which may materially affect the performance, or prospects of the Company.

GOVERNMENT APPROVALS /LICENSING ARRANGEMENTS

Investment Approvals (FIPB/RBI, etc.)

As per Notification No. FEMA 20/2000 -RB dated 3rd May 2000, as amended from time to time, under automatic route of Reserve Bank, the Company is not required to make an application for issue of equity shares to NRIs/FIIs with repatriation benefits. However, the allotment/transfer of the Equity Shares to NRIs/FIIs shall be subject to prevailing RBI Guidelines. Sale proceeds of such investments in Equity Shares will be allowed to be repatriated along with the income thereon subject to the permission of the RBI and subject to the Indian tax laws and regulations and any other applicable laws.

All Government and Other Approvals

The Company has received all the necessary licenses, permissions and approvals from the Central and State Government and other government agencies/certification bodies required for the business and no further approvals are required by the Company for carrying on the present as well as proposed business activities of the Company. It must, however, be distinctly understood that in granting the above approvals, the Central Government, RBI and other authorities do not take any responsibility for the financial soundness of the Company or for the correctness of any of the statements or any commitments made or opinions expressed.

In view of the approvals listed below, the Company can undertake this Issue and the current business activities and no further major approvals from any statutory authority are required to continue those activities other than as mentioned below.

The following statement sets out the details of licenses, permissions and approvals taken by the Company under various Central and State Laws for carrying out its business.

Company Incorporation

1. Certificate of Incorporation No. U 27101 WB 2002 PTC 94979 dated 7th August, 2002 from the Registrar of Companies, West Bengal.
2. Fresh Certificate of Incorporation dated 9th July, 2004 consequent to the change of name from M/s. Ankit Steel Works Pvt Ltd to M/s. Ankit Metal & Power Pvt. Ltd.
3. Fresh Certificate of Incorporation dated 31st August, 2004 consequent to change in the corporate status of the Company from Private to Public Limited Company.

Central Excise/ Service Tax

1. Central Excise Registration No. AAECA5230B-XM001 issued by the Deputy Commissioner of Central Excise, Durgapur-IV Division.
2. Service Tax Registration No.165/ST/BNK/DGP-IV/GTA/2004-05 dated 24th March, 2005 issued by the Superintendent, Central Excise, Service Tax Range-IV, Bankura.

Commercial/ Sales Tax

1. West Bengal Value Added Tax (VAT) No.19531869076 dated 09.09.2005
2. Central Sales Tax Registration (CST) No. 19531869270 dated 14.10.2003

Import/ Export

1. Importers and Exporters Code (IEC) No. 0203024044 dated 09.02.04
2. RCMC Number: EEPC: K: REG: 72: 2006-07 dated 4th July, 2006 issue by Engineering Export Promotion Council.

Income Tax

1. Permanent Account Number (PAN) : AAECA5230B
2. Tax Deduction Account No. (TAN) : CALA05741B

SIA Registration

Details of Acknowledgement of Industrial Entrepreneur Memorandum (IEM) filed with Secretariat for Industrial Assistance, New Delhi:

SIA Acknowledgement Number	Date	For Manufacturing
2152/SIA/IMO/2003	08/08/2003	Sponge Iron
3879/SIA/IMO/2004	12/10/2004	Captive Power Plant
4240/SIA/IMO/2005	05/09/2005	M.S. Ingots & Billets & Re-rolled products

Other Industrial Approvals

1. Registration Certificate No. KOL/BOW/P-II/41070/05 dated 28.07.2005 under West Bengal Shops and Establishment Act, 1963;
2. Approval of drawings to construct Sponge Iron unit vide letter No: 75/P dated 17th January, 2005;
3. Approval of drawings to construct Billet/ Re-rolling & Captive Power Plant vide letter No: 302/P dated 9th June, 2006;
4. Factory Registration No. 6-BK/X/2005 dated 16th October, 2005 issued by the Chief Inspector of Factories, West Bengal vide certificate No: 258 dated 1st September, 2006;
5. Registration Code No. 42771 dated 15.12.05 issued by the Regional Provident Fund commissioner under the Employees Provident Fund and Miscellaneous Provisions Act, 1952;
6. Consent Letter No. C015882 Dated 28th February, 2007 to Operate Sponge Iron Plant, Steel Melting Shop and CCM from West Bengal Pollution Control Board;
7. Consent to Establish (NOC) Billets/Ingot/Re-rolling and Captive Power Plant vide letter No.194-2N-439/2004 dated 10th May, 2005 from West Bengal Pollution Control Board;
8. Certificate No. L/392/282 dated 23rd August, 2006 for erection & commissioning of Atmospheric Fluidised Bed Combustion Boiler (AFBC) & Waste Heat Recovery Boiler (WHRB) issued by the Directorate of Boilers, West Bengal.

LIST OF APPROVALS APPLIED BUT NOT YET RECEIVED

The company had applied for Consent to operate for its Re-rolling Mill & Captive Power Plant divisions with the West Bengal Pollution Control Board, which shall be granted to the Company in due course upon the commencement of the operation from these divisions.

SECTION VII - OTHER REGULATORY AND STATUTORY DISCLOSURES**Authority for the Present Issue**

The Issue has been authorized pursuant to a resolution of the Board of Directors of the Company adopted at its meeting held on 3rd July, 2006 and by a special resolution adopted pursuant to Section 81(1A) of the Companies Act, 1956, at the Annual General Meeting of the Company held on 28th July, 2006.

Prohibition by SEBI

The Company, its Directors, its Promoters, directors/person in control of its promoters, other companies/ ventures promoted by the Promoters and companies with which the Company's Directors are associated as directors or promoters have not been prohibited from accessing the capital markets or restrained from buying, selling or dealing in securities under any direction or order passed by SEBI.

Further the Company, its Directors, its Promoters, directors/person in control of its promoters, other companies/ ventures promoted by the Promoters and associate companies are not detained as willful defaulters by RBI/Government authorities.

Eligibility for the Issue

Since the company is not eligible to come out with the issue under clause 2.2.1 – profitability route as per the SEBI guidelines, the company is coming out with an issue appraisal route under clause 2.2.2 (a) (ii) & (b) (i) of SEBI (DIP) Guidelines, 2000, wherein:

a) The “project” has at least 15% participation by Financial Institutions/Scheduled Commercial Banks, of which at least 10% comes from the appraiser(s). In addition to this, at least 10% of the issue size shall be allotted to QIBs, failing which the full subscription monies shall be refunded.

b) The minimum post-issue face value capital of the Company shall be Rs. 10 Crores.

The company is eligible for the Issue as it satisfies sub clause (b)(i) of the said Clause 2.2.2 and as per sub clause (a)(ii) the Project has more than 15% participation from Scheduled Commercial Banks, of which the appraisers have undertaken to participate for more than 10% and the company shall ensure minimum of 10% allotment in the public issue to QIBs, failing which the entire subscription monies shall be refunded.

The Company also undertakes that the number of prospective allottees in the Issue shall be at least 1000 failing which the entire subscription amount will be refunded.

The Company fulfils the criteria as stated in clause 2.2.2 (a) (ii) of SEBI (DIP) Guidelines 2000 as amended as the project has more than 15% participation from the Scheduled Banks/ financial Institutions which have also appraised the Project. In addition, the company shall allot a minimum of 8,40,000 Equity Shares being 10% of the Net Offer to the Public of 84,00,000 Equity Shares to QIBs failing which the full subscription monies shall be refunded.

Appraising Bank	Term Loan Sanctioned (Rs. In lacs)	% of Total Project Cost (as appraised by the banks)
State Bank of India	4000.00	32.79
Andhra Bank	1450.00	11.89
Syndicate Bank	1065.00	8.73
Grand Total	6515.00	53.41

The post-issue face value capital of the Company would be Rs.32.8755 crores (more than Rs.10.00 crores).

As per clause 2.2.2B of SEBI (DIP) Regulations:

- (ii) “Project” means the object for which the monies proposed to be raised to cover the objects of the issue.
- (v) As per Section 2.2.2B(v) of SEBI (Disclosure and Investors’ Protection) Guidelines, inserted vide SEBI/CFD/DIL/DIP/ Circular No. 11 dated August 14, 2003, ‘Qualified Institutional Buyer’ shall mean:
 - a. Public financial institution as defined in section 4A of the Companies Act, 1956;
 - b. Scheduled Commercial banks;

- c. Mutual funds;
- d. Foreign Institutional Investor registered with SEBI;
- e. Multilateral and Bilateral development financial institutions;
- f. Venture Capital funds registered with SEBI;
- g. Foreign Venture Capital investors registered with SEBI;
- h. State Industrial Development Corporations;
- i. Insurance Companies registered with the Insurance Regulatory and Development Authority (IRDA);
- j. Provident Funds with minimum corpus of Rs. 25 Crores;
- k. Pension Funds with minimum corpus of Rs. 25 Crores;

So the Company is fulfilling the eligibility criteria for public issue by unlisted company as specified in clause 2.2.2 a (ii) and b (i) of the SEBI (DIP) Guidelines, 2000.

The Company also undertakes that the number of prospective allottees in the Issue shall be at least 1000 failing which the entire subscription amount shall be refunded. In case of delay, the Company shall pay interest on the application money @ 15% p.a. for the period of delay.

SEBI DISCLAIMER CLAUSE

AS REQUIRED A COPY OF THE OFFER DOCUMENT HAS BEEN SUBMITTED TO SEBI, MUMBAI.

IT IS TO BE DISTINCTLY UNDERSTOOD THAT SUBMISSION OF THE RED HERRING PROSPECTUS TO SEBI SHOULD NOT IN ANY WAY BE DEEMED OR CONSTRUED THAT THE SAME HAS BEEN CLEARED OR APPROVED BY SEBI. SEBI DOES NOT TAKE ANY RESPONSIBILITY EITHER FOR THE FINANCIAL SOUNDNESS OF ANY SCHEME OR PROJECT FOR WHICH THE OFFER IS PROPOSED TO BE MADE, OR FOR THE CORRECTNESS OF ANY OF THE STATEMENTS MADE OR OPINIONS EXPRESSED IN THE RED HERRING PROSPECTUS. BOOK RUNNING LEAD MANAGER, CHARTERED CAPITAL AND INVESTMENT LIMITED, HAS CERTIFIED THAT THE DISCLOSURES MADE IN THE RED HERRING PROSPECTUS ARE GENERALLY ADEQUATE AND ARE IN CONFORMITY WITH SEBI GUIDELINES FOR DISCLOSURE AND INVESTOR PROTECTION FOR THE TIME BEING IN FORCE. THIS REQUIREMENT IS TO FACILITATE INVESTORS TO TAKE AN INFORMED DECISION FOR MAKING INVESTMENT IN THE PROPOSED OFFER. IT SHOULD ALSO BE CLEARLY UNDERSTOOD THAT WHILE THE ISSUER IS PRIMARILY RESPONSIBLE FOR THE CORRECTNESS, ADEQUACY AND DISCLOSURE OF ALL THE RELEVANT INFORMATION IN THE RED HERRING PROSPECTUS, THE BOOK RUNNING LEAD MANAGER IS EXPECTED TO EXERCISE DUE DILIGENCE TO ENSURE THAT THE COMPANY DISCHARGES ITS RESPONSIBILITY ADEQUATELY IN THIS BEHALF AND TOWARDS THIS PURPOSE, THE BOOK RUNNING LEAD MANAGER, CHARTERED CAPITAL AND INVESTMENT LIMITED HAS FURNISHED TO SEBI A DUE DILIGENCE CERTIFICATE DATED 25TH SEPTEMBER, 2006 IN ACCORDANCE WITH SEBI (MERCHANT BANKERS) REGULATIONS, 1992 WHICH READS AS FOLLOWS:

- 1. WE HAVE EXAMINED VARIOUS DOCUMENTS INCLUDING THOSE RELATING TO LITIGATION LIKE COMMERCIAL DISPUTES, PATENT DISPUTES, DISPUTES WITH COLLABORATORS, ETC., AND OTHER MATERIALS IN CONNECTION WITH THE FINALIZATION OF THE RED HERRING PROSPECTUS PERTAINING TO THE SAID ISSUE;**
- 2. ON THE BASIS OF SUCH EXAMINATION AND THE DISCUSSIONS WITH THE COMPANY, ITS DIRECTORS AND OTHER OFFICERS, OTHER AGENCIES, INDEPENDENT VERIFICATION OF THE STATEMENTS CONCERNING THE OBJECTS OF THE OFFER, PROJECTED PROFITABILITY, PRICE JUSTIFICATION AND THE CONTENTS OF THE DOCUMENTS MENTIONED IN THE ANNEXURE AND OTHER PAPERS FURNISHED BY THE COMPANY;**
- 3. WE CONFIRM THAT**

THE RED HERRING PROSPECTUS FORWARDED TO SEBI IS IN CONFORMITY WITH THE DOCUMENTS, MATERIALS AND PAPERS RELEVANT TO THE ISSUE;

ALL THE LEGAL REQUIREMENTS CONNECTED WITH THE SAID 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; AND

THE DISCLOSURES MADE IN THE RED HERRING PROSPECTUS ARE TRUE, FAIR AND ADEQUATE TO ENABLE THE INVESTORS TO MAKE A WELL INFORMED DECISION AS TO THE INVESTMENT IN THE PROPOSED ISSUE.

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BESIDE OURSELVES, ALL THE INTERMEDIARIES NAMED IN THE RED HERRING PROSPECTUS ARE REGISTERED WITH SEBI AND THAT TILL DATE SUCH REGISTRATION IS VALID;

WE SHALL SATISFY OURSELVES ABOUT THE WORTH OF THE UNDERWRITERS TO FULFILL THEIR UNDERWRITING COMMITMENTS.”

WE CERTIFY THAT WRITTEN CONSENT FROM SHAREHOLDERS HAS BEEN OBTAINED FOR INCLUSION OF THEIR SECURITIES AS PART OF PROMOTERS’ CONTRIBUTION SUBJECT TO LOCK-IN AND THE SECURITIES PROPOSED TO FORM PART OF PROMOTERS’ CONTRIBUTION SUBJECT TO LOCK-IN, WILL NOT BE DISPOSED / SOLD/ TRANSFERRED BY THE PROMOTERS DURING THE PERIOD STARTING FROM THE DATE OF FILING THIS RED HERRING PROSPECTUS WITH THE BOARD TILL THE DATE OF COMMENCEMENT OF LOCK-IN PERIOD AS STATED IN THIS RED HERRING PROSPECTUS.

THE FILING OF THIS RED HERRING PROSPECTUS DOES NOT, HOWEVER, ABSOLVE THE COMPANY FROM ANY LIABILITIES UNDER SECTION 63 OR 68 OF THE COMPANIES ACT, 1956 OR FROM THE REQUIREMENT OF OBTAINING SUCH STATUTORY OR OTHER CLEARANCES AS MAY BE REQUIRED FOR THE PURPOSE OF THE PROPOSED ISSUE. SEBI, FURTHER, RESERVES THE RIGHT TO TAKE UP, AT ANY POINT OF TIME, WITH THE BOOK RUNNING LEAD MANAGER TO THE ISSUE, ANY IRREGULARITIES OR LAPSES IN THE RED HERRING PROSPECTUS.

Disclaimer Clause from our Company and the BRLM

Investors may note that the Company and the Book Running Lead Manager accept no responsibility for statements made other than in this Red Herring Prospectus or in the advertisements or in any other material issued by or at the instance of the Company or the Book Running Lead Manager and that anyone placing reliance on any other source of information would be doing so at his/her own risk. All information shall be made available by the Book Running Lead Manager and the Issuer to the members at large and no selective or additional information would be available for a section of the members in any manner whatsoever. Further, Book Running Lead Manager and the Issuer undertake to update the offer document and keep the public informed of any material changes till the listing and trading commencement.

The BRLM accept no responsibility, save to the limited extent as provided in the Memorandum of Understanding entered into among the BRLM, us and the Underwriting Agreement to be entered into between the Underwriter and us.

All information shall be made available by the BRLM and us to the public and investors at large and no selective or additional information would be available for a section of the investors in any manner whatsoever, including at road show presentations, in research or sales reports, at bidding centers or elsewhere.

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, Hindu Undivided Families (HUFs), companies, corporate bodies and societies registered under the applicable laws in India and authorized to invest in shares, Indian mutual funds registered with SEBI, Indian financial institutions, commercial banks, regional rural banks, co-operative banks (subject to RBI permission), trusts registered under the Societies Registration Act, 1860, as amended from time to time, or any other trust law and who are authorized under their constitution to hold and invest in shares, permitted insurance companies and pension funds and to non-residents including NRIs and FIIs. This Red Herring Prospectus does not, however, constitute an offer to sell or an invitation to subscribe to Equity Shares offered hereby in any other jurisdiction to any person to whom it is unlawful to make an offer or invitation in such jurisdiction. Any person into whose possession this Red Herring Prospectus comes is required to inform himself or herself about, and to observe, any such restrictions. Any dispute arising out of this Issue will be subject to the jurisdiction of appropriate court(s) in Kolkata, India only.

No action has been or will be taken to permit a public offering in any jurisdiction where action would be required for that purpose, except that this Red Herring Prospectus has been submitted to the SEBI. Accordingly, the Equity Shares represented thereby may not be offered or sold, directly or indirectly, and this Red Herring Prospectus may not be distributed, in any jurisdiction, except in accordance with the legal requirements applicable in such jurisdiction. Neither the delivery of this Red Herring Prospectus nor any sale hereunder shall, under any circumstances, create any implication that there has been no change in the affairs of our Company since the date hereof or that the information contained herein is correct as of any time subsequent to this date.

Equity Shares have not been registered under the US Securities Act and are not being sold in the US. The Equity Shares have not been and will not be registered under the U.S. Securities Act of 1933, as amended (the “US Securities Act”), or any state securities laws in the United States and may not be offered or sold within the United States,(as defined in Regulation S under the US Securities Act) except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act. Accordingly, the Equity Shares will be offered and sold only outside

the United States in offshore transactions in compliance with Regulation S and the applicable laws of the jurisdiction where those offers and sales occur.

The Draft Red Herring Prospectus has been filed with SEBI for its observations and SEBI has given its observations and that the final Red Herring Prospectus has been filed with the RoC as per the provisions of the Companies Act, 1956.

DISCLAIMER CLAUSE OF BSE

As required, a copy of the Draft Red Herring Prospectus has been submitted to BSE. BSE has given *vide* its letter dated November 28, 2006, permission to this Company to use BSE's name in this Red Herring Prospectus as one of the stock exchanges on which this Company's securities are proposed to be listed. BSE has scrutinized the Draft Red Herring Prospectus for its limited internal purpose of deciding on the matter of granting the aforesaid permission to this Company. BSE does not in any manner:

- warrant, certify or endorse the correctness or completeness of any of the contents of this Draft Red Herring Prospectus; or
- warrant that this Company's securities will be listed or will continue to be listed on BSE; or
- take any responsibility for the financial or other soundness of this Company, its promoters, its management or any scheme or project of this Company;

and it should not for any reason be deemed or construed to mean that the Draft Red Herring Prospectus has been cleared or approved by BSE. Every person who desires to apply for or otherwise acquires any securities of this Company may do so pursuant to independent inquiry, investigation and analysis and shall not have any claim against BSE 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 for any other reason whatsoever.

DISCLAIMER BY ICRA, THE GRADING AGENCY

Notwithstanding anything to the contrary an ICRA IPO Grade is a statement of current opinion of ICRA. Such grade is assigned with due care and caution on the basis of analysis of information and clarifications obtained from the issuer concerned and also other sources considered reliable by ICRA. However ICRA makes no representation or warranty express or implied as to the accuracy, authenticity, timelines or completeness of any such information. An ICRA IPO Grade is not (a) a comment on the present or future price of the security concerned, (b) a certificate of statutory compliance and/or (c) a credit rating. Further the ICRA IPO Grade is not a recommendation to buy, sell or deal in securities of such issuer and ICRA shall not be liable for any losses incurred by users from any use of grade.

Filing

A copy of the Red Herring Prospectus, along with the documents required to be filed under Section 60B of the Companies Act, would be delivered for registration to the RoC and a copy of the Prospectus to be filed under Section 60 of the Companies Act would be delivered for registration with Registrar of Companies, West Bengal, Nizam Palace, 2nd MSO Building, 2nd Floor, 234/4, A.J.C.B. Road, Kolkata - 700020. A copy of this Red Herring Prospectus has been filed with the Corporation Finance Department of SEBI at SEBI Bhavan, Plot No.C-4A, G-Block Bandra Kurla Complex, Mumbai - 400 021.

Listing

Applications have been made to the BSE for permission to deal in and for an official quotation of our Equity Shares. BSE will be the Designated Stock Exchange.

If the permissions to deal in and for an official quotation of our Equity Shares are not granted by any of the Stock Exchanges mentioned above, our Company will forthwith repay, without interest, all moneys received from the applicants in pursuance of this Red Herring Prospectus. If such money is not repaid within 8 days after our Company become liable to repay it, i.e. from the date of refusal or within 70 days from the Bid/Issue Closing Date, whichever is earlier, then our Company, and every Director of our Company who is an officer in default shall, on and from such expiry of 8 days, be liable to repay the money, with interest at the rate of 15% per annum on application money, as prescribed under Section 73 of the Companies Act.

Our Company shall ensure that all steps for the completion of the necessary formalities for listing and commencement of trading at all the Stock Exchanges mentioned above are taken within 7 working days of finalization of the Basis of Allotment for the Issue.

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Impersonation

Attention of the applicants is specifically drawn to the provisions of sub-section (1) of Section 68(A) of the Companies Act, 1956, 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: (a) the Directors, our Company Secretary and Compliance Officer, the Statutory Auditors, Bankers to our Company and Bankers to the Issue; and (b) Book Running Lead Manager to the Issue and Syndicate Members, Escrow Collection Bankers, Registrar to the Issue and Legal Advisors to the Issue, to act in their respective capacities, have been obtained and filed along with a copy of the Prospectus with the Registrar of Companies, West Bengal as required under Sections 60 and 60B of the Companies Act and such consents have not been withdrawn up to the time of delivery of this Red Herring Prospectus for registration with the RoC.

M/s R. Kothari & Company, Chartered Accountants, Kolkata, and our statutory auditors have given their written consent to the inclusion of their report in the form and context in which it appears in this Red Herring Prospectus and such consent and report has not been withdrawn up to the time of delivery of this Red Herring Prospectus for registration with the RoC.

M/s R. Kothari & Company, Chartered Accountants, Kolkata, have given their written consent to the tax benefits accruing to our Company and its members in the form and context in which it appears in this Red Herring Prospectus and has not withdrawn such consent up to the time of delivery of this Red Herring Prospectus for registration with the RoC.

Expert Opinion

Except for the various tax benefits available to the Company and its members expressed by the auditors of the Company, the Company has not obtained any other expert opinion.

Public Issue Expenses

The expenses of the Issue payable by the Company inclusive of fees payable to the Book Running Lead Manager, fees payable to the Registrars to the Issue, fees of Legal Advisors, Stamp Duty, Printing, Publication, Advertising and Distribution expenses, Bank charges, Listing Fees, Brokerage and other Miscellaneous Expenses are estimated to be approximately Rs. [•] will be met out of the proceeds of the Issue.

Details of Fees Payable

Particular	Amount (Rs. in lacs)	% of Total Issue Exp.*	% of Total Issue size *
Lead Management Fees, Underwriting and Selling commission *	[•]	[•]	[•]
Fees payable to Registrar	[•]	[•]	[•]
Fees payable to Legal Advisor	[•]	[•]	[•]
Fees payable to Auditor	[•]	[•]	[•]
Fees payable to Banker to the Issue	[•]	[•]	[•]
Advertising and Marketing expenses	[•]	[•]	[•]
Printing, Stationary & postage	[•]	[•]	[•]
Other expenses	[•]	[•]	[•]
TOTAL	[•]	[•]	[•]

* Will be incorporated after finalization of Issue Price.

Details of Fees Payable

Fees Payable to the Book Running Lead Manager to the Issue

The total fees payable to the Book Running Lead Manager will be as per the Memorandum of Understanding signed with the Book Running Lead Manager, a copy of which is available for inspection at the Registered Office of the Company.

The Book Running Lead Manager will be reimbursed for all relevant out-of-pocket expenses including such as cost of travel, stationery, postage & communication expenses.

Fees Payable to the Registrar to the Issue

The fees payable to the Registrar to the Issue will be as per the Memorandum of Understanding signed with the Company, a copy of which is available for inspection at the Registered Office of the Company.

The Registrar will be reimbursed for all relevant out-of-pocket expenses including such as cost of travel, stationery, postage, stamp duty & communication expenses. Adequate funds will be provided to the Registrar to the Issue to enable them to send refund orders or allotment advice by registered post.

Underwriting Commission, Brokerage and Selling Commission

The underwriting commission and brokerage for the Issue is set out in the Underwriting Agreement and the Syndicate Agreement.

Previous Public or Rights Issues

This is the first public issue of the Company. The company has not made any public or right issue previously.

Previous Issues Of Shares Otherwise Than For Cash

The company has not issued any Equity Share for consideration other than cash.

Commission or Brokerage on Previous Issues

The company has not made any public or rights Issue since its inception and has not paid any commission or brokerage.

Issues Made By The Companies Under The Same Management Under Section 370(1b) Of The Companies Act, 1956.

Impex Ferro-Tech Limited

In December 2004, Impex Ferro-Tech Ltd one of the Group Company made a public issue of 80,00,000 Equity Shares of Rs.10 each for cash at par aggregating Rs. 800 Lacs. The details of which is as follows:

Name of the Company	Impex Ferro-Tech Ltd.
Year of Issue	2004
Type of Issue	Public issue of Equity Shares
Amount of Issue	Rs.800 Lacs
Date of closure of Issue	31 st December 2004
Date of completion of delivery of share certificates	28 th February 2005
Date of completion of the project	August 2004
Rate of dividend paid	Nil

Rohit Ferro-Tech Ltd

In March 2006, Rohit Ferro-Tech Ltd one of the Group Company made a public issue of 1,69,47,745 Equity Shares of Rs.10/- each for cash at a premium of Rs.20/- per Equity Share aggregating Rs.5084.32 Lacs.

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The details of which is as follows:

Name of the Company	Rohit Ferro-Tech Ltd.
Year of Issue	2006
Type of Issue	Public issue of Equity Shares
Amount of Issue	Rs.5084.32 Lacs
Date of closure of Issue	11 th March, 2006
Date of completion of delivery of share certificates	11 th April 2006
Date of completion of the project	Under Implementation
Rate of dividend paid	10%

Promise vis-à-vis Performance

Since our Company has not made any public issue in past, Promise vis-à-vis Performance is not applicable to us.

Last one issue of group/associate companies:

Impex Ferro-Tech Ltd.

The Company has made an IPO in December, 2004 of 80,00,000 Equity Shares of Rs.10 each for cash at par aggregating Rs. 800 Lacs.

Plant & machinery and other equipments were installed in August 2004 as against the original implementation schedule of July 2004 as mentioned in the prospectus. Similarly trial run and commercial production also got delayed and it started in September 2004 as against the original schedule of August 2004. Barring the delay of one month, the Company has successfully implemented the project as projected in the prospectus.

There has been a cost over run of Rs.96.36 lacs against the projected cost of Rs.1587.62 lacs

The projected & actual capacity utilization figures are as follows:-

Particulars Product	Total
Installed Capacity (TPA)	43200

Year	2005		2006		2007	
	Projected	Actual	Projected	Actual	Projected	Actual
Production:-	36900	33564.78	37560	38149.63	38220	34438.94

Rohit Ferro-Tech Ltd

The Company has made an IPO in March 2006 of 1,69,47,745 Equity Shares of Rs.10/- each for cash at a premium of Rs.20/- per Equity Share aggregating Rs.5084.32 Lacs.

Trial run and commercial production get delayed and it started in December 2006 as against the original schedule of April 2006. Project was behind its schedule as stated in the Prospectus due to delay in delivery of some critical equipment.

There is no costover run as against the projected cost of Rs .11686.12 lacs.

The projected & actual capacity utilization figure are as follows:-

Particulars Product	Si Mn	HeFeCr	FeMn	Total
Installed Capacity (TPA) – Jaipur Unit	25426	52124	35947	113497
Installed Capacity (TPA)- Bishnupur Unit	-	51525	-	51525
Year	2005-2006 (Projected	2005-2006 (Actual)	2006-2007 (Projected	2006-2007 (Actual)
Jajpur Unit				
Production:-				
- Silico	-	-	19070.00	-
- Manganese	-	-	39093.00	-
- Ferro Chrome	-	-	26960.00	5665.00
- Ferro Manganese	-	-		
Bishnupur Plant:-				
Production:				
-Ferro Chrome	40000.00	39438.77	40000.00	45492.40

The company could not achieve its projected figure due to delay in project by eight month.

Outstanding debentures, bonds, redeemable preference shares and other instruments issued by Our Company

Our Company has no outstanding debentures, bonds or redeemable preference shares.

Stock Market Data

Currently our Equity Shares are not listed/ quoted on any Stock Exchange.

Redressal of Investor Grievances

The Memorandum of Understanding between the Registrar to the Issue and us will provide for retention of records with the Registrar to the Issue for a period of at least one year from the last date of despatch of the letters of allotment, demat credit and refund orders to enable the investors to approach the Registrar to the Issue for redressal of their grievances.

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

We estimate that the average time required by us or the Registrar to the Issue for the redressal of routine investor grievances will be seven 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.

We have constituted an Investors Grievance and Share Transfer Committee. For details, please refer section titled “Our Management” beginning on page no. 73 of this Red Herring Prospectus. We have also appointed Mr. Chandra Kumar Jain as the Compliance Officer for this Issue. Investors can contact the Compliance Officer or the Registrar in case of any pre-Issue or post-Issue related problems, such as non-receipt of letters of allocation, credit of allotted Equity Shares in the respective beneficiary accounts or refund orders etc. The contact details of the Compliance Officer are as follows:

Mr. Chandra Kumar Jain,
 Ankit Metal & Power Limited,
 35, Chittaranjan Avenue,
 Kolkata – 700 012
 Phone No. : +91-33-22119805/06/8807,
 Fax: +91-33-22110522,
 Email: ipo@ankitmetal.com,

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Investor Grievances – Companies under the same Management

Kindly refer to the section titled 'Financial Information of Group Companies' on page no.110 of this Red Herring Prospectus.

Changes in Auditors during the Last Three Years and Reasons Thereof

M/s R. Kothari & Company, Chartered Accountants, Kolkata are the Statutory Auditors of the Company w.e.f. 10.10.2004. Prior to them M/s K.K. Chanani & Associates, Chartered Accountants, Kolkata were the Statutory Auditors of the Company till 10.10.2004 and resigned due to their pre-occupation.

Capitalisation of Reserves or Profits (During Last Five Years)

No reserves or profits have been capitalized during last five years.

Revaluation of Assets, If Any

None of the assets of our Company have been revalued.

SECTION VIII - ISSUE RELATED INFORMATION**TERMS OF THE ISSUE****Terms of the Issue**

The Equity Shares being issued are subject to the provisions of the Companies Act, our Memorandum and Articles of Association, the terms of this Red Herring Prospectus, Application Form and other terms and conditions as may be incorporated in the allotment advices and other documents/certificates that may be executed in respect of the Issue. The Equity Shares shall also be subject to laws as applicable, guidelines, notifications and regulations relating to the issue of capital and listing and trading of securities issued from time to time by SEBI, the Government of India, the Stock Exchanges, the RBI, RoC and/or other authorities, as in force on the date of the Issue and to the extent applicable.

Ranking of Equity Shares

The Equity Shares being offered shall be subject to the provisions of Memorandum and Articles and shall rank *pari-passu* in all respects with the other existing Equity Shares of the Company including rights in respect of dividend. The Allottees will be entitled to dividend or any other corporate benefits (including dividend), if any, declared by the Company after the date of Allotment.

Mode of payment of dividend

The declaration and payment of dividends will be recommended by the Board of Directors and its shareholders, at their discretion, and will depend on a number of factors, including but not limited to Company's earnings, capital requirements and overall financial condition.

Face Value and Issue Price

The Equity Shares with a face value of Rs.10/- each are being issued in terms of this Red Herring Prospectus at an Issue price of Rs. [%] per share. The Price Band is between Rs. 30 and Rs. 36 per share. At any given point of time, there shall be only one denomination for the Equity Shares of the Company, subject to applicable laws. The Floor Price is 3.0 times of the face value and the Cap Price is 3.6 times of the face value.

Rights of the Equity Shareholder

Subject to applicable laws and Articles of Association of the Company, the Equity Shareholders shall have the following rights:

- Right to receive dividend, if declared;
- Right to attend general meetings and exercise voting powers, unless prohibited by law;
- Right to vote on a poll either in person or by proxy;
- Right to receive offers for rights shares and be allotted bonus shares, if announced;
- Right to receive surplus on liquidation;
- Right of free transferability; and
- Such other rights, as may be available to a shareholder of a listed public company under the Companies Act and Memorandum and Articles of Association of the Company.

Market Lot and Trading Lot

In terms of existing SEBI Guidelines, the trading in the Equity Shares shall only be in dematerialized form for all investors and hence, the tradable lot is one Equity Share. In terms of Section 68B of the Companies Act, the Equity Shares shall be allotted only in dematerialized form in multiples of 1 Equity Share subject to a minimum Allotment of 190 Equity Shares.

Nomination Facility to the Investor

In accordance with Section 109A of the Companies Act, the sole or first bidder, along with other joint bidders, may nominate any one person in whom, in the event of the death of sole bidder or in case of joint bidders, death of all the bidders, as the case may be, the Equity Shares transmitted, 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

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the event of his or her death during the minority. A nomination shall stand rescinded upon a sale/ transfer/ alienation of Equity Share(s) by the person nominating.

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

- 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 be registered himself or herself or to transfer the Equity Shares, and if the notice is not complied with within a period of ninety days, the Board may thereafter withhold payment of all dividends, bonuses or other monies payable in respect of the Equity Shares, until the requirements of the notice have been complied with.

Notwithstanding anything stated above, since the allotment in the Issue will be made only in dematerialized mode, there is no need to make a separate nomination with the Company. Nominations registered with respective depository participant of the applicant would prevail. If the investors require changing the nomination, they are requested to inform their respective depository participant.

Minimum Subscription

If the company does not receive the minimum subscription of 90% of the net offer to public including devolvement of Underwriters within 60 days from the date of closure of the issue or if a minimum of 10% of the net offer to the public is not subscribed by QIBs, then the company shall forthwith refund the entire subscription amount received. If there is a delay beyond 8 days after the company becomes liable to pay the amount, the company shall pay interest as per Section 73 of the Companies Act, 1956.

Jurisdiction

Exclusive jurisdiction for the purpose of this Issue is with competent courts/authorities in Kolkata, India.

Subscription by Non-Residents/NRI/FIIs/Foreign Venture Capital Fund/Multilateral and Bilateral Development Financial Institutions

There is no reservation for any Non-Residents, NRIs, FIIs, foreign venture capital investors registered with SEBI and multilateral and bilateral development financial institutions and such Non-Residents, NRIs, FIIs, foreign ventures capital investors registered with SEBI and multilateral and bilateral development financial institutions will be treated on the same basis with other categories for the purpose of allocation.

As per RBI regulations, OCBs cannot participate in the Issue.

Application in Issue

Equity Shares being issued through this Red Herring Prospectus can be applied for in the dematerialized form only.

Withdrawal of the Issue

The Company, in consultation with the BRLMs, reserves the right not to proceed with the Issue at anytime including after the Bid Closing Date but before Allotment, without assigning any reason thereof.

The Equity Shares have not been and will not be registered under the US Securities Act of 1933 (“the Securities Act”) or any state securities laws in the United States and may not be offered or sold within the United States or to, or for the account or benefit of, “U.S. persons” (as defined in Regulation S under the Securities Act), except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act. Accordingly, the Equity Shares are only being offered and sold (i) in the United States to “qualified institutional buyers”, as defined in Rule 144A of the Securities Act in reliance on Rule 144A under the Securities Act, and (ii) outside the United States to certain Persons in offshore transactions in compliance with Regulation S under the Securities Act and the applicable laws of the jurisdictions where those offers and sales occur.

Arrangements for Disposal of Odd Lots

The Company’s shares will be traded in dematerialized form only and therefore the marketable lot is one share. Therefore there is no possibility of odd lots.

Restriction on Transfer And Transmission Of Shares

Except as stated otherwise in this Red Herring Prospectus, there are no restrictions on transfer and transmission of our Equity shares and on their consolidation/splitting.

ISSUE STRUCTURE

Public issue of 1,19,00,000 Equity Shares of Rs.10/- each for cash at a price of Rs.[•] per Equity Share (including a share premium of Rs. [•] per Equity Share) aggregating Rs.[•] lacs by Ankit Metal & Power Limited (“the company” or “issuer” or “AMPL”) comprising of Promoters Contribution of 23,10,000 Equity Shares of face value of Rs.10/-, 11,90,000 Equity Shares of face value of Rs.10/- reserved for the employees of the company and a Net Offer to the public of 84,00,000 Equity Shares of Rs.10/- each out of which 8,40,000 Equity Shares being 10% of the Net offer to the Public to be compulsorily allotted to QIBs. The Net Offer to the public would constitute 25.55 % of the fully diluted post issue paid up capital of the company. The Issue is being made through the Book Building process.

Particulars	Employees	QIBs	Non-Institutional Bidders	Retail Individual Bidders
Number of Equity Shares*	Up to 11,90,000 Equity Shares	Not more than 42,00,000 Equity Shares However, Minimum 10% of the Net Offer to public i.e. 8,40,000 Equity Shares to be compulsorily subscribed by and allotted to QIBs. #	Minimum of 12,60,000 Equity Shares or Net Offer to Public less allocation to QIBs and Retail Individual Bidders.	Minimum of 29,40,000 Equity Shares or Net Offer to Public less allocation to QIBs and Non-Institutional Bidders.
Percentage of Issue Size available for allocation	Upto 10% of the Issue	Up to 50% of Net Offer to Public. 5% of the QIB Portion shall be available for allocation to mutual Funds. Mutual funds participating in the 5% reservation in the QIB Portion will also be eligible for allocation in the remaining QIB Portion. The unsubscribed portion in the Mutual Fund reservation will be available to QIBs. However, Minimum 10% of the Net Offer to public i.e. 8,40,000 Equity Shares to be compulsorily subscribed by and allotted to QIBs. #	Minimum 15% of the Net Offer to Public or Net Offer to public less allocation to QIBs and Retail Individual Bidders.	Minimum 35% of Net Offer to Public or Net Offer to Public less allocation to QIBs and Non Institutional Bidders.
Basis of Allocation if Respective category is oversubscribed	Proportionate	Proportionate(a) 2,10,000 Equity shares shall be allocated on a proportionate basis to Mutual Funds ; and (b) 39,90,000 Equity shares shall be allocated on a proportionate basis to all QIBs including Mutual funds receiving allocation as per (a) above	Proportionate	Proportionate

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Particulars	Employees	QIBs	Non-Institutional Bidders	Retail Individual Bidders
Minimum Bid	190 Equity Shares and in multiples of 190 Equity Share thereafter	Such number of Equity Shares that the Bid Amount exceeds Rs.100,000 and in multiples of 190 Equity Shares thereafter.	Such number of Equity Shares that the Bid Amount exceeds Rs. 100,000 and in multiples of 190 Equity Shares thereafter.	190 Equity Shares and in multiples of 190 Equity Share thereafter
Maximum Bid	Not exceeding 11,90,000 Equity Shares.	Such number of Equity Shares not exceeding the Issue size, subject to applicable limits.	Such number of Equity Shares not exceeding the Issue size, subject to applicable limits.	Such number of Equity Shares whereby the Bid Amount does not exceed Rs. 100,000.
Mode of Allotment	Compulsorily in dematerialised form	Compulsorily in dematerialised form	Compulsorily in dematerialised form	Compulsorily in dematerialised form
Trading Lot	One Equity Share	One Equity Share	One Equity Share	One Equity Share
Who can apply	Eligible Employees who are permanent employees of our Company; or a Director of our Company (whether a whole-time Director, part time Director or otherwise); an Employee should be an Indian national, based in India and physically present in India on the date of submission of the Bid-cum- Application Form. Also, such person should be an Employee on the payroll of the Company on the date of filing the Red Herring Prospectus with SEBI. Promoter Directors are not permitted to participate in this category.	Public financial institutions, as specified in Section 4A of the Companies Act: Scheduled commercial banks, mutual funds, foreign institutional investors registered with SEBI, venture capital funds registered with SEBI, Foreign Venture Capital Investors registered with SEBI, and State Industrial Development Corporations, permitted insurance companies registered with the Insurance Regulatory and Development Authority, provident funds with minimum corpus of Rs. 250 Mn and pension funds with minimum corpus of Rs.250 Mn in accordance with applicable law.	Resident Indian individuals, HUF (in the name of Karta), companies, Corporate bodies, NRIs, scientific institutions societies and trusts.	Individuals (including NRIs and HUFs) applying for Equity Shares such that the Bid Amount does not exceed Rs.100,000 in value.
Terms of Payment	Margin Amount applicable to Employees shall be payable at the time of submission of Bid cum Application Form to the members of the Syndicate.	Margin Amount applicable to QIB Bidders at the time of submission of Bid cum Application Form to the members of the Syndicate.	Margin Amount applicable to Non Institutional Bidders at the time of submission of Bid cum Application Form to the members of the Syndicate.	Margin Amount applicable to Retail Individual Bidders at the time of submission of Bid cum Application Form to the members of the Syndicate.

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Particulars	Employees	QIBs	Non-Institutional Bidders	Retail Individual Bidders
Margin Amount	Full Bid amount on Bidding	At least 10% of the Bid Amount on Bidding	Full Bid amount on Bidding	Full Bid amount on Bidding

** Subject to valid Bids being received at or above the Issue Price. Under subscription, if any, in any category would be allowed to be met with spill over from any of the other categories at the discretion of our Company in consultation with the BRLM. However, if the aggregate demand by Mutual Funds is less than 2,10,000 Equity Shares, the balance Equity Shares available for allocation in the Mutual Fund Portion will first be added to the QIB Portion and be allocated proportionately to the QIB Bidders. In the event that the aggregate demand in the QIB Portion has been met, under-subscription, if any, would be allowed to be met with spill-over from any other category or combination of categories at the discretion of our Company, in consultation with the BRLM and the Designated Stock Exchange.*

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

In case of under subscription in the Qualified Institutional Buyers portion the same shall not be available to other categories and full subscription monies shall be refunded.

Undersubscription, if any, in the Employees Reservation Portion will be added back to the Net Offer to the Public, and the undersubscription can be met with spill over from any other category at the discretion of the Company, in consultation with the BRLM.

Bidding Period / Issue Period

Bid / Issue Opens on	18th June, 2007
Bid/ Issue closes on	22nd June, 2007

Bids and any revision in bids shall be accepted **only between 10 a.m. and 3 p.m.** (Indian Standard Time) during the Bidding Period as mentioned above at the bidding centers mentioned on the Bid cum Application Form except that on the Bid/Issue Closing Date, the Bids shall be accepted **only between 10 a.m. and 1 p.m.** (Indian Standard Time) or uploaded till such time as may be permitted by the BSE and NSE on the Bid/Issue Closing Date.

Our Company reserves the right to revise the Price Band during the Bidding Period in accordance with SEBI Guidelines. The cap on the Price Band should not be more than 20% of the floor of the Price Band. Subject to compliance with the immediately preceding sentence the floor of the Price Band can move up or down to the extent of 20% of the floor of the Price Band advertised at least one day prior to the Bid Opening Date / Issue Opening Date.

In case of revision in the Price Band, the Bidding/Issue Period will be extended for three additional working days after revision of Price Band, subject to the Bidding Period / Issue Period not exceeding ten working days. Any revision in the Price Band and the revised Bid/ Issue Period, if applicable, will be widely disseminated by notification to the BSE and NSE by issuing a press release, and also by indicating the change on our web site and/or the BRLM and at the terminals of the Syndicate Member.

ISSUE PROCEDURE**BOOK BUILDING PROCESS**

The Issue is being made through the 100% Book Building Process wherein up to 50% of the Net Offer shall be available for allocation on a proportionate basis to QIBs, including upto 5% of the QIB Portion which shall be available for allocation to Mutual Funds only. Further, not less than 35% of the Net Offer shall be available for allocation on a proportionate basis to the Retail Individual Bidders and not less than 15% of the Net Offer shall be available for allocation on a proportionate basis to Non-Institutional Bidders, subject to valid Bids being received at or above the Issue Price. It may be noted that the bids received in the Employee Reservation Portion shall not be considered for the purpose of determining the Issue Price through Book Building Process.

Bidders are required to submit their Bids through the Syndicate. Our Company, in consultation with the BRLM, may reject any Bid procured from QIBs, by any or all members of the Syndicate, for reasons to be recorded in writing provided that such rejection shall be made at the time of acceptance of the Bid and the reasons therefore shall be disclosed to the Bidders. In case of Non-Institutional Bidders, Retail Individual Bidders and employee, our Company would have a right to reject the Bids only on technical grounds.

Investors should note that allotment of Equity Shares to all successful Bidders will only be in the dematerialized form. Bidders will not have the option of getting allotment of the Equity Shares in physical form. The Equity Shares on allotment shall be traded only in the dematerialized segment of the Stock Exchanges.

Bid-cum-Application Form

Bidders shall only use the Bid-cum-Application Form bearing the stamp of a member of the Syndicate for making a Bid in terms of this Red Herring Prospectus. The Bidder shall have the option to make a maximum of three Bids in the Bid-cum-Application Form and such options shall not be considered as multiple Bids. Upon the allocation of Equity Shares, dispatch of the CAN and filing of the Prospectus with the RoC, the Bid-cum-Application Form shall be considered as the Application Form. Upon completing and submitting the Bid-cum-Application Form to a member of the Syndicate, the Bidder is deemed to have authorized us to make the necessary changes in this Red Herring Prospectus and the Bid-cum- Application Form as would be required for filing the Prospectus with the RoC and as would be required by the RoC after such filing, without prior or subsequent notice of such changes to the Bidder.

The prescribed Colour of the Bid-cum-Application Form for various categories is as follows:

Category	Colour of Bid-cum-Application Form
Indian Public or NRIs applying on a non-repatriation basis	White
Non-Residents, NRIs or FIIs or Foreign Venture Capital Funds registered with SEBI, Multilateral and Bilateral Development Financial Institutions applying on a repatriation basis	Blue
Employees	Pink

Who Can Bid?

1. Indian nationals resident in India who are majors, or in the names of their minor children as natural/legal guardians, in single or joint names (not more than three);
2. Hindu Undivided Families or HUFs, in the individual name of the *Karta*. The Bidder should specify that the Bid is being made in the name of the HUF in the Bid cum Application Form as follows: "Name of Sole or First bidder: XYZ Hindu Undivided Family applying through XYZ, where XYZ is the name of the *Karta*". Bids by HUFs would be considered at par with those from individuals;
3. Companies, corporate bodies and societies registered under the applicable laws in India and authorised to invest in the Equity Shares;
4. Indian Mutual Funds registered with SEBI;
5. Indian Financial Institutions, commercial banks, regional rural banks, co-operative banks (subject to RBI permission, as applicable);
6. Venture Capital Funds registered with SEBI;

7. Foreign Venture Capital Investors registered with SEBI;
8. State Industrial Development Corporations;
9. Trusts/societies registered under the Societies Registration Act, 1860, as amended, or under any other law relating to Trusts and who are authorised under their constitution to hold and invest in equity shares;
10. NRIs and FIIs on a repatriation basis or a non-repatriation basis subject to applicable laws;
11. Scientific and/or Industrial Research Organisations authorised to invest in equity shares;
12. Insurance Companies registered with Insurance Regulatory and Development Authority;
13. Provident Funds with minimum corpus of Rs. 2500 lacs and who are authorised under their constitution to hold and invest in equity shares;
14. Pension Funds with minimum corpus of Rs.2500 lacs and who are authorised under their constitution to hold and invest in equity shares;
15. Multilateral and Bilateral Development Financial Institutions; and
16. Pursuant to the existing regulations, OCBs are not eligible to participate in the Issue.
17. Permanent Employees of the Company

Bidders are advised to ensure that any single Bid from them does not exceed the investment limits or maximum number of Equity Shares that can be held by them under the relevant regulations or statutory guidelines.

Note: The BRLM, Syndicate Member and any associate of the BRLM and Syndicate Members shall not be entitled to subscribe to this issue in any manner except towards fulfilling their underwriting obligation.

APPLICATION BY MUTUAL FUNDS

As per the current regulations, the following restrictions are applicable for investments by mutual funds:

No mutual fund scheme shall invest more than 10% of its net asset value in 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 its scheme should own more than 10% of any company's paid-up capital carrying voting rights. These limits would have to be adhered to by the mutual funds for investment in the Equity Shares.

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

Information on reservation for Mutual Funds

5% of the QIB Portion shall be available for allocation to Mutual Funds. Mutual Funds participating in the 5% reservation in the QIB Portion will also be eligible for allocation in the remaining QIB Portion.

Application by NRIs

Bid cum application forms have been made available for NRIs at the Registered Office of the Company.

NRI applicants may please note that only such applications as are accompanied by payment in free foreign exchange shall be considered for allotment under the NRI category. The NRIs who intend to make payment through Non-Resident Ordinary (NRO) accounts shall use the form meant for Resident Indians (white in colour).

As per current regulations, the following restrictions are applicable for investment by FIIs:

The issue of Equity Shares to a single FII should not exceed 10% of the post-issue paid-up capital of the Company (i.e. 10% of 3,28,75,500 Equity Shares). In respect of an FII investing in Equity Shares of the 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 the Company. As of now, the aggregate FII holding in the Company cannot exceed 24 % of the total paid-up capital of the Company. With the approval of the Board of Directors and the shareholders by way of a special resolution, the aggregate FII holding can go up to 100%. However, as of this date, no such resolution has been recommended 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, an FII or its sub

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account may issue, deal or hold, off shore derivative instruments such as Participatory notes, equity-linked notes or any other similar instruments against underlying securities listed or proposed to be listed in any stock exchange in India only in favour of those entities which are regulated by any relevant regulatory authorities in the countries of their incorporation or establishment subject to compliance of “know your client” requirements. An FII or sub-account shall also ensure that no further downstream issue or transfer of any instrument referred to hereinabove is made to any person other than a regulated entity.

APPLICATION BY SEBI REGISTERED VENTURE CAPITAL FUNDS AND FOREIGN VENTURE CAPITAL INVESTORS

As per the current regulations, the following restrictions are applicable for SEBI registered Venture Capital Funds and Foreign Venture Capital Investors:

The SEBI (Venture Capital) Regulations, 1996 and the SEBI (Foreign Venture Capital Investor) Regulations, 2000 prescribe investment restrictions on venture capital funds and foreign venture capital investors registered with SEBI. Accordingly, the holding by any individual venture capital fund or foreign venture capital investor registered with SEBI should not exceed 33.33% of the corpus of the venture capital fund/ foreign venture capital investor.

The above information is given for the benefit of the Bidders. Our Company and the BRLM are not liable for any amendments or modification or changes in applicable laws or regulations, which may happen after the date of this Red Herring Prospectus. Bidders are advised to make their independent investigations and ensure that their number of Equity Shares bid for do not exceed the applicable limits under laws or regulations.

Maximum and Minimum Bid Size

- (a) For Retail Individual Bidders:** The Bid must be for a minimum of 190 Equity Shares and in multiples of 190 Equity Share thereafter, so as to ensure that the Bid Amount payable by the Bidder does not exceed Rs. 100,000. In case of revision of Bids, the Retail Individual Bidders have to ensure that the Bid Amount does not exceed Rs. 100,000. In case the Bid Amount is over Rs. 100,000 due to revision of the Bid or revision of the Price Band or on exercise of Cut-off option, the Bid would be considered for allocation under the Non- Institutional Bidders portion. The Cut-off option is an option given only to the Retail Individual Bidders indicating their agreement to Bid and purchase at the final Issue Price as determined at the end of the Book Building Process.
- (b) For Other Bidders (Non-Institutional Bidders and QIBs):** The Bid must be for a minimum of such number of Equity Shares in multiples of 190 Equity Share such that the Bid Amount exceeds Rs.100,000/-. A Bid cannot be submitted for more than the Issue Size. However, the maximum Bid by a QIB investor should not exceed the investment limits prescribed for them by applicable laws. Under the existing SEBI DIP Guidelines, a QIB Bidder cannot withdraw its Bid after the Bid/ Issue Closing Date.
- (c) For Bidders in the Employees Reservation Portion:** The Bid must be for a minimum of 190 Equity Shares and in multiples of 190 Equity Share thereafter. The maximum Bid in this portion cannot exceed 11,90,000 Equity Shares. Bidders in the Employees Reservation Portion applying for the maximum Bid in any of the Bidding options not exceeding Rs.100,000 may bid at Cut-off.

The minimum Bid Lot of 190 shares is between Rs. 5,000 - Rs. 7,000 in compliance with SEBI (DIP) Guidelines. In case of revision in Bids, the Non-Institutional Bidders, who are individuals, have to ensure that the Bid Amount is greater than Rs.100,000 for being considered for allocation in the Non-Institutional Portion. In case the Bid Amount reduces to Rs.100,000 or less due to a revision in Bids or revision of the Price Band, Bids by Non-Institutional Bidders who are eligible for allocation in the Retail Portion would be considered for allocation under the Retail Portion. Non-Institutional Bidders and QIBs are not allowed to Bid at 'Cut-off'.

Information For The Bidders

- (a) Our Company will file the Red Herring Prospectus with the RoC at least 3 (three) days before the Bid/Issue Opening Date.
- (b) The members of the Syndicate will circulate copies of the Red Herring Prospectus along with the Bid cum Application Form to potential investors.
- (c) Any investor (who is eligible to invest in our Equity Shares) who would like to obtain the Red Herring Prospectus and/ or the Bid cum Application Form can obtain the same from our Registered Office or from any of the members of the Syndicate.
- (d) The Bids should be submitted on the prescribed Bid cum Application Form only. Bid cum Application Forms should bear the stamp of the members of the Syndicate. Bid cum Application Forms, which do not bear the stamp of the members of the Syndicate, will be rejected.

Method and Process of Bidding

- (a) Our Company and the BRLM shall declare the Bid/Issue Opening Date, Bid/Issue Closing Date and Price Band at the time of filing the Red Herring Prospectus with RoC and also publish the same in two widely circulated newspapers (one each in English and Hindi) and one regional language newspaper. This advertisement, subject to the provisions of Section 66 of the Companies Act shall be in the format prescribed in Schedule XX– A of the SEBI DIP Guidelines, as amended *vide* SEBI Circular No. SEBI/CFD/DIL/DIP/14/2005/25/1 dated January 25, 2005. The Members of the Syndicate shall accept Bids from the Bidders during the Issue Period in accordance with the terms of the Syndicate Agreement.
- (b) Investors who are interested in subscribing for our Equity Shares should approach any of the members of the Syndicate or their authorised agent(s) to register their Bid.
- (c) The Bidding Period shall be for a minimum of three working days and not exceeding seven working days. In case the Price Band is revised, the revised Price Band and the Bidding Period will be published in two national newspapers (one each in English and Hindi) and in one regional language newspaper and the Bidding Period may be extended, if required, by an additional three working days, subject to the total Bidding Period not exceeding 10 working days.
- (d) Each Bid cum Application Form will give the Bidder the choice to bid for up to three optional prices (for details refer to the paragraph titled “Bids at Different Price Levels” on page no.153 of this Red Herring Prospectus) within the Price Band and specify the demand (i.e., the number of Equity Shares Bid for) in each option. The price and demand options submitted by the Bidder in the Bid cum Application Form will be treated as optional demands from the Bidder and will not be cumulated. After determination of the Issue Price, the maximum number of Equity Shares Bid for by a Bidder at or above the Issue Price will be considered for allocation and the rest of the Bid(s), irrespective of the Bid Amount, will become automatically invalid.
- (e) The Bidder cannot bid on another Bid cum Application Form after Bids on one Bid cum Application Form have been submitted to any member of the Syndicate. Submission of a second Bid cum Application Form to either the same or to another member of the Syndicate will be treated as multiple Bids and is liable to be rejected either before entering the Bid into the electronic bidding system, or at any point of time prior to the allocation or allotment of Equity Shares in this Issue. However, the Bidder can revise the Bid through the Revision Form, the procedure for which is detailed under the paragraph titled “Build up of the Book and Revision of Bids” beginning on page no. 156 of this Red Herring Prospectus.
- (f) The Members of the Syndicate will enter each Bid option into the electronic bidding system as a separate Bid and generate a Transaction Registration Slip, (“TRS”), for each price and demand option and give the same to the Bidder. Therefore, a Bidder can receive up to three TRSs for each Bid cum Application Form.
- (g) During the Bidding Period, Bidders may approach the members of the Syndicate to submit their Bid. Every member of the Syndicate shall accept Bids from all clients / investors who place orders through them and shall have the right to vet the Bids.
- (h) Along with the Bid cum Application Form, all Bidders will make payment in the manner described under the paragraph titled “Terms of Payment and Payment into the Escrow Accounts” beginning on page no. 154 of this Red Herring Prospectus.
- (i) It may be noted that the bids received in the Employee Reservation Portion shall not be considered for the purpose of determining the Issue Price through Book Building Process.

Bids at Different Price Levels

- (a) The Price Band has been fixed at Rs. 30 to Rs. 36 per Equity Share of Rs.10/- each, Rs. 30 being the Floor Price and Rs. 36 being the Cap Price. The Bidders can bid at any price within the Price Band, in multiples of Re 1. In accordance with SEBI Guidelines, the Company in consultation with the BRLM can revise the Price Band by informing the stock exchanges, releasing a press release, disclosure on the website of the members of the Syndicate, if any and notification on the terminal of the members of the Syndicate. In case of a revision in the Price Band, the Issue will be kept open for a period of three working days after the revision of the Price Band, subject to the total Bidding Period not exceeding ten working days. The Company in consultation with BRLM, can finalise the Issue Price within the Price Band in accordance with this clause, without the prior approval of, or intimation, to the Bidders.
- (b) The Bidder can bid at any price within the Price Band. The Bidder has to bid for the desired number of Equity Shares at a specific price. Retail Individual Bidders and Employees may bid at “Cut-off”. However, bidding at “Cut-off” is prohibited for QIB or Non Institutional Bidders and such Bids from QIBs and Non-Institutional Bidders shall be rejected.
- (c) Retail Individual Bidders or Employees, who bid at the Cut-Off, agree that they shall purchase the Equity Shares at any price within the Price Band. Retail Individual Bidders or Employees bidding at Cut-Off shall deposit the Bid Amount based

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on the Cap Price in the Escrow Account. In the event the Bid Amount is higher than the subscription amount payable by the Retail Individual Bidders or Employees (i.e. the total number of Equity Shares allocated in the Issue multiplied by the Issue Price), Retail Individual Bidders and Employees shall receive the refund of the excess amounts from the Escrow Account.

- (d) The Price Band can be revised during the Bidding Period in which case the maximum revisions on either side of the Price Band shall not exceed 20% fixed initially.
- (e) Any revision in the Price Band shall be widely disseminated including by informing the Stock Exchanges, issuing Press Release and making available this information on the Bidding terminals.
- (f) In the event of any revision in the Price Band, whether upwards or downwards, the minimum application size shall remain 190 Equity Shares irrespective of whether the Bid Amount payable on such minimum application is not in the range of Rs. 5,000 to Rs. 7,000.
- (g) In case of an upward revision in the Price Band announced as above, Retail Individual Bidders and Employees, who had bid at Cut Off Price could either (i) revise their Bid or (ii) make additional payment based on the cap of the Revised Price Band, with the members of the Syndicate to whom the original Bid was submitted. In case the total amount (i.e. original Bid Amount plus additional payment) exceeds Rs. 100,000, the Bid will be considered for allocation under the Non Institutional category in terms of this Red Herring Prospectus. If, however, the Bidder does not either revise the Bid or make additional payment and the Issue Price is higher than the cap of the Price Band prior to revision, the number of Equity Shares bid for shall be adjusted for the purpose of allocation, such that no additional payment would be required from the Bidder and the Bidder is deemed to have approved such revised Bid at Cut off.
- (h) In case of a downward revision in the Price Band, announced as above, Retail Individual Bidders and Employees who have bid at Cut Off price could either revise their Bid or the excess amount paid at the time of bidding would be refunded from the Escrow Account

Escrow Mechanism

Our Company shall open Escrow Accounts with one or more Escrow Collection Banks in whose favour the Bidders shall make out the cheque or demand draft in respect of his or her Bid and/or revision of the Bid. Cheques or demand drafts received for the full Bid Amount from Bidders in a certain category would be deposited in the Escrow Account. The Escrow Collection Banks will act in terms of this Red Herring Prospectus and the Escrow Agreement. The Escrow Collection Bank (s) for and on behalf of the Bidders shall maintain the monies in the Escrow Account. The Escrow Collection Bank(s) shall not exercise any lien whatsoever over the monies deposited therein and shall hold the monies therein in trust for the Bidders. On the Designated Date, the Escrow Collection Banks shall transfer the monies from the Escrow Account to the Public Issue Account as per the terms of the Escrow Agreement. Payments of refund to the Bidders shall also be made from the Escrow Account as per the terms of the Escrow Agreement and this Red Herring Prospectus.

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

Terms of Payment and Payment into the Escrow Account

Each Bidder shall, with the submission of the Bid cum Application Form draw a cheque or demand draft in favour of the Escrow Account of the Escrow Collection Bank (for details refer to the paragraph "Payment Instructions" on page no.161 of this Red Herring Prospectus) and submit the same to the member of the Syndicate with whom the Bid is being deposited. Bid cum Application Forms accompanied by cash shall not be accepted. The maximum Bid price has to be paid at the time of submission of the Bid cum Application Form based on the highest bidding option of the Bidder.

The members of the Syndicate shall deposit the cheque or demand draft with the Escrow Collection Bank. The Escrow Collection Bank will hold all monies collected for the benefit of the Bidders until the Designated Date. On the Designated Date, the Escrow Collection Bank shall transfer the funds in respect of those Bidders whose Bids have been accepted from the Escrow Account, as per the terms of the Escrow Agreement, into the Public Issue Account. The balance amounts after the transfer to the Public Issue Account, lying credited with the Escrow Collection Banks shall be held for the benefit of the Bidders who are entitled to a refund. On the Designated Date and no later than 15 days from the Bid/Issue Closing Date, the Escrow Collection Bank shall also refund all amounts payable to unsuccessful Bidders and also the excess amount paid on bidding, if any, after adjustment for allocation, to the Bidders.

Each category of Bidders i.e. QIB Bidders, Non Institutional Bidders, Retail Individual Bidders and Bidders under the Employees Reservation Portion would be required to pay their applicable Margin Amount at the time of the submission of the Bid cum

Application Form. The Margin Amount payable by each category of Bidders is mentioned in the section titled "Issue Structure" beginning on page no.147 of this Red Herring Prospectus. Where the Margin Amount applicable to the Bidder is less than 100% of the Bid Amount, any difference between the amount payable by the Bidder for Equity Shares allocated at the Issue Price and the Margin Amount paid at the time of Bidding, shall be payable by the Bidder no later than the Pay-in-Date, which shall be a minimum period of two days from the date of communication of the allocation list to the members of the Syndicate by the BRLM. If the payment is not made favouring the Escrow Account within the time stipulated above, the Bid of the Bidder is liable to be cancelled. However, if the members of the Syndicate do not waive such payment, the full amount of payment has to be made at the time of submission of the Bid cum Application Form.

Where the Bidder has been allocated lesser number of Equity Shares than he or she had bid for, the excess amount paid on bidding, if any, after adjustment for allocation, will be refunded to such Bidder within 15 days from the Bid/Issue Closing Date, failing which our Company shall pay interest at 15% per annum for any delay beyond the periods as mentioned above.

Electronic Registration of Bids

- (a) The members of the Syndicate will register the Bids using the on-line facilities of NSE and BSE. There will be at least one on-line connectivity to each city where the Bids are accepted.
- (b) NSE and BSE will offer a screen-based facility for registering Bids for the Issue. This facility will be available on the terminals of the Syndicate Member and their authorized agents during the Bidding Period. Syndicate Member can also set up facilities for off-line electronic registration of Bids subject to the condition that they will subsequently download the off-line data file into the on-line facilities for book building on a regular basis. On the Bid/Issue Closing Date, the Syndicate Member shall upload the Bids till such time as may be permitted by the Stock Exchanges.
- (c) BSE and NSE will aggregate demand and price for bids registered on their electronic facilities on a regular basis and display graphically the consolidated demand at various price levels. This information can be accessed on BSE's website at www.bseindia.com or on NSE's website at www.nseindia.com
- (d) At the time of registering each Bid, the Syndicate Member shall enter the following details of the investor in the on-line system:
 - Name of the investor
 - Investor Category such as Individual, Corporate, NRI, FII or Mutual Fund, etc.
 - Numbers of Equity Shares bid for
 - Bid price
 - Bid-cum-Application Form number
 - Whether payment is made upon submission of Bid-cum-Application Form
 - Depository Participant Identification No. and Client Identification No. of the Demat Account of the Bidder
- (e) A system generated TRS will be given to the Bidder as a proof of the registration of each of the bidding options. **It is the Bidder's responsibility to request and obtain the TRS from the members of the Syndicate.** The registration of the Bid by the Syndicate Member does not guarantee that the Equity Shares shall be allocated either by the Syndicate Member or the Company.
- (f) Such TRS will be non-negotiable and by itself will not create any obligation of any kind.
- (g) We, in consultation with the BRLM reserve the right to reject any QIB Bid procured by any or all members of the Syndicate provided the rejection is at the time of receipt of such Bids and the reason for rejection of the Bid is communicated to the bidder at the time of rejection of bid. In case of Non Institutional Bidders, Retail Bidders and Employees we would have a right to reject the Bids only on technical grounds listed on Page 163 in this Red Herring Prospectus.
- (h) It is to be distinctly understood that the permission given by NSE and BSE to use their network and software of the Online IPO system should not in any way be deemed or construed to mean that the compliance with various statutory and other requirements by our Company and BRLM are cleared or approved by NSE and BSE; nor does it in any manner warrant, certify or endorse the correctness or completeness of any of the compliance with the statutory and other requirements nor does it take any responsibility for the financial or other soundness of our Company, our Promoters, our management or any scheme or project of our Company.

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- (i) It is also to be distinctly understood that the approval given by BSE should not in any way be deemed or construed that this Red Herring Prospectus has been cleared or approved by the BSE; nor does it in any manner warrant, certify or endorse the correctness or completeness of any of the contents of this Red Herring Prospectus; nor does it warrant that the Equity Shares will be listed or will continue to be listed on and BSE.

Build Up of the Book and Revision of Bids

- (a) Bids registered by various Bidders through the members of the Syndicate shall be electronically transmitted to the NSE or BSE mainframe on a regular basis.
- (b) The book gets built up at various price levels. This information will be available with the BRLM on a regular basis.
- (c) During the Bidding Period, any Bidder who has registered his or her interest in the Equity Shares at a particular price level is free to revise his or her Bid within the price band using the printed Revision Form, which is a part of the Bid-cum-Application Form.
- (d) Revisions can be made in both the desired number of Equity Shares and the bid price by using the Revision Form. Apart from mentioning the revised options in the revision form, the Bidder must also mention the details of all the options in his or her Bid-cum-Application Form or earlier Revision Form. For example, if a Bidder has bid for three options in the Bid-cum-Application Form and he is changing only one of the options in the Revision Form, he must still fill the details of the other two options that are not being changed, in the Revision Form unchanged. Incomplete or inaccurate Revision Forms will not be accepted by the members of the Syndicate.
- (e) The Bidder can make this revision any number of times during the Bidding Period. However, for any revision(s) of the Bid, the Bidders will have to use the services of the same members of the Syndicate through whom he or she had placed the original Bid. Bidders are advised to retain copies of the blank Revision Form and the revised Bid must be made only in such Revision Form or copies thereof.
- (f) Any revision of the Bid shall be accompanied by payment in the form of cheque or demand draft for the incremental amount, if any, to be paid on account of the upward revision of the Bid. The excess amount, if any, resulting from downward revision of the Bid would be returned to the Bidder at the time of refund in accordance with the terms of this Red Herring Prospectus. In case of QIB Bidders, the members of the Syndicate shall collect the payment in the form of cheque or demand draft for the incremental amount in the QIB Margin Amount, if any, to be paid on account of upward revision of the Bid at the time of one or more revisions by the QIB Bidders.
- (g) When a Bidder revises his or her Bid, he or she shall surrender the earlier TRS and get a revised TRS from the Syndicate Member. **It is the responsibility of the Bidder to request for and obtain the revised TRS, which will act as proof of his or her having revised the previous Bid.**
- (h) Only bids that are uploaded on the online IPO system of the NSE and BSE shall be considered for allotment. In case of discrepancy of data between NSE or BSE and the Syndicate Member, the decision of the BRLM based on physical records of Bid cum Application Forms shall be final and binding to all concerned.

Price Discovery and Allocation

- (a) After the Bid/Issue Closing Date, the BRLM will analyze the demand generated at various price levels and discuss pricing strategy with us.
- (b) Our Company and BRLM shall finalise the "Issue Price", the number of Equity Shares to be allotted and the allocation to successful QIB Bidders.
- (c) The allocation for QIBs for an upto of 50% of the Issue (including 5% specifically reserved for Mutual Funds) would be on a proportionate basis in consultation with Designated Stock Exchange subject to valid bids being received at or above the Issue Price. However, minimum 10% of the net offer to the public i.e. 8,40,000 Equity Shares to be compulsorily subscribed by and allotted to QIBs & in case of under subscription in this minimum Qualified Institutional Buyers portion the same shall not be available to other categories and full subscription monies shall be refunded. The allocation to Non-Institutional Bidders, and Retail Individual Bidders of at least 15% and 35% of the Issue, respectively, would be on proportionate basis, in consultation with Designated Stock Exchange, subject to valid Bids being received at or above the Issue Price.
- (d) Under subscription, if any, in any category would be allowed to be met with spill over from any of the other categories at the discretion of our Company in consultation with the BRLM. However, if the aggregate demand by Mutual Funds is less than 2,10,000 Equity Shares, the balance Equity Shares available for allocation in the Mutual Fund Portion will first be added to the QIB Portion and be allocated proportionately to the QIB Bidders. In the event that the aggregate demand in the QIB Portion has been met, under-subscription, if any, would be allowed to be met with spill-over from any other

category or combination of categories at the discretion of our Company, in consultation with the BRLM and the Designated Stock Exchange. However, minimum 10% of the net offer to the public i.e. 8,40,000 Equity Shares to be compulsorily subscribed by and allotted to QIBs & in case of under subscription in this minimum Qualified Institutional Buyers portion the same shall not be available to other categories and full subscription monies shall be refunded.

- (e) Allocation to eligible NRIs or FIIs or Foreign Venture Capital Fund registered with SEBI, Multilateral and Bilateral Development Financial Institutions applying on repatriation basis will be subject to the terms and conditions stipulated by RBI.
- (f) The BRLM, in consultation with us, shall notify the Syndicate Member of the Issue Price and allocations to their respective Bidders, where the full Bid Amount has not been collected from the Bidders.
- (g) Our Company reserves the right to cancel the Issue any time after the Bid/Issue Opening Date but before allotment.
- (h) In terms of SEBI Guidelines, QIB Bidders shall not be allowed to withdraw their Bid after the closure of Bidding.
- (i) The allotment details shall be put on the website of the Registrar to the Issue.

Signing of Underwriting Agreement and RoC Filing

- (a) The Company, the BRLM and the Syndicate Members shall enter into an Underwriting Agreement on finalization of the Issue Price and allocation(s) to the Bidders.
- (b) After signing the Underwriting Agreement, we would update and file the updated Red Herring Prospectus with RoC, which then would be termed 'Prospectus'. The Prospectus would have details of the Issue Price, Issue Size, underwriting arrangements and would be complete in all material respects.

Filing Of the Prospectus with the Roc

We will file a copy of the Prospectus with the Registrar of Companies, West Bengal in terms of Section 56, Section 60 and Section 60B of the Companies Act.

Announcement of Pre-Issue Advertisement

Subject to Section 66 of the Companies Act, our Company shall after receiving final observations, if any, on this Red Herring Prospectus from SEBI, publish an advertisement, in the form prescribed by the SEBI DIP Guidelines in an English national daily with wide circulation, one Hindi National newspaper and a regional language newspaper with wide circulation at Kolkata.

Advertisement Regarding Issue Price and Prospectus

A statutory advertisement will be issued by us after the filing of the Prospectus with the RoC. This advertisement, in addition to the information that has to be set out in the statutory advertisement, shall indicate the Issue Price. Any material updates between Red Herring Prospectus and the Prospectus will be included in such statutory advertisement.

Issuance of Confirmation of Allocation Note (CAN)

After the determination of Issue Price, the following steps would be taken

- (a) Upon approval of the basis of allotment by the Designated Stock Exchange, the BRLM or Registrar to the Issue shall send to the members of the Syndicate a list of their Bidders who have been allocated Equity Shares in the Issue. The approval of the basis of allocation by the Designated Stock Exchange for QIB Bidders may be done simultaneously with or prior to the approval of the basis of allocation for the Retail Individual and Non-Institutional Bidders. However, Bidders should note that our Company shall ensure that the date of Allotment of the Equity Shares to all Bidders, in all categories, shall be done on the same date.
- (b) The BRLM or members of the Syndicate would despatch a CAN to their Bidders who have been allocated Equity Shares in the Issue. The despatch of a CAN shall be deemed a valid, binding and irrevocable contract for the Bidder to pay the entire Issue Price for all the Equity Shares allocated to such Bidder. Those Bidders who have not paid the entire Bid Amount into the Escrow Account at the time of bidding shall pay in full the Allocation Amount payable into the Escrow Account by the Pay-in Date specified in the CAN.
- (c) Bidders who have been allocated Equity Shares and who have already paid the Bid Amount into the Escrow Account at the time of bidding shall directly receive the CAN from the Registrar to the Issue subject, however, to realisation of his or her cheque or demand draft paid into the Escrow Account. The despatch of a CAN shall be deemed a valid, binding and irrevocable contract for the Bidder to pay the entire Issue Price for the allotment to such Bidder.

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Designated Date and Allotment of Equity Shares

- (a) After the funds are transferred from the Escrow Account to the Issue Account on the Designated Date, we would ensure allotment of the Equity Shares to the allottees within two days of the finalization and adoption of the basis of allotment.
- (b) All allottees will receive credit for the Equity Shares directly in their depository account. Equity Shares will be issued only in the dematerialized form to the allottees. Allottees will have the option to re-materialize the Equity Shares so allotted, if they so desire, as per the provisions of the Companies Act and the Depositories Act.

Investors are advised to instruct their Depository Participant to accept the Equity Shares that may be allocated to them pursuant to this Issue.

We would ensure the allotment of Equity Shares within 15 days of Bid/Issue Closing Date and also ensure that credit is given to the allottees' depository accounts within two working days from the date of allotment.

GENERAL INSTRUCTIONS

Do's:

- (a) Check if you are eligible to apply;
- (b) Read all the instructions carefully and complete the Resident Bid cum Application Form (white in colour) or Non-Resident Bid cum Application Form (blue in colour) and Employee Reservation Portion Bid cum application form (pink in colour) as the case may be;
- (c) Ensure that the details about Depository Participant and beneficiary account are correct as allotment of Equity Shares will be in the dematerialized form only;
- (d) Investor must ensure that the name given in the Bid cum Application Form is exactly the same as the Name in which the Depository Account is held. In case the Bid cum Application Form is submitted in joint names, it should be ensured that the Depository Account is also held in the same joint names and are in the same sequence in which they appear in the Bid cum Application Form;
- (e) Ensure that the Bids are submitted at the bidding centers only on forms bearing the stamp of a member of the Syndicate;
- (f) Ensure that you have been given a TRS for all your Bid options;
- (g) Submit revised Bids to the same member of the Syndicate through whom the original Bid was placed and obtain a revised TRS;
- (h) Ensure that the Bid is within the Price Band;
- (i) Ensure that you mention your Permanent Account Number (PAN) allotted under the I.T. Act where the maximum Bid for Equity Shares by a Bidder is for a total value of Rs. 50,000 or more. The copy of the PAN card or the PAN allotment letter should be submitted with the application form; and
- (j) If you have mentioned "Applied For" or "Not Applicable" in the Bid cum Application Form in the section dealing with PAN number, ensure that you submit Form 60 or 61, as the case may be, together with permissible documents as address proof.
- (k) Ensure that Demographic details (as defined herein below) are updated true and correct in all respects.

Don'ts:

- (a) Do not Bid for lower than the minimum Bid size;
- (b) Do not Bid/ revise Bid Amount to less than the lower end of the Price Band or higher than the higher end of the Price Band;
- (c) Do not Bid on another Bid cum Application Form after you have submitted a Bid to the members of the Syndicate;
- (d) Do not pay the Bid Amount in cash;
- (e) Do not send Bid cum Application Forms by post; instead submit the same to a member of the Syndicate only;
- (f) Do not Bid at Cut Off Price (for QIB Bidders, Non-Institutional Bidders) ;
- (g) Do not Bid at Bid Amount exceeding Rs. 100,000 (for Retail Individual Bidders);
- (h) Do not fill up the Bid cum Application Form such that the Equity Shares bid for exceeds the Issue Size and/ or investment

limit or maximum number of Equity Shares that can be held under the applicable laws or regulations or maximum amount permissible under the applicable regulations;

- (i) Do not submit Bid accompanied with Stockinvest.
- (j) Do not submit GIR number instead of PAN as Bid is liable to be rejected on this ground.
- (k) Do not submit the Bid without the QIB Margin Amount, in case of a Bid by a QIB.

Instructions for Completing the Bid-cum-Application Form

Bidders can obtain Bid-cum-Application Forms and /or Revision Forms from the BRLM or Syndicate Member.

Bids and Revisions of Bids

Bids and revisions of Bids must be:

- (a) Made only in the prescribed Bid cum Application Form or Revision Form, as applicable (white colour for Resident Indians, blue colour for NRI, FII or foreign venture capital fund registered with SEBI applying on repatriation basis).
- (b) Completed in full, in BLOCK LETTERS in ENGLISH and in accordance with the instructions contained herein, in the Bid cum Application Form or in the Revision Form. Incomplete Bid cum Application Forms or Revision Forms are liable to be rejected.
- (c) For Retail Individual Bidders, the Bid must be for a minimum of 190 Equity Shares and in multiples of 190 thereafter subject to a maximum Bid Amount of Rs. 100,000.
- (d) For Bidders under the Employees Reservation Portion, the Bid must be for a minimum of 190 Equity Shares and in multiples of 190 thereafter subject to a maximum of 11,90,000 Equity Shares
- (e) For Non-Institutional Bidders and QIB Bidders, Bids must be for a minimum of such number of Equity Shares that the Bid Amount exceeds Rs.100,000 (in multiples of 190 Equity Shares). Bids cannot be made for more than the Issue size. Bidders are advised to ensure that a single Bid from them should not exceed the investment limits or maximum number of shares that can be held by them under the applicable laws or regulations.
- (f) In single name or in joint names (not more than three, and in the same order as their Depository Participant details).
- (g) Thumb impressions and signatures other than in the languages specified in the Eighth Schedule to the Constitution of India must be attested by a Magistrate or a Notary Public or a Special Executive Magistrate under official seal.

Bids by Permanent Employees of the Company in Employees Reservation Portion

- i. For the purpose of this reservation, Permanent Employee means permanent employees of our Company.
- ii. Bids under Employee Reservation Portion by Permanent Employees shall be made only in the prescribed Bid cum Application Form or Revision Form (i.e. Pink colour Form).
- iii. Permanent Employees, as defined above, should mention the following at the relevant place in the Bid cum Application Form:

Employee Number

- iv. The sole/ first bidder should be Permanent Employees as defined above.
- v. Only Permanent Employees, as defined above, would be eligible to apply in this Issue under this Reservation Portion.
- vi. Bids by Permanent Employees, as defined above, will have to bid like any other Bidder. Only those bids, which are received at or above the Issue Price, would be considered for allocation under this category.
- vii. Permanent Employees, as defined above, who apply or bid for securities of or for a value of not more than Rs. 100,000 in any of the bidding options can apply at Cut-Off. This facility is not available to other Permanent Employees whose minimum Bid amount exceeds Rs.100,000.
- viii. The maximum bid in this category can be for 11,90,000 Equity Shares.
- ix. If the aggregate demand in this category is less than or equal to 11,90,000 Equity Shares at or above the Issue Price, full allocation shall be made to the Permanent Employees, as defined above, to the extent of their demand.
- x. Under subscription in this category would be added back to the Net Offer.

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- xi. If the aggregate demand in this category is greater than 11,90,000 equity shares at or above the Issue Price, the allocation shall be made on a proportionate basis. For the method of proportionate basis of allocation, refer to para "Basis of Allotment" on page no.166 of this Red Herring Prospectus.

Bidder's Bank Account Details

Bidders should note that on the basis of name of the Bidders, Depository Participant's name, Depository Participant- Identification number and Beneficiary Account Number provided by them in the Bid cum Application Form, the Registrar to the Issue will obtain from the Depository the Bidders bank account details. These bank account details would be printed on the refund order, if any, to be sent to Bidders. Hence, Bidders are advised to immediately update their bank account details as appearing on the records of the depository participant. Please note that failure to do so could result in delays in credit of refunds to Bidders at the Bidders sole risk.

Bidder's Depository Account Details

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

Bidders should note that on the basis of name of the Bidders, Depository Participant's name, Depository Participant- Identification number and Beneficiary Account Number provided by them in the Bid cum Application Form, the Registrar to the Issue will obtain from the Depository demographic details of the Bidders such as address, bank account details for making refunds and occupation ("Demographic Details"). Hence, Bidders are advised to immediately update their bank account details including Magnetic Ink Character Recognition (MICR) Code (a nine digit code appearing on a cheque leaf) as appearing on the records of the depository participant, and carefully fill in their Depository Account details in the Bid cum Application Form. Please note that failure to do so could result in delays in credit of refunds to Bidders at the Bidders sole risk and neither the BRLM nor the Company nor the Refund Banker nor the Registrar shall have any responsibility and undertake any liability for the same.

These Demographic Details would be used for all correspondence with the Bidders including mailing of the CANs/ Allocation Advice and making refunds as per the modes disclosed and the Demographic Details given by Bidders in the Bid cum Application Form would not be used for these purposes by the Registrar. Hence, Bidders are advised to update their Demographic Details as provided to their Depository Participants and ensure that they are true and correct. By signing the Bid cum Application Form, Bidder would have deemed to authorize the depositories to provide, upon request, to the Registrar to the Issue, the required Demographic Details as available on its records.

Allocation Advice/CANs/ refund orders/ refund advice would be mailed at the address of the Bidders as per the Demographic details received from the Depositories. Bidders may note that delivery of allocation advice/CANs/ refund orders/ refund advice may get delayed if the same once sent to the address obtained from the Depositories are returned undelivered. In the case of refunds through electronic modes as detailed in page no.169 of this Red Herring Prospectus, Bidders may note that refund may get delayed if the bank particulars obtained from the Depositories are incorrect.

In case no corresponding record is available with the Depositories that matches three parameters, namely, names of the Bidders (including the order of names of joint holders), the Depository Participant's identity (DP ID) and the beneficiary's identity, then such Bids are liable to be rejected.

BIDS BY NON RESIDENTS, NRIS, FIIS AND FOREIGN VENTURE CAPITAL FUNDS REGISTERED WITH SEBI ON A REPATRIATION BASIS

Bids and revision to Bids must be made:

- (a) On the Bid cum Application Form or the Revision Form, as applicable (blue in colour), and completed in full in BLOCK LETTERS in ENGLISH in accordance with the instructions contained therein.
- (b) In a single name or joint names (not more than three).
- (c) NRIs for a Bid Amount of up to Rs. 100,000 would be considered under the Retail Portion for the purposes of allocation and Bids for a Bid Amount of more than Rs. 100,000 would be considered under Non-Institutional Portion for the purposes of allocation; by FIIs for a minimum of such number of Equity Shares and in multiples of 190 Equity Shares that the Bid Amount exceeds Rs.100,000. For further details, please refer to the sub-section titled 'Maximum and Minimum Bid Size'

beginning on page no.152 of this Red Herring Prospectus. In the names of individuals, or in the names of FII's but not in the names of minors, OCBs, firms or partnerships, foreign nationals (excluding NRIs) or their nominees.

- (d) Refunds, dividends and other distributions, if any, will be payable in Indian Rupees only and net of bank charges and / or commission. In case of Bidders who remit money through Indian Rupee drafts purchased abroad, such payments in Indian Rupees will be converted into US Dollars or any other freely convertible currency as may be permitted by the RBI at the rate of exchange prevailing at the time of remittance and will be despatched by registered post or if the Bidders so desire, will be credited to their NRE accounts, details of which should be furnished in the space provided for this purpose in the Bid cum Application Form. Our Company will not be responsible for loss, if any, incurred by the Bidder on account of conversion of foreign currency.
- (e) Our Company does not require approvals from FIPB for the transfer of Equity Shares in this Issue to eligible NRIs, FII's, foreign venture capital investors registered with SEBI and multilateral and bilateral development financial institutions. As per the RBI regulations, OCBs are not permitted to participate in the Issue.
- (f) There is no reservation for Non Residents, NRIs, FII's and foreign venture capital funds and all Non Residents, NRI, FII and foreign venture capital funds applicants will be treated on the same basis with other categories for the purpose of allocation.

Equity Shares have not been registered under the US Securities Act and are not being sold in the US. The Equity Shares have not been and will not be registered under the U.S. Securities Act of 1933, as amended (the "US Securities Act"), or any state securities laws in the United States and may not be offered or sold within the United States, (as defined in Regulation S under the US Securities Act) except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act. Accordingly, the Equity Shares will be offered and sold only outside the United States in offshore transactions in compliance with Regulation S and the applicable laws of the jurisdiction where those offers and sales occur.

Bids under Power of Attorney

In case of Bids made pursuant to a Power of Attorney or by limited companies, corporate bodies, registered societies, a certified copy of the Power of Attorney or the relevant resolution or authority, as the case may be, along with a certified copy of the Memorandum and Articles of Association and/or Bye Laws must be lodged along with the Bid-cum-Application Form. Failing this, the Company reserves the right to accept or reject any Bid in whole or in part, in either case, without assigning any reason therefore.

In case of Bids made pursuant to a power of attorney by FII's, a certified copy of the power of attorney or the relevant resolution or authority, as the case may be, along with a certified copy of their SEBI registration certificate must be lodged along with the Bid cum Application Form. Failing this, our Company reserves the right to accept or reject any Bid in whole or in part, in either case, without assigning any reason therefore.

In case of Bids made by Insurance Companies registered with the Insurance Regulatory and Development Authority, a certified copy of certificate of registration issued by Insurance Regulatory and Development Authority must be lodged along with the Bid-cum-Application Form. Failing this, our Company reserves the right to accept or reject any Bid in whole or in part, in either case, without assigning any reason therefore.

In case of Bids made by provident funds with minimum corpus of Rs.2500 lacs and pension funds with minimum corpus of Rs.2500 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 Bid-cum-Application Form. Failing this, our Company reserves the right to accept or reject any Bid in whole or in part, in either case, without assigning any reason therefore.

We, in our absolute discretion, reserve the right to relax the above condition of simultaneous lodging of the Power of Attorney along with the Bid-cum-Application form, subject to such terms that we may deem fit.

Payment Instructions

We and the BRLM shall open an Escrow Account with the Escrow Collection Bank(s) for the collection of the Bid Amounts payable upon submission of the Bid-cum-Application Form and for amounts payable pursuant to allocation in the Issue. Each Bidder shall draw a cheque or demand draft for the amount payable on the Bid and/or on allocation as per the following terms:

Payment into Escrow Account

- (a) The Bidders for whom the applicable margin is equal to 100% shall, with the submission of the Bid cum-Application Form draw a payment instrument for the Bid Amount in favor of the Escrow Account and submit the same to the members of the Syndicate.

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- (b) In case the above Margin Amount paid by the Bidders during the Bidding Period is less than the Issue Price multiplied by the Equity Shares allocated to the Bidder, the balance amount shall be paid by the Bidders into the Escrow Account within the period specified in the CAN which shall be subject to a minimum period of two days from the date of communication of the allocation list to the Syndicate Member by the BRLM.
- (c) The payment instruments for payment into the Escrow Account should be drawn in favor of:
 - (i) In case of QIBs: "Escrow Account- AMPL Public Issue – QIB-R"
 - (ii) In case of non resident QIB Bidders: "Escrow Account - AMPL Public Issue – QIB-NR"
 - (iii) In case of Resident Retails and Non Institutional Bidders: "Escrow Account – AMPL Public Issue"
 - (iv) In case of Non Resident Retail and Non Institutional Bidders: "Escrow Account – AMPL Public Issue – NR"
 - (v) In case of Permanent Employees of the Company "Escrow Account-AMPL Public Issue - Employees"
- (d) In case of Bids by NRIs applying on repatriation basis, the payments must be made through Indian Rupee Drafts purchased abroad or cheques or bank drafts, for the amount payable on application remitted through normal banking channels or out of funds held in Non-Resident External (NRE) Accounts or Foreign Currency Non-Resident (FCNR) Accounts, maintained with banks authorized to deal in foreign exchange in India, along with documentary evidence in support of the remittance. Payment will not be accepted out of a Non-Resident Ordinary (NRO) Account of a Non-Resident bidder bidding on a repatriation basis. Payment by drafts should be accompanied by a bank certificate confirming that the draft has been issued by debiting an NRE or FCNR Account.
- (e) In case of Bids by FIIs, the payment should be made out of funds held in a Special Rupee Account along with documentary evidence in support of the remittance. Payment by drafts should be accompanied by a bank certificate confirming that the draft has been issued by debiting the Special Rupee Account.
- (f) Where a Bidder has been allocated a lesser number of Equity Shares than the Bidder has Bid for, the excess amount, if any, paid on bidding, after adjustment towards the balance amount payable on the Equity Shares allocated, will be refunded to the Bidder from the Escrow Account.
- (g) The monies deposited in the Escrow Account will be held for the benefit of the Bidders until Designated Date.
- (h) 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 Issue Account with the Bankers to the Issue.
- (i) On the Designated Date and no later than 15 days from the Bid/Issue Closing Date, the Escrow Collection Bank shall also refund all amounts payable to unsuccessful bidders and also the excess amount paid on Bidding, if any, after adjusting for allocation to the Bidders. Payments should be made by cheque, or demand draft drawn on any bank (including a Co-operative bank), which is situated at, and is a member of or sub-member of the bankers' clearing house located at the center where the Bid cum Application Form is submitted. Outstation cheques/bank drafts drawn on banks not participating in the clearing process will not be accepted and applications accompanied by such cheques or bank drafts are liable to be rejected. Cash/ stock invest/money orders/ postal orders will not be accepted.

Payment by Stock invest

In terms of Reserve Bank of India Circular No. DBOD No. FSC BC 42/24.47.001/2003-04 dated November 5, 2003, the option to use the stock invest instrument in lieu of cheques or bank drafts for payment of bid money has been withdrawn.

Submission of Bid-cum-Application Form

All Bid-cum-Application Forms or Revision Forms duly completed and accompanied by account payee cheques or drafts shall be submitted to the Syndicate Member at the time of submission of the Bid. Member of the Syndicate may at its sole discretion waive the requirement of payment at the time of submission of the Bid-cum-Application Form and Revision Form.

No separate receipts shall be issued for the money payable on the submission of Bid-cum-Application Form or Revision Form. However, the collection center of the Syndicate Member will acknowledge the receipt of the Bid-cum-Application Forms or Revision Forms by stamping and returning to the Bidder the acknowledgement slip. This acknowledgement slip will serve as the duplicate of the Bid-cum-Application Form for the records of the Bidder.

OTHER INSTRUCTIONS**Joint Bids in the case of Individuals**

Bids may be made in single or joint names (not more than three). In the case of joint Bids, all payments will be made out in favor of the Bidder whose name appears first in the Bid-cum-Application Form or Revision Form ("First Bidder"). All communications will be addressed to the First Bidder and will be dispatched to his or her address.

Multiple Bids

A Bidder should submit only one Bid (and not more than one) for the total number of Equity Shares required. Two or more Bids will be deemed to be multiple Bids if the sole or First Bidder is one and the same. In case of a mutual fund, a separate Bid can be made in respect of each scheme of the mutual fund registered with SEBI and such Bids in respect of more than one scheme of the mutual fund will not be treated as multiple bids provided that the Bids clearly indicate the scheme concerned for which the Bid has been made. We reserve the right to reject, in our absolute discretion to accept or reject, all or any multiple Bids in any or all categories. Bidders in the Employees Reservation category can also bid in the "Net Offer to the Public" and such Bids shall not be treated as multiple Bids.

Permanent Account Number (PAN)

Where Bid(s) is/are for Rs. 50,000 or more, the Bidder or in the case of an Bid in joint names, each of the Bidders, should mention his/her Permanent Account Number (PAN) allotted under the I.T. Act. The copy of the PAN card or PAN allotment letter is required to be submitted with the Bid Cum Application form. Applications without this information and documents will be considered incomplete and are liable to be rejected. **It is to be specifically noted that Bidders should not submit the GIR number instead of the PAN as the Bid is liable to be rejected on this ground.** In case the Sole/First Bidder and Joint Bidder(s) is/are not required to obtain PAN, each of the Bidder(s) shall mention "Not Applicable" and in the event that the sole Bidder and/or the joint Bidder(s) have applied for PAN which has not yet been allotted each of the Bidder(s) should mention "Applied for" in the Bid cum Application Form. Further, where the Bidder(s) has mentioned "Applied for" or "Not Applicable", the Sole/First Bidder and each of the Joint Bidder(s), as the case may be, would be required to submit Form 60 (Form of declaration to be filed by a person who does not have a permanent account number and who enters into any transaction specified in rule 114B), or, Form 61 (form of declaration to be filed by a person who has agricultural income and is not in receipt of any other income chargeable to income-tax in respect of transactions specified in rule 114B), as may be applicable, duly filled along with a copy of any one of the following documents in support of the address: (a) Ration Card (b) Passport (c) Driving License (d) Identity Card issued by any institution (e) Copy of the electricity bill or telephone bill showing residential address (f) Any document or communication issued by any authority of the Central Government, State Government or local bodies showing residential address (g) Any other documentary evidence in support of address given in the declaration. It may be noted that Form 60 and Form 61 have been amended vide a notification issued on December 1, 2004 by the Ministry of Finance, Department of Revenue, Central Board of Direct Taxes. All Bidders are requested to furnish, where applicable, the revised Form 60 or 61 as the case may be.

Unique Identification Number - MAPIN

With effect from July 1, 2005, SEBI has decided to suspend all fresh registrations for obtaining Unique Identification Number (UIN) and the requirement to contain/quote UIN under the MAPIN Regulations/ Circulars vide its circular MAPIN/Cir- 13/2005.

Our Right to Reject Bids

We and the BRLM reserve the right to reject any QIB Bid provided the rejection is at the time of receipt of Bid and the reason for rejection of the Bid is communicated to the Bidder at the time of rejection of Bid. In case of Non-Institutional Bidders and Retail Individual Bidders, we and the BRLM have a right to reject bids based on technical grounds. Consequent refunds shall be made as per the modes disclosed.

Grounds for Technical Rejections

Bidders are advised to note that Bids are liable to be rejected among others on the following technical grounds:

1. Amount paid does not tally with the amount payable for the highest value of Equity Shares bid for;
2. Age of First Bidder not given;
3. In case of partnership firms Equity Shares may be registered in the names of the individual partners and no firm as such shall be entitled to apply;
4. Bid by persons not competent to contract under the Indian Contract Act, 1872 including minors, insane persons;

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5. PAN photocopy/PAN communication/ Form 60 or Form 61 declaration along with documentary evidence in support of address given in the declaration, not given if Bid is for Rs. 50,000 or more;
6. Bank account details for refund are not given;
7. Bids for lower number of Equity Shares than specified for that category of investors;
8. Bids at a price less than lower end of the Price Band;
9. Bids at a price more than the higher end of the Price Band;
10. Bids at Cut Off Price by Non-Institutional and QIB Bidders;
11. Bids for number of Equity Shares which are not in multiples of 190;
12. Category not ticked;
13. Multiple Bids as defined in this Red Herring Prospectus;
14. In case of Bid under power of attorney or by limited companies, corporate, trust etc., relevant documents are not submitted;
15. Bids accompanied by Stockinvest/money order/postal order/cash;
16. Signature of sole and / or joint Bidders missing;
17. Bid cum Application Forms does not have the stamp of the BRLM, or Syndicate Members;
18. Bid cum Application Forms does not have Bidder's depository account details;
19. Bid cum Application Forms are not delivered by the Bidders within the time prescribed as per the Bid cum Application Forms, Bid/Issue Opening Date advertisement and this Red Herring Prospectus and as per the instructions in this Red Herring Prospectus and the Bid cum Application Forms;
20. In case no corresponding record is available with the Depositories that matches three parameters namely, names of the Bidders (including the order of names of joint holders), the Depository Participant's identity (DP ID) and the beneficiary's identity;
21. Bids for amounts greater than the maximum permissible amounts prescribed by the regulations;
22. Bids not duly signed by the sole/joint Bidders;
23. Bids by employees of the company not eligible to apply in the Employees Reservation Portion,
24. Bids by OCBs ;
25. Bids by U.S. residents or U.S. persons other than "qualified institutional buyers" as defined in Rule 144A of the U.S. Securities Act of 1933,
26. If GIR number is mentioned instead of PAN Number.

Equity Shares in Dematerialized Form with NSDL or CDSL

As per the provisions of Section 68B of the Companies Act, the Equity Shares in this Issue shall be allotted only in a dematerialized 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 us, the respective Depositories and the Registrar to the Issue:

- a) A tripartite agreement dated 19/04/2007 with NSDL, us and Registrar to the Issue;
- b) A tripartite agreement dated 17/01/2007 with CDSL, us and Registrar to the Issue.

All bidders can seek allotment only in dematerialized mode. Bids from any investor without relevant details of his or her depository account are liable to be rejected.

- a. A Bidder applying for Equity Shares must have at least one beneficiary account with either of the Depository Participants of either NSDL or CDSL prior to making the Bid.
- b. The Bidder must necessarily fill in the details (including the Beneficiary Account Number and Depository Participant's Identification number) appearing in the Bid-cum-Application Form or Revision Form.

- c. Equity Shares allotted to a successful Bidder will be credited in electronic form directly to the beneficiary account (with the Depository Participant) of the Bidder
- d. Names in the Bid-cum-Application Form or Revision Form should be identical to those appearing in the account details in the Depository. In case of joint holders, the names should necessarily be in the same sequence as they appear in the account details in the Depository.
- e. Non-transferable allotment advice will be directly sent to the Bidder by the Registrar to this Issue. Refunds will be made directly by the Registrar to the Issue as per the modes disclosed.
- f. If incomplete or incorrect details are given under the heading 'Request for Equity Shares in electronic form' in the Bid-cum-Application Form or Revision Form, it is liable to be rejected.
- g. The Bidder is responsible for the correctness of his or her demographic details given in the Bid-cum-Application Form vis -à-vis those with his or her Depository Participant.
- h. It may be noted that Equity Shares in electronic form can be traded only on the stock exchanges having electronic connectivity with NSDL and CDSL. All the Stock Exchanges where our Equity Shares are proposed to be listed have electronic connectivity with CDSL and NSDL.
- i. The trading of the Equity Shares of the Company would be in dematerialized form only for all investors.

Communications

All future communications in connection with Bids made in this Issue should be addressed to the Registrar to the Issue quoting the full name of the sole or First Bidder, Bid-cum-Application Form number, number of Equity Shares applied for, date, bank and branch where the Bid was submitted and cheque, number and issuing bank thereof.

Pre-Issue and Post Issue Related Problems

We have appointed Mr. Chandra Kumar Jain as the Compliance Officer and he may be contacted in case of any pre- Issue or post-Issue related problems. He can be contacted at the following address:

Mr. Chandra Kumar Jain,
Ankit Metal & Power Limited,
35, Chittaranjan Avenue,
Kolkata – 700 012
Phone No. : +91-33-22119805/06/8807,
Fax: +91-33-22110522,
Email: ipo@ankitmetal.com,

DISPOSAL OF APPLICATIONS AND APPLICATIONS MONEY

Our Company shall ensure despatch of allotment advice, refund orders and give benefit to the beneficiary account with Depository Participants and submit the documents pertaining to the allotment to the Stock Exchanges within 2 (two) working days of date of finalisation of allotment of Equity Shares. Our Company shall despatch refund orders, if any, of value up to Rs. 1,500, "Under Certificate of Posting", and shall despatch refund orders above Rs. 1,500, if any, by registered post or speed post at the sole or First Bidder's sole risk.

Our Company shall use best efforts to ensure that all steps for completion of the necessary formalities for listing and commencement of trading at the Stock Exchanges where the Equity Shares are proposed to be listed are taken within 7 (seven) working days of finalisation of the basis of allotment.

In accordance with the Companies Act, the requirements of the Stock Exchanges and SEBI DIP Guidelines, our Company further undertakes that:

- Allotment shall be made only in dematerialised form within 15 (fifteen) days of the Bid/Issue Closing Date;
- Despatch refund orders within 15 (fifteen) days of the Bid/Issue Closing Date would be ensured; and
- Our Company shall pay interest at 15% (fifteen) per annum (for any delay beyond the 15 (fifteen)-day time period as mentioned above), if allotment is not made and refund orders are not despatched and/or demat credits are not made to investors within the 15 (fifteen)-day time prescribed above as per the Guidelines issued by the Government of India, Ministry of Finance pursuant to their letter No. F/8/S/79 dated July 31, 1983, as amended by their letter No. F/14/SE/85 dated September 27, 1985, addressed to the Stock Exchanges, and as further modified by SEBI's Clarification XXI dated October 27, 1997, with respect to the SEBI DIP Guidelines.

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- Refunds will be made by cheques, pay orders or demand drafts drawn on the Escrow Collection Banks and payable at par at places where Bids are received. Bank charges, if any, for cashing such cheques, pay orders or demand drafts at other centers will be payable by the Bidders.

Impersonation

Attention of the applicants is specifically drawn to the provisions of sub-section (1) of Section 68 A of the Companies Act, which is reproduced below:

“Any person who:

- (a) **makes in a fictitious name, an application to a company for acquiring or subscribing for, any 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 or Allocation

For Retail Individual Bidders

- Bids received from the Retail Individual Bidders at or above the Issue Price shall be grouped together to determine the total demand under this category. The allotment to all the successful Retail Individual Bidders will be made at the Issue Price.
- The Issue Size less allotment to Non-Institutional and QIB Bidders shall be available for allotment to Retail Individual Bidders who have bid in the Issue at a price that is equal to or greater than the Issue Price.
- If the aggregate demand in this category is less than or equal to 29,40,000 Equity Shares at or above the Issue Price, full allotment shall be made to the Retail Individual Bidders to the extent of their demand.
- If the aggregate demand in this category is greater than 29,40,000 Equity Shares at or above the Issue Price, the allotment shall be made on a proportionate basis up to 29,40,000 Equity Shares. For the method of proportionate basis of allotment, refer below.

For Non-Institutional Bidders

- Bids received from Non-Institutional Bidders at or above the Issue Price shall be grouped together to determine the total demand under this category. The allotment to all successful Non-Institutional Bidders will be made at the Issue Price.
- The Issue Size less allotment to QIBs and Retail Portion shall be available for allotment to Non- Institutional Bidders who have bid in the Issue at a price that is equal to or greater than the Issue Price.
- If the aggregate demand in this category is less than or equal to 12,60,000 Equity Shares at or above the Issue Price, full allotment shall be made to Non-Institutional Bidders to the extent of their demand.
- In case the aggregate demand in this category is greater than 12,60,000 Equity Shares at or above the Issue Price, allotment shall be made on a proportionate basis up to a 12,60,000 Equity Shares. For the method of proportionate basis of allotment refer below.

For QIBs

- Bids received from the QIB Bidders at or above the Issue Price shall be grouped together to determine the total demand under this portion. The allotment to all the QIB Bidders will be made at the Issue Price.
- The QIB Portion shall be available for allotment to QIB Bidders who have bid in the Issue at a price that is equal to or greater than the Issue Price.
- Minimum 10% of the net offer to the public i.e. 8,40,000 Equity Shares to be compulsorily subscribed by and allotted to QIBs & in case of under subscription in this minimum Qualified Institutional Buyers portion the same shall not be available to other categories and full subscription monies shall be refunded.
- Allotment shall be undertaken in the following manner:
 - (a) In the first instance allocation to Mutual Funds for up to 5% of the QIB Portion shall be determined as follows:
 - (i) In the event that Mutual Fund Bids exceeds 5% of the QIB Portion, allocation to Mutual Funds shall be done on a proportionate basis for up to 5% of the QIB Portion.

- (ii) In the event that the aggregate demand from Mutual Funds is less than 5% of the QIB Portion then all Mutual Funds shall get full allotment to the extent of valid bids received above the Issue Price.
 - (iii) Equity Shares remaining unsubscribed, if any, not allocated to Mutual Funds shall be available for allotment to all QIB Bidders as set out in (b) below;
- (b) In the second instance allotment to all QIBs shall be determined as follows:
- (i) In the event that the oversubscription in the QIB Portion, all QIB Bidders who have submitted Bids above the Issue Price shall be allotted Equity Shares on a proportionate basis for up to 95% of the QIB Portion.
 - (ii) Mutual Funds, who have received allocation as per (a) above, for less than the number of Equity Shares Bid for by them, are eligible to receive Equity Shares on a proportionate basis along with other QIB Bidders.
 - (iii) Under-subscription below 5% of the QIB Portion, if any, from Mutual Funds, would be included for allocation to the remaining QIB Bidders on a proportionate basis.
- The aggregate allotment to QIB Bidders shall not be more than 42,00,000 Equity Shares.

Except for any shares allocated to QIB Bidders due to under subscription in the Retail Portion and/or Non Institutional Portion, the aggregate allocation to QIB Bidders shall be made on a proportionate basis up to a maximum of 42,00,000 Equity Shares. For the method of proportionate basis of allocation refer below.

Undersubscription, if any in any category would be allowed to be met with spill over from any other category at the sole discretion of our Company and the BRLM.

For Employees

- Bids received from the Employees at or above the Issue Price shall be grouped together to determine the total demand under this category. The Allotment to all the successful Employees will be made at the Issue Price.
- If the aggregate demand in this category is less than or equal to 11,90,000 Equity Shares at or above the Issue Price, full allotment shall be made to the Employees to the extent of their demand.
- In case the aggregate demand in this category is greater than 11,90,000 Equity Shares at or above the Issue Price, allocation shall be made on a proportionate basis up to a minimum of 190 Equity Shares and in multiples of 190 Equity Shares thereafter. For the method of proportionate basis of allocation refer below.
- Only Employees may apply under the Employee Reservation Portion.

Procedure and Time of Schedule for Allotment and Issue of Certificates

The Issue will be conducted through a “100% book building process” pursuant to which the Underwriters will accept bids for the Equity Shares during the Bidding Period. The Bidding Period will commence on 18th June 2007 and expire on 22nd June, 2007. Following the expiration of the Bidding Period, our Company, in consultation with the BRLM, will determine the issue price, and, in consultation with the BRLM, the basis of allocation and entitlement to allotment based on the bids received and subject to the confirmation by the BSE/NSE. Successful bidders will be provided with a confirmation of their allocation and will be required to pay any unpaid amount for the Equity Shares within a prescribed time. The Prospectus will be filed with SEBI on [●] and the Registrar of Companies on [●] and will be made available to investors. SEBI Guidelines require our Company to complete the allotment to successful bidders within 15 days of the expiration of the Bidding Period. The Equity Shares will then be credited and allotted to the investors’ demat accounts maintained with the relevant depository participant. Upon approval by the Stock Exchanges, the Equity Shares will be listed and trading will commence. This typically takes three trading days from the date of crediting the investor’s demat account, subject to final approval by the Stock Exchanges

Method of proportionate basis of allotment in the QIB, Retail and Non-Institutional portions

In the event of the Issue being over-subscribed, we shall finalise the basis of allotment in consultation with the Designated Stock Exchange. The Executive Director (or any other senior official nominated by them) of the Designated Stock Exchange along with the BRLM and the Registrar to the Issue shall be responsible for ensuring that the basis of allotment is finalised in a fair and proper manner.

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

- (a) Bidders will be categorised according to the number of Equity Shares applied for.

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- (b) The total number of Equity Shares to be allotted to each category as a whole shall be arrived at on a proportionate basis, which is the total number of Equity Shares applied for in that category (number of Bidders in the category multiplied by the number of Equity Shares applied for) multiplied by the inverse of the over-subscription ratio.
- (c) Number of Equity Shares to be allotted to the successful Bidders will be arrived at on a proportionate basis, which is total number of Equity Shares applied for by each Bidder in that category multiplied by the inverse of the over-subscription ratio.
- (d) In all Bids where the proportionate allotment is less than 190 Equity Shares per Bidder, the allotment shall be made as follows:
- a. Each successful Bidder shall be allotted a minimum of 190 Equity Shares; and
 - b. The successful Bidders out of the total Bidders for a category shall be determined by draw of lots in a manner such that the total number of Equity Shares allotted in that category is equal to the number of Equity Shares calculated in accordance with (b) above.
- (e) If the proportionate allotment to a Bidder is a number that is more than 190 but is not a multiple of one (which is the marketable lot), the number in excess of the multiple of one would be rounded off to the higher multiple of one if that number is 0.5 or higher. If that number is lower than 0.5, it would be rounded off to the lower multiple of one. All Bidders in such categories would be allotted Equity Shares arrived at after such rounding off.
- (f) If the Equity Shares allocated on a proportionate basis to any category are more than the Equity Shares allotted to the Bidders in that category, the remaining Equity Shares available for allotment shall be first adjusted against any other category, where the allotted shares are not sufficient for proportionate allotment to the successful Bidders in that category. The balance Equity Shares, if any, remaining after such adjustment will be added to the category comprising Bidders applying for minimum number of Equity Shares.

Letters of allotment or refund orders

The Company shall give credit to the beneficiary account with Depository Participants within two working days from the date of the allotment of Equity Shares. Applicants having bank accounts at any of the 15 centers where clearing houses are managed by the Reserve Bank of India (RBI) will get refunds through Electronic Credit Service (ECS) only, except where applicant is otherwise disclosed as eligible to get refunds through direct credit or Real Time Gross Settlement (RTGS). In case of other applicants, the Company shall ensure despatch of refund orders, if any, of value up to Rs.1,500 by "Under Certificate of Posting", and shall dispatch refund orders of Rs. 1,500 and above, if any, by registered post or speed post. Applicants to whom refunds are made through Electronic transfer of funds will be sent a letter (refund advice) through "Under Certificate of Posting" intimating them about the mode of credit of refund within 15 days of closure of Issue.

The Company shall ensure despatch of refund orders/refund advice, if any, by "Under Certificate of Posting" or registered post or speed post or Electronic Clearing Service or Direct Credit or RTGS, as applicable, only at the sole or First Bidder's sole risk within 15 days of the Bid Closing Date/Issue Closing Date, and adequate funds for making refunds to unsuccessful applicants as per the mode(s) disclosed shall be made available to the Registrar by the Issuer.

In accordance with the requirements of the Stock Exchanges and SEBI Guidelines, the Company undertakes that:

- Allotment shall be made only in dematerialised form within 15 days from the Issue Closing Date;
- Despatch of refund orders/ refund advice shall be done within 15 days from the Issue Closing Date; and
- The Company 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/ credit intimation are not despatched and in case where a refund is made through electronic mode, the refund instructions have not been given to the clearing system, and demat credit within the 15-day time prescribed above, provided that the beneficiary particulars relating to such Bidders as given by the Bidders is valid at the time of the upload of the electronic transfer.

The Company will provide adequate funds required for the cost of dispatch of refund orders/ refund advice/ allotment advice to the Registrar to the Issue.

Save and except refunds effected through the electronic mode i.e. ECS, direct credit or RTGS, refunds will be made by cheques, pay orders or demand drafts drawn on the Refund Bank and payable at par at places where Bids are received. The bank charges, if any, for encashing such cheques, pay orders or demand drafts at other centers will be payable by the Bidders.

Payment of Refund

Bidders should note that on the basis of name of the Bidders, Depository Participant's name, Depository Participant- Identification (DP ID) number and Beneficiary Account Number provided by them in the Bid cum Application Form, the Registrar to the Issue will obtain from the Depository, the Bidders bank account details including the nine digit Magnetic Ink Character Recognition (MICR) code as appearing on a cheque leaf. Hence, Bidders are advised to immediately update their bank account details as appearing on the records of the depository participant. Please note that failure to do so could result in delays in credit of refunds to Bidders at the Bidders sole risk and neither the BRLM nor the Company nor the Refund Banker nor the Registrar shall have any responsibility and undertake any liability for the same.

Mode of Making Refunds

The payment of refund, if any, would be done through various modes in the following order of preference

- I. ECS - Payment of refund would be done through ECS for applicants having an account at any of the 15 centers where clearing houses for ECS are managed by Reserve Bank of India, namely Ahmedabad, Bangalore, Bhubneshwar, Chandigarh, Chennai, Guwahati, Hyderabad, Jaipur, Kanpur, Kolkata, Mumbai, Nagpur, New Delhi, Patna and Thiruvananthapuram. This mode of payment of refunds would be subject to availability of complete bank account details including the nine digit Magnetic Ink Character Recognition (MICR) code as appearing on a cheque leaf, from the depository. The payment of refund through ECS is mandatory for applicants having a bank account at any of the 15 centers named hereinabove, except where applicant is otherwise disclosed as eligible to get refunds through direct credit or RTGS
- II. Direct Credit – Applicants having their bank account with the Refund Banker shall be eligible to receive refunds, if any, through direct credit. The refund amount, if any, would be credited directly to the eligible applicant's bank account with the Refund Banker.
- III. RTGS – Applicants having a bank account at any of the 15 centers detailed above, and whose bid amount exceeds Rs., 1 million, shall be eligible to exercise the option to receive refunds, if any, through RTGS. All applicants eligible to exercise this option shall mandatorily provide the IFSC code in the Bid cum Application form. In the event of failure to provide the IFSC code in the Bid cum Application form, the refund shall be made through the ECS or direct credit, if eligibility disclosed.

Please note that only applicants having a bank account at any of the 15 centers where clearing houses for ECS are managed by the RBI are eligible to receive refunds through the modes detailed in I, II and III hereinabove. For all the other applicants, including applicants who have not updated their bank particulars alongwith the nine digit MICR Code, the refund orders would be despatched "Under Certificate of Posting" for refund orders of value up to Rs.1,500 and through Speed Post/Registered Post for refund orders of Rs. 1,500 and above.

Interest in case of delay in dispatch of Allotment Letters/ Making Refunds

We agree that allotment of securities offered to the public shall be made not later than 15 days from the Bid/Issue Closing Date. We further agree that we shall pay interest at 15% per annum if the allotment letters/refunds orders have not been dispatched to the applicants within 15 days of the Bid/ Issue Closing Date or if in a case where refund or portion thereof is made in an electronic manner, the refund instructions have not been given to the clearing system in a disclosed manner within 15 days from the Bid/ Issue Closing Date, provided that the beneficiary particulars relating to such Bidders as given by the Bidders is valid at the time of the upload of the electronic transfer.

In case of revision in the Price Band, the Bidding/Issue Period will be extended for three additional days after revision of Price Band. Any revision in the Price Band and the revised Bid/Issue Period, if applicable, will be widely disseminated by notification to the NSE and BSE, by issuing a press release, and also by indicating the change on the web site of the BRLM and at the terminals of the Syndicate.

Undertaking by the Company

We undertake as follows:

- that the complaints received in respect of this Issue shall be attended to expeditiously and satisfactorily;
- that all steps will be taken for the completion of the necessary formalities for listing and commencement of trading at all the stock exchanges where the Equity Shares are proposed to be listed within seven working days of finalization of the basis of allotment;
- that the funds required for making refunds to unsuccessful applicants as per the modes disclosed shall be made available to the Registrar to the Issue by us;

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- that the promoters' contribution in full, wherever required, shall be brought in advance before the Issue opens for public subscription and the balance, if any, shall be brought in pro rata basis before the calls are made on public.
- that where refunds are effected through electronic transfer of funds, a suitable communication shall be sent to the applicant within 15 days of closure of the Issue giving details of the bank where refunds shall be credited along with the amount and expected date of electronic credit of the refund.
- that no further issue of securities shall be made till the securities offered through this Red Herring Prospectus are listed or till the application moneys are refunded on account of non-listing, undersubscription, etc.
- refunds shall be made as per the modes disclosed and allotment advice shall be dispatched to NRIs or FIIs or foreign venture capital investors registered with SEBI within the specified time.

Utilization of Issue proceeds

The Board of Directors of our Company certifies that:

- (a) 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;
- (b) details of all monies utilized out of this Issue referred above shall be disclosed under an appropriate separate head in the balance sheet of the Company indicating the purpose for which such monies have been utilized; and
- (c) Details of all unutilized monies out of this Issue, if any, shall be disclosed under an appropriate separate head in the balance sheet of our Company indicating the form in which such unutilized monies have been invested.

We shall not have recourse to the Issue Proceeds until the approval for listing and trading of the Equity Shares from all the Stock Exchanges where listing is sought has been received.

The Board of Directors of our Company further certifies that:

- (a) the utilisation of monies received under promoters' contribution and reservations shall be disclosed under an appropriate head in the balance sheet of the issuer company, indicating the purpose for which such monies have been utilised.
- (b) the details of all unutilised monies out of the funds received under promoters' contribution and reservations shall be disclosed under a separate head in the balance sheet of the issuer company, 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 of the Government of India notified through press notes and press releases issued from time to time and the FEMA and circulars and notifications issued thereunder. While the policy of the Government prescribes the limits and the conditions subject to which foreign investment can be made in different sectors of the Indian economy, FEMA regulates the precise manner in which such investment may be made. Under the Industrial Policy of the Government, 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 and reporting requirements for making such investment. **As per current foreign investment policies, foreign direct investment in the steel sector is allowed upto 100% under the automatic route.**

By way of Circular No. 53 dated December 17, 2003, the RBI has permitted FIIs to subscribe to shares of an Indian company in a public offer without prior RBI approval, so long as the price of equity shares to be issued is not less than the price at which equity shares are issued to residents. In our Company, as of date the aggregate FII holding cannot exceed 24% of the total issued share capital.

Subscription by NRIs/ FIIs

It is to be distinctly understood that there is no reservation for Non-Residents, NRIs and FIIs and all Non-Residents, NRI and FIIs applicants will be treated on the same basis as other categories for the purpose of allocation.

As per the RBI regulations, 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 in the United States and may not be offered or sold within the United States or to, or for the account or benefit of, "U.S. persons" (as defined in Regulation S under the Securities Act), except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act. Accordingly, the Equity Shares are only being offered and sold (i) in the United States to "qualified institutional buyers", as defined in Rule 144A of the Securities Act, and (ii) outside the United States to

certain persons in offshore transactions in compliance with Regulation S under the Securities Act and the applicable laws of the jurisdiction where those offers and sales occur.

As per the current regulations, the following restrictions are applicable for investments by FIIs:

No single FII can hold more than 10% of the post-issue paid-up capital of our Company (32,87,550 Equity Shares). In respect of an FII investing in our Equity Shares on behalf of its sub-accounts, the investment on behalf of each sub-account shall not exceed 10% of our total issued capital or 5% of total issued capital of our Company in case such sub account is a foreign corporate or an individual.

As of now, the aggregate FII holding in our Company cannot exceed 24% of the total issued capital of our Company. With approval of our Board and that of the shareholders by way of a special resolution, the aggregate FII holding limit can be enhanced up to 100%; however till date no such resolution has been recommended to our shareholders for approval.

The above information is given for the benefit of the Bidders. Our Company and the BRLM are not liable for any amendments or modification or changes in applicable laws or regulations, which may happen after the date of this Red Herring Prospectus. Bidders are advised to make their independent investigations and ensure that the number of Equity Shares bid for do not exceed the applicable limits under laws or regulations.

SECTION IX – MAIN PROVISIONS OF THE ARTICLES OF ASSOCIATION

CAPITAL AND INCREASE AND REDUCTION OF CAPITAL

3. The Authorised Share Capital of the company shall be the capital as specified in Clause V of the Memorandum of Association, with power to increase and reduce the Share Capital of the company and to divide the shares in the Capital for the time being into several classes as permissible in law and to attach thereto respectively such preferential, deferred, qualified or special rights, privileges or conditions as may be determined by or in accordance with the Articles of Association of the Company to vary, modify, amalgamate or abrogate any such rights, privileges or conditions in such manner as may for time being be provided in the Articles of Association.
4. The Company in General Meeting may, from time to time, increase the Capital by the creation of new Shares. Such increase to be of such aggregate amount and to be divided into such shares of such respective amounts as the resolution shall prescribe. Subject to the provisions of the Act, any shares of the original or increased capital shall be issued upon such terms and conditions and with such rights and privileges annexed thereto, as the General Meeting resolving upon the creation thereof, shall direct, and if no direction be given, as the Directors shall determine, and in particular, such shares may be issued with a preferential or qualified right to dividends, or otherwise and in the distribution of assets of the Company, and with a right of voting at general meetings of the Company in conformity with Section 87 of the Act. Whenever the Capital of the Company has been increased under the provisions of this Article, the Directors shall comply with the provisions of Section 97 of the Act.
5. Except in so far as otherwise provided in the conditions of issue of shares by these presents, any capital raised by the creation of new shares shall be considered as part of the existing capital, and shall be subject to provisions herein contained, with reference to the payment of calls and installments, forfeiture. Lien, surrender, transfer and transmission, voting and otherwise.
6. Subject to the provisions of Section 80 of the Act, the Company shall have the power to issue Preference Shares, which at or at the option of the Company are liable to be redeemed and the resolution authorising such issue shall prescribe the manner, terms and conditions of redemption.
7. On the issue of Redeemable Preference Shares under the provisions of Article 6 hereof, the following provisions shall take effect:
 - (a) no such shares shall be redeemed except out of the profits of the Company which would otherwise be available for dividend or out of the proceeds of a fresh issue of shares made for the purpose of the redemption.
 - (b) no such shares shall be redeemed unless they are fully paid.
 - (c) Where any such shares are redeemed otherwise than out of the proceeds of a fresh issue, there shall, out of the profits which would otherwise have been available for dividend, be transferred to a reserve fund, to be called the "Capital Redemption Reserve Account" a sum equal to the nominal amount of the shares redeemed and the provisions of the Act relating to the reduction of the share capital of the Company shall, excepts as provided in Section 80 of the Act, apply as if the Capital Redemption Reserve Account were paid up share capital of the Company.
8. The Company may (subject to the Provisions of Section 78, 80, 100 to 105 both inclusive, of the Act) from time to time by Special Resolution reduce its capital, any Capital Redemption Reserve Account or Share Premium Account in any manner for the time being authorised by law, and in particular, capital may be paid off on the footing that it may be called upon again or otherwise. This Article is not to derogate from any power the Company would have if the were omitted.
9. Subject to the provisions of Section 94 of the Act, the Company in General Meeting may from time to time sub-divide or consolidate its shares, or any of them, and the resolution whereby any share is sub-divided, may determine that, as between the holders of the shares resulting from such sub-division, one or more of such shares shall have some preference or special advantage as regards dividend, capital or otherwise over or as compared with the other or others. Subject as aforesaid, the Company in General Meeting may also cancel shares, which have not been taken or agreed to be taken by any person and diminish the amount of its share capital by the amount of the shares so cancelled.
10. Whenever the Capital is divided into different classes of shares all or any of the rights and privileges attached to each class may, subject to the provisions of Sections 106 and 107 of the Act, be modified, commuted, affected or abrogated or dealt with by agreement between the Company and any person purporting to contract on behalf of that class, provided such agreement is ratified in writing by holders of at least three-fourths of nominal value of the issued shares of the class or is confirmed by a Resolution passed at a separate General Meeting of the holders of shares of that class and supported by the votes of the holders of at least three-fourths of those shares, and all the provisions hereinafter contained as to General Meetings shall mutatis mutandis apply to every such Meeting, but so that the quorum thereof shall be members

present in person or by proxy and holding three-fourths of the nominal amount of the issued shares of the class. This Article is not to derogate from any power the Company would have if it were omitted.

SHARES AND CERTIFICATES

11. The Company shall cause to be kept a Register and index of Members in accordance with Sections 150 and 151 of the Act. The Company shall be entitled to keep in any State or country outside India a branch Register of Members resident in that State or country.
12. The shares in the Capital shall be numbered progressively according to their several denominations, and except in the manner hereinbefore mentioned, no share shall be sub-divided. Every forfeited or surrendered share shall continue to bear the number by which the same was originally distinguished.

13. FURTHER ISSUE OF CAPITAL

1. 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 un-issued capital or out of the increased share capital then
 - a. such further shares shall be offered to the persons who on 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 being 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 the expiry of the time specified in the aforesaid notice or on receipt of earlier intimation from the person to whom such notice is given that he declines to accept the shares offered, the Board may dispose of them in such manner as they may think, in their sole discretion, deem fit.
2. Notwithstanding anything contained in the 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 members who, being entitled so to do, vote in person, or where proxies are allowed, by proxy, exceed the votes if any, cast against the proposal by members so entitled to 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.
3. 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 has declined to take the shares comprised in the renunciation.
4. Nothing in this article shall apply to the increase of the subscribed capital of the company caused by the exercise of an option attached to the debenture issued or loan raised by the company:
 - a. To convert such debentures or loans into shares in the company; or
 - b. 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

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- 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.
14. Subject to the provisions of section 81 of the act and these Articles, the shares in the capital of the company for the time being shall be under the controls of the directors who may issue, allot or otherwise dispose of the same or any of them such persons, in such proportion and on such terms and conditions and either at a premium or at par or (subject to the compliance with the provision of section 79 of the act) at discount and at such time as they may from time to time think fit and with the sanction of the company in the general meeting to give to any persons the option or right to call for any shares either at par or premium during such time and for such consideration as the directors think fit ,and may issue and allot shares in the capital of the company on payment in full or part of any property sold and transferred or for any services rendered to the company in the conduct of its business and any shares which may so be allotted may be issued as fully paid up shares and if so issued, shall be deemed to be fully paid shares. Provided that option or right to call of shares shall not be given to any persons without the sanction of the company in the general meeting.
15. In addition to and without derogating from the powers for the purpose conferred on the Board under Articles 13 and 14, the Company in General Meeting may, subject to the provisions of Section 81 of the Act, determine that any shares (whether forming part of the original capital or of any increased capital of the Company) shall be offered to such persons (whether members or not) in such proportion and on such terms and conditions-and either (subject to compliance with the provisions of Sections 78 and 79 of the Act) at a premium or at a discount as such General Meeting shall determine and. with full power to give any person (whether a member or not) the option to call for or be allotted shares of any class of the Company, either (subject to compliance with the provisions of Sections 78 and 79 of the Act) at a premium or at par or at a discount as such General Meeting shall determine and with full power to give any person (whether a member or not) the option being exercisable at such times and for such consideration as may be directed by such General Meeting of the Company and the General Meeting may make any other provisions whatsoever for the issue, allotment or disposal of any shares.
16. Any application signed by or on behalf of an applicant for shares in the Company, followed by an allotment of any share shall be an acceptance of shares within the meaning of these Articles and every person who, does or otherwise accepts shares and whose name is on the Register shall for the purpose of these Articles, be a member.
17. The money (if any) which the Board shall, on the allotment of any share being made by them require or direct to be paid by way of deposit, call or otherwise in respect of any shares allotted by them shall immediately on the insertion of the name of the allottee in the Register of Members as the name of the holder of such shares, become a debt due to and recoverable by the Company from the allottee thereof, and shall be paid by him accordingly,
18. Every member, or his heirs, executors or administrators shall pay to the Company the portion of the capital represented by his share or shares which may, for the time being, remain unpaid thereon, in such amounts, at such time or times, and in such manner as the Board shall, from time to time in accordance with the Company's regulations, require or fix for the payment thereof.
19. (a) Every member or allottee of shares shall be entitled, without payment, to receive one certificate specifying the name of the person in whose favour it is issued, the shares to which it is related and the amount paid-up thereon. Such certificate shall be issued only in pursuance of a resolution passed by the Board and on surrender to the Company of its letter of allotment or its fractional coupons or requisite value, save in cases of issues against letters of acceptance of renunciation or in cases of issue of bonus shares. Every such certificate shall be issued under the seal of the Company, which shall be affixed in the presence of two Directors or persons acting on behalf of the Directors with a duly registered power of attorney, and the Secretary or some other person appointed by the Board for the purpose; and two directors or their attorneys and the Secretary or other person shall sign the share certificate, provided that if the composition of the Board permits it at least one of the aforesaid two Directors shall be a person other than a Managing or Whole-time Director. Particulars of every share certificate issued shall be entered in the Register of Members against the name of the person, to whom it has been issued, indicating the date of issue.
- (b) Every member shall be entitled without payment to one or more certificates in marketable lots, for all the shares of each class or denomination registered in his name or if the directors so approve (upon paying such fees as the Directors may from time to time determine) to several certificates each for one or more of such shares and the company shall complete and have ready for delivery such certificates within three month from the date of allotment, unless the conditions of issue thereof otherwise provides or within one month of the receipt of application of registration of transfer, transmission ,subdivision, consolidation or renewal of any of its shares as the case may be. Every certificate of shares shall be under the seal of the Company and shall specify the number and distinctive numbers of shares in respect of which it is issued and amount paid up thereon and shall be in such form as the directors may prescribe or approve.

- (c) Any two or more joint allottees of a share shall, for the purpose of this Article, be treated as a single member, and the certificate of any share, which may be the subject of joint ownership, may be delivered to the person first named which shall be sufficient delivery to all of them. The Company shall comply with the provisions of Section 113 of the Act.
- (d) A Director may sign a share certificate by affixing his signature thereon by means of any machine, equipment or other mechanical or electrical means, such as engraving in metal or lithography, but not by means of a rubber stamp, provided that the Director shall be responsible for the safe custody of such machine, equipment or other material used for the purpose.
20. If any certificate be worn out, defaced, mutilated or torn or if there be no further space on the back thereof for endorsement of transfer, then upon production and surrender thereof to the company, a new certificate may be issued in lieu thereof, and if any certificate lost or destroyed then upon proof thereof to the satisfaction of the company and on execution of such indemnity as the company deem adequate, being given, a new certificate in lieu thereof shall be given to the party entitled to such lost or destroyed certificate. Every certificates under the article shall be issued without payment of fees if the directors so decide, or on payment of such fees (not exceeding Rs.2 for each certificates) as the directors shall prescribe, provided that no fee shall be charged for issue of new certificates in replacement of those which are old, defaced, worn out or where there is no further space on the back thereof for endorsement of transfer.

Provided that notwithstanding what is stated above the directors shall comply with such rules or regulations or requirement of any stock exchange or the rules made under Securities contracts (Regulation) Act, 1956 or any other act or the rules applicable in this behalf.

The provision of this act shall mutatis mutandis apply to the debentures of the company.

21. If any share stands in the names of two or more persons, the person first named in the register shall, as regards receipt of dividends or bonus or service of notice and all or any oilier matter connected with the Company, except voting at meetings, be deemed the sole holder thereof, but the joint holders of a share shall be severally as well as jointly liable for the payment of all installments and calls due in respect of such shares for all incidents thereof according to the Company's regulations.
22. Except as ordered by a Court of competent jurisdiction, or as by law required, the Company shall not be bound to recognize any equitable, contingent, future or partial interest in any share, or (except provided) any right in respect of a share other than an absolute right thereto, in accordance with these Articles, in the person from time to time registered as the holder thereof; but the Board shall be at liberty at their sole discretion to register any share 'in the joint names of any two or more persons or the survivor or survivors of them.
23. The Company shall have power, subject to and in accordance with all the applicable pro-visions of the Act and the rules made thereunder, to purchase any of its own fully paid shares or other specified securities whether or not they are redeemable and may make a payment out of its free reserves or securities premium account of the Company or proceeds of any shares or other specified securities provided that no buy back of any kind of shares or other specified securities shall be made out of the proceeds of an earlier issue of the same kind of shares or same kind of other specified securities or from such other sources as may be permitted by Law on such terms, conditions and in such manner as may—be prescribed by the Law from time to time in respect of such purchase. '

UNDERWRITING AND BROKERAGE

24. Subject to the provisions of Section 76 of the Act, the Company may at any time pay a commission to any person in consideration of his subscribing or agreeing to subscribe (whether absolutely on conditionally) for any shares in or debentures of the Company, but so that the commission shall not exceed in the case of shares, five per cent of the price at which the shares are issued, and in the case of debentures, two and a half per cent of the price at which the debentures are issued. Such commission may be satisfied by payment of cash or by allotment of fully or partly paid shares or partly in one way and partly in the other.
25. The Company may pay a reasonable sum for brokerage.

INTEREST OUT OF CAPITAL

26. Where any shares are issued for the purpose of raising money to defray the expenses of the Construction of any work or building, or the provision of any plant, which cannot be made profitable for a lengthy period, the Company may pay interest on so much of that share capital as is for the time being paid- up, for the period, at the rate and subject to the conditions and restrictions provided by Section 208 of the Act and may charge the same to capital as part of-the cost of construction of the work or building, or the provision of plant.

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CALLS

27. The Board may, from time to time and subject to the terms on which any shares have been issued and subject to the conditions of allotment, by a resolution passed at a meeting of the Board (and not by circular resolution) make such call as it thinks fit upon the members in respect of all moneys unpaid on the shares held by them respectively, and each member shall pay the amount of every call so made on him to the person or persons and at the times and places appointed by the Board. A call may be made payable by installments.
28. Fifteen days notice in writing of any call shall be given by the Company specifying the time and place of payment, and the person or persons to whom such call shall be paid.
29. A call shall be deemed to have been made at the time when the resolution authorising such call was passed at a meeting of the Board.
30. A call may be revoked or postponed at the discretion of the Board. The option or right to call of shares not be given to any person except with the sanction of the company in general meeting.
31. The joint-holders of a share shall be jointly and severally liable to pay all calls in respect thereof.
32. The Board may, from time to time at its discretion, extend the time fixed for the payment of any call, and may extend such time as to all or any of the members who from residence at a distance or other cause, the Board may deem fairly entitled to such extension, but no member shall be entitled to such extension save as a member of grace and favour.
33. If any member fails to pay any call due from him on the day appointed for. payment thereof, or any such extension thereof as aforesaid, he shall be liable to pay interest of the same from the day appointed for the payment thereof to the time of actual payment at such rate as shall from time to time be fixed by the Board, but nothing in this Article shall render it obligatory for the Board to demand or recover any interest from any such member.
34. Any sum, which may by the terms of issue of a share becomes payable on allotment or at any fixed date, whether on account of the nominal value of the share or by way of premium, shall for the purposes of these Articles be deemed to be a call duly made and payable, on the date on which by the terms of issue the same becomes payable and in case of non-payment, all the relevant provisions of these Articles as to payment of interest and expenses, forfeiture or otherwise, shall apply as if such sum had become payable by virtue of a call duly made and notified.
35. On the trial or hearing of any action or suit brought by the Company against any member or his representatives for the recovery of any money claimed to be due to the Company in respect of his shares, it shall be sufficient to prove that the name of the member, in respect of whose shares, the money is sought to be recovered appears entered on the Register of Members as the holder, at or subsequently to the date at which the money is sought to be recovered, is alleged to have become due on the shares in respect of such money is sought to be recovered; that the resolution making the call is duly recorded in the Minute Book; and that notice of such call was duly given to the member or his representatives used in pursuance of these Articles and that it shall not be necessary to prove the appointment of the Directors who made such call, nor that a quorum of Directors was present at the Board at which any call was made nor that the meeting at which any call was made duly convened or constituted nor any other matters whatsoever, but the proof of the matter aforesaid shall be conclusive evidence of the debt.
36. Neither the receipt by the Company of a portion of any money which shall from time to time be due from any member to the Company in respect of his shares, either by way of principal or interest, nor any indulgence granted by the Company in respect of the payment of any such money, shall preclude the Company from thereafter proceeding to enforce a forfeiture of such shares as hereinafter provided.
37. The Board may, if it thinks fit, agree to and receive from any member willing to advance the same, all or any part of the accounts of his respective shares beyond the sums actually called up and upon the moneys so paid in advance or upon so much thereof, from time to time and at any time thereafter as exceeds the amount of the calls then made upon and due in respect of the shares on account of which such advances are made, the Company may pay or allow interest, at such rate as the member paying the sum in advance and the Board agree upon. The Board may agree to repay at any time an amount so advanced or may at any time repay the same upon giving to the member three months' notice in writing. Provided that moneys paid in advance of calls on any shares may carry interest but shall not confer a right to dividend or to participate in profit.

No member paying any such sum in advance shall be entitled to voting rights in respect of the moneys so paid by him until the same would but for such payment become presently payable.

The provisions of these articles shall mutatis mutandis apply to the calls on debentures of the Company

LIEN

38. The Company shall have a first and paramount lien upon all the shares (other than fully paid-up shares) registered in the name of each member (whether solely or jointly with others) and upon the proceeds of sale thereof, for all moneys (whether presently payable or not) called or payable at a fixed time in respect of such shares and no equitable interest in any shares shall be created except upon the footing, and upon the condition that Article 22 hereof is to have full effect. Any such lien shall extend to all dividends from time to time declared in respect of such shares. Unless otherwise agreed, the registration of a transfer of shares shall Operate as a waiver of the Company's lien, if any, on such shares. The directors may at any time, declare any shares wholly or in part to be exempt from the provision of this clause.
39. For the purpose of enforcing such lien, the Board may sell the shares subject thereto in such manner as they shall think fit, and for that purpose may cause to be issued a duplicate certificate in respect of such shares and may authorise one of their member to execute a transfer thereof on behalf of and in the name of such member. No sale shall be made until such period as aforesaid shall have arrived, and until notice in writing of the intention to sell shall have been served on such member or his representatives and default shall have been made by him or them in payment, fulfillment, or discharge of such debts, liabilities or engagements for fourteen days after such notice.
40. The net proceeds of any such sale shall be received by the Company and applied in or towards payment of such part of the amount in respect of which the lien exists as is presently payable and the residue, if any, shall (subject to a like lien for sums not presently payable as existed upon the shares before the sale) be paid to the persons entitled to the shares at the date of the sale. .

FORFEITURE OF SHARE

41. If any member fails to pay any call or installment on or before the day appointed for the payment of the same the Board may at any time thereafter during such time as the call or installment remains unpaid, Serve notice on such member requiring him to pay the same, together with any interest that may have accrued and all expenses that may have been incurred by the Company by reason of such non payment.
42. The notice shall name a day (not being less Than Thirty days from the date of the notice) and a place or places on and at which such call or installment and such interest and expenses as aforesaid are to be paid. The notice shall also state that in the event of non payment at or before the time, and at the place. appointed the shares in respect of which such call was made or installment is payable will be liable to be forfeited
43. If the requisitions of any such notice as aforesaid be not complied with, any shares in respect of which such notice has been given may, at any time thereafter, before payment of all calls or installments, interest and expenses, due in respect thereof, be forfeited by a resolution of the Board to. that effect. Such forfeiture shall include all dividends declared in respect of the forfeited shares and not actually paid before the forfeiture
44. When any shares shall have been so forfeited, notice of the forfeiture shall be given to the member in whose name it stood immediately prior to the forfeiture, and an entry of the forfeiture, with the date thereof, shall forthwith be made in the Register of Members, but no forfeiture shall be in any manner invalidated, by any omission or neglect to give such notice or to make any such entry as aforesaid.
45. Any share so forfeited shall be deemed to be the property of the Company, and the Board may sell, re allot or otherwise dispose of the same in such manner as think fit
46. The Board may, at any time before any share so forfeited shall have been sold, re-allotted or otherwise disposed of, annul the forfeiture thereof upon such conditions as it thinks fit.
47. A person whose share has been forfeited shall cease to be a member in respect of the forfeited share, but shall notwithstanding, remain liable to pay, and shall forthwith pay to the Company, all calls, or installment, interest and expenses, owing in respect of such share a t the time of the forfeiture, together with interest thereon, from the time of forfeiture until payment, at such rate as the Board may determine and the Board may enforce the payment thereof, to any party thereof, without any deduction or allowance for the value of the shares at the time of forfeiture, but shall not be under any obligation to do so.
48. The forfeiture of a share involve extinction, at the time of the forfeiture, of all interest and all claims and demands against the Company in respect of the share and all other rights, incidental to the share except only such of those rights as by these Articles are expressly saved.
49. A duly verified declaration in writing that the declarant is a Director of the Company, and that certain shares in the Company have been duly forfeited on a date stated in the declaration shall be conclusive evidence of the facts therein

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stated as against all persons claiming to be entitled to the shares and such declaration and the receipt of the Company for the consideration, if any, given for the shares on the sale or disposition thereof shall constitute a good title to such shares; and the person to whom any such share is sold shall be registered as the member in respect of such share and shall not be bound to see to the application of the purchase money, nor shall his title to such share be affected by any irregularity or invalidity in the proceedings in reference to such forfeiture, sale or disposition.

50. Upon any sale, re-allotment or other disposal under the provisions of the preceding Articles, 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, and the Directors, shall be entitled to issue a duplicate certificate or certificates in respect of the said shares to the person or persons, entitled thereto.

TRANSFER AND TRANSMISSION OF SHARES

51. The Company shall keep a book to be called the "Register of Transfers", and therein shall be fairly and directly entered particulars of every transfer or transmission of any share.
52. The Instrument of Transfer shall be in writing and all the provisions of Section 108 of the Act, shall be duly complied with in respect of all transfer of shares and the registration thereof.
53. Every such instrument of transfer shall be executed both by transferor and the transferee and the transferor shall be deemed to remain the holder of such share until the name of the transferee shall have been entered in the Register of Members in respect thereof. The Board shall not issue or register a transfer of any share in favour of a minor (except in cases when they are fully paid up).
54. The Board shall have power on giving seven days' previous notice by advertisement in some newspaper circulating in the district in which the Office of the Company is situated to close the transfer books, the Register of Members or Register of Debenture holders at such time or times and for such period or periods, not exceeding thirty days at a time and not exceeding in the aggregate forty-five days in each year, as it may deem expedient.
55. Subject to the provision of section 111, 111A of the act and section 22A of the securities Contracts (Regulation) Act, 1956, the Directors may, at their own absolute and uncontrolled discretion and by giving reasons decline to register or acknowledge any transfer of shares whether fully paid or not and the right of refusal, shall not be affected by the circumstances that the proposed transferee is already a member of the company but in such cases, the director shall within 1 month from the date on which the instrument of transfer was lodged with the company, send to the transferee and transferor notice of the refusal to register such transfer provided that registration of transfer shall not be refused on the ground of the transferor being either alone or jointly with any other person indebted to the company on any account whatsoever except when the company has a lien on the shares. Transfer of shares/debentures in whatever lot shall not be refused.
56. Every holder of shares in, or Debentures of the Company, may at any time nominate, in the manner prescribed under the Act, a person to whom his Shares in or Debentures of the Company shall vest in the event of death of such holder.

Where the Shares in, or Debentures of the Company are held by more than one person jointly, the joint holders may together nominate, in the prescribed manner, a person to whom all the rights in the Shares or Debentures of the Company, as the case may be, held by them shall-vest in the event of death of all joint holders.

Notwithstanding anything contained in any other law for the time being in force or in any disposition, whether testamentary or otherwise, or in these Articles, in respect of such Shares in or Debentures of the Company, where a nomination made in the prescribed manner purports to confer on any person the right to vest the Shares in, or Debentures of the Company, the nominee shall, on the death of the Shareholders or holder of Debentures of the Company or, as the case may be, on the death of all the joint holders become entitled to all the rights in the Shares or Debentures of the Company to the exclusion of all other persons, unless the nomination is varied or cancelled in the prescribed manner under the provisions of the Act.

Where the nominee is a minor, it shall be lawful for the holder of the Shares or holder of Debentures to make the nomination to appoint, in the prescribed manner under the provisions of the Act, any person to become entitled to the Shares in or Debentures of the Company, in the event of his death, during the minority.

57. Any person who becomes a nominee by virtue of the provision of the above Article, upon production of such evidence as may be required by the Board and subject as hereinafter provided, elect, either :-
- a) to be registered himself as holder of the shares or debentures, as the case may be; or

- b) to make such transfer of the shares or debentures, as the case may be, as the deceased shareholder or debenture holder, as the case may be, could have made.

If the nominee, so becoming entitled, elects himself to be registered as holder of the Shares or Debentures, as the case may be, he shall deliver or send to the Company a notice in writing signed by him stating that he so elects and such notice shall be accompanied with death certificate of the deceased shareholder or debenture holder and the certificate(s) of Shares or Debentures, as the case may be, held by the deceased in the Company.

Subject to the provisions of Section 109B(3) of the Act and these Articles, the Board may register the relevant Shares or Debentures in the name of the nominee of the transferee as if the death of the registered holder of the Shares or Debentures had not occurred and the notice or transfer were a transfer signed by that shareholder or debenture holder, as the case may be.

A nominee on becoming entitled to Shares or Debentures by reason of the death of the holder or joint holders shall be entitled to the same dividend and other advantages to which he would be entitled if he were the registered holder of the Share or Debenture, except that he shall not before being registered as holder of such Shares or Debentures, be entitled in respect of them to exercise any right conferred on a member or Debenture holder in relation to meetings of the Company.

The Board may, at any time, give notice requiring any such person to elect either to be registered himself or to transfer the Shares or Debentures, and if the notice is not complied with within ninety days, the Board may thereafter withhold payment of all dividends, bonuses, interest or other moneys payable or rights accrued or accruing in respect of the relevant Shares or Debentures, until the requirements of the notice have been complied with.

58. No share shall in any circumstances be transferred to any insolvent or persons of unsound mind.
59. Subject to the provisions of articles 56 and 57, any person becoming entitled to shares in consequence of the death, lunacy, bankruptcy or insolvency of any member, or the marriage of a female member, or by any lawful means other than by a transfer in accordance with these presents, may with the consent of the Board of Directors (which it shall not be under any obligation to give) upon producing such evidence that he sustains the character in respects of which he proposes to act under this article of his title, as the holder of the shares or elect to have some person nominated by him and approved by the Board of Directors, registered as such holder, provided nevertheless, that if such person shall elect to have his nominee registered he shall testify the election by executing to his nominee an instrument of transfer in accordance with the provisions herein contained and until he does so, he shall not be freed from any liability in respect of the shares. This Article is referred to in these Articles as the Transmission Article.
60. A person entitled to a share by transmission shall, subject to the right of the Directors to retain such dividends or money as hereinafter provided, be entitled to receive and may give discharge for any dividends or other moneys payable in respect of the share.
61. Every instrument of transfer shall be presented to the Company duly stamped for registration accompanied by such evidence as the Board of Directors may require to prove the title of the transferor, his right to transfer the shares and generally under and subject to such conditions and regulations as the Board of Directors shall from time to time prescribe, and every registered instrument of transfer shall remain in the custody of the Company until destroyed by order of the Board of Directors.
62. For the purpose of the registration of a transfer, the certificate or certificates of the share or shares to be transferred must be delivered to the Company along with (same as provided in Section 108 of the Act) a properly stamped and executed instrument of transfer.
63. There shall be paid to the Company, in respect of the transfer or transmission of any number of shares to the same party, such fee, if any, as the Directors may require.
64. The Company shall incur no liability or responsibility whatsoever in consequence of its registering or giving effect to any transfer of shares made or purporting to be made by any apparent legal owner thereof (as shown or appearing in the Register of Members) to the Prejudice of persons having or claiming any equitable right, title or interest to or in the said shares, notwithstanding that the Company may have had notice of such equitable right, title or interest or notice prohibiting registration of such transfer, and may have entered such notice, or deferred thereto, in any book of the Company, and the Company shall not be bound or required to regard or attend or give effect to any notice which may be given to it of any equitable right title or interest, or be under any liability whatsoever for refusing or neglecting so to do, though it may have been entered or referred to in some book of the Company; but the Company shall nevertheless be at liberty to regard and attend to any such notice and give effect thereto, if the Board of Directors shall so think fit.

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DEMATERIALISATION OF SECURITIES

65. The provisions of this Article shall apply notwithstanding anything to the contrary contained in any other Articles.

1. For the purpose of this Article:

'Beneficial Owner' means a person or persons whose name is recorded as such With a depository, 'SEBI' means the Securities & Exchange Board of India; established under Section 3 of the Securities & Exchange Board of India Act, 1992 and

'Depository' means a company formed and registered under the Companies Act, 1956, and which has been granted a certificate of registration to act as depository under Securities & Exchange Board of India Act, 1992; and wherein the securities of the Company are dealt With in accordance With the provisions of the Depositories Act, 1996.

2. The Company shall be entitled to dematerialize securities and to offer securities in a dematerialized form pursuant to the Depositories Act, 1996.
3. Every holder of or subscriber to securities of the Company shall have the option to receive certificates for such securities or to hold the securities with a Depository. Such a person who is the beneficial owner of the securities can at any time opt out of a depository, if permitted bylaw, in respect of any securities in the manner provided by the Depositories Act, 1996 and the Company shall, in the manner and within the time prescribed, issue to the beneficial owner the required certificates for the Securities.

If a person opts to hold his Securities with the depository, the Company shall intimate such depository the details of allotment of the Securities, and on receipt of the information, the depository shall enter in its record the name of the allottee as the beneficial owner of the Securities.

4. All securities held by a depository shall be dematerialized and be in fungible form. Nothing contained in Sections 153, 153A, 153B, 187B, 187C and 372A of the Act shall apply to a depository in respect of the securities held by on behalf of the beneficial owners.
5.
 - a) Notwithstanding anything to the contrary contained in the Act or these Articles, a depository shall be deemed to be the registered owner for the purposes of effecting transfer of ownership of securities of the Company 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 of securities in the record of the depository shall be entitled to all the rights and benefits and be subject to all the liabilities in respect of the securities which are held by a depository and shall be deemed to be a Member of the Company.
6. Notwithstanding anything contained in the Act or these Articles to the contrary, where securities of the Company are held in a depository, the records of the beneficiary ownership may be served by such depository on the Company by means of electronic mode or by delivery of floppies or discs.
7. Nothing contained in Section 108 of the Act or these Articles, shall apply to a transfer of securities effected by a transferor and transferee both of whom are entered as beneficial owners in the records of a depository.
8. Notwithstanding anything contained in the Act or these Articles, where securities are dealt with by a depository, the Company shall intimate the details thereof to the depository immediately on allotment of such securities.
9. Nothing contained in the Act or these Articles regarding the necessity of having distinctive numbers for securities issued by the Company shall apply to securities held with a depository.
10. The Register and Index of beneficial owners maintained by a depository under the Depositories Act, 1996 shall be deemed to be the Register and Index of Members and Security holders for the purposes of these Articles.

BORROWING POWERS

66. The Board may, from time to time, at its discretion subject to the provisions of Section 292 of the Act, raise or borrow, either from the Directors or from elsewhere and secure the payment of any sum or sums of money for the purpose of the Company; provided that the Board shall not without the sanction of the Company in General Meeting borrow any sum of money which together with money borrowed by the Company (apart from temporary loans obtained from the Company's bankers in the ordinary course of business) exceed the aggregate for the time being of the paid up capital of the Company and its free reserves, that is to say, reserves not set aside for any specific purpose.

67. The Board may raise or secure the repayment of such sum or sums in such manner and upon such terms and conditions in all respects as it thinks fit and in particular, by the issue of bonds, perpetual or redeemable, debentures or debenture-stock, or any mortgage, or other security on the undertaking of the whole or any part of the property of the Company (both present and future including its uncalled capital for the time being).
68. Any debentures, debenture stock or other securities may be issued at a discount, premium or otherwise and may be issued on condition that they shall be convertible into shares of any denomination and with any privileges and conditions as to redemption, surrender, drawing, allotment of shares, attending (but not voting) at the General Meeting, appointment of directors and otherwise. Debentures with the right to conversion into or allotment of shares shall be issued only with the consent of the company in the General Meeting by a special resolution.
69. Save as provided in Section 108 of the Act, no transfer of debentures shall be registered unless a proper instrument of transfer duly stamped and executed by the transferor and transferee has been delivered to the Company together with the certificate or certificates of the debentures.
70. If the Board refuses to register the transfer of any debentures, the Company shall, within one month from the date on which the instrument of transfer was lodged with the company, send to the transferee and to the transferor the notice of such refusal.
71. The Board shall cause a proper Register to be kept in accordance with the provisions of Section 143 of the Act of all mortgages, debentures and charges specifically affecting the property of the Company, and shall cause the requirements of Sections 118 and 125 and 127 to 144, both inclusive of the Act in that behalf to be duly complied with, so far as they are ought to be complied with by the Board.
72. The Company shall, if at any time it issues debentures, keep Register and Index of Debenture holders in accordance with Section 152 of the Act. The Company shall have the power to keep in any State or Country outside India a Branch Register of Debenture-holders, resident in that State or Country.

CONVERSION OF SHARES INTO STOCK AND RECONVERSION

73. The Company in General Meeting may convert any paid-up shares into stock; and when any shares shall have been converted into stock, the several holders of such stock may thenceforth transfer their respective interest therein, or any part of such interest, in the same manner and subject to the same regulations as, and subject to which the shares from which the stock arose might have been transferred, if no such conversion had taken place or as near thereto as circumstances will admit. The Company may at any time re-convert any stock into paid-up shares of any denomination.
74. The holders of stock shall, according to the amount of stock held by them have the same rights, privileges and advantages as regards dividends and voting at the meetings of the Company, and other matters as if they held the shares from which the stock arose; but no such privileges or advantages (except participation in the dividends and profits of the Company and in the assets of winding-up) shall be conferred by an amount of stock which would not, if existing in shares, have conferred that privilege or advantage.

MEETING OF MEMBERS

75. The company shall in each year hold a General Meeting as its Annual General Meeting in addition to any other meetings in that year. All General Meetings other than Annual General Meeting shall be Extraordinary General Meetings. The first Annual General Meeting shall be held within eighteen months from the date of incorporation of the company and the next Annual General Meeting shall be held within six months after the expiry of the financial year in which the first Annual General Meeting was held and thereafter an Annual General Meeting of the Company shall be held within six months after the expiry of each financial year, provided that not more than fifteen months shall elapse between the date of one Annual General Meeting and that of the next Nothing contained in the foregoing provisions shall be taken as affecting the right conferred upon the Registrar under the provisions of Section 166(1) of the Act to extend the time within which any Annual General Meeting may be held. Every Annual General Meeting shall be called for on a time during business hours, on a day that is not a public holiday, and shall be held in the office of the company or at some other place within the city in which the office of the Company is situated as the Board may determine and the Notices tailing the Meeting shall specify it as the Annual General Meeting. The Company may in anyone Annual General Meeting fix the time for its subsequent Annual General Meeting. Every member of the Company shall be entitled to attend either in person or by proxy and the Auditor of the Company shall be entitled to attend and to be heard at any General Meeting which he attends on any part of the business, concerns him as Auditor. At every Annual General Meeting of the Company there shall be laid on the table the Directors' Report (if not already attached in the Audited statement of Accounts) the proxy Register with proxies and the Register of Directors' Share holdings of which latter Register shall remain open and accessible during the continuance of the meeting. The Board shall cause to be prepared the Annual List of Members, summary of the Share Capital, Balance

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Sheet and Profit and Loss Account and forward the same to the Registrar in accordance with Sections 159, 161 and 220 of the Act.

76. The Board may, whenever it thinks fit, call an Extraordinary General Meeting and it shall do so upon a requisition in writing by any member or members holding in the aggregate not less than one-tenth of such of the paid-up capital as at the date carries the right of voting in regard to the matter in respect of which the requisition has been made.
77. Any valid requisition so made by members must state the object or objects of the meeting proposed to be called and must be signed by the requisitionists and be deposited at the office provided that such requisition may consist of several documents in file form each signed by one or more requisitionists.
78. Upon the receipt of any such requisition, the Board shall forthwith call an Extraordinary General Meeting, and if they do not proceed within twenty-one days from the date of the requisition being deposited at the office to cause a meeting to be called on a day not later than forty-five days from the date of deposit of the requisition, the requisitionists, or such of their number as represents either a majority in value of the paid-up share capital of the Company as is referred to in Section 169(4) of the Act, which ever is less, may themselves call the meeting, but in either case, any meeting so called shall be held within three months from the date of the delivery of the requisition as aforesaid.
79. Any meeting called under the foregoing Articles by the requisitionists shall be called in the same manner, as nearly as possible, as that in which meetings are to be called by the Board.
80. Twenty-one days' notice at least of every General Meeting, Annual or Extraordinary and by whosoever called, specifying the day, place and hour of meeting, and the general nature of the business to be transacted thereat, shall be given in the manner hereinafter provided, to such persons as are under these Articles entitled to receive notice from the Company. Provided that in the case of an Annual General Meeting with the consent in writing of all the members entitled to vote thereat and in the case of any other meeting, with the consent of members holding not less than 95 percent of such part of the paid up share capital of the Company as gives a right to vote at the meeting any be convened by a shorter notice. In the case of an Annual General Meeting, if any business other than (i) the consideration of the Accounts, Balance Sheets and Reports of the Board of Directors and Auditors (ii) the declaration of dividend, (iii) the appointment of Directors in place of those retiring (iv) the appointment of and fixing of remuneration of the Auditors, is proposed to be transacted then in that event there shall be annexed to the notice of the Meeting a statement setting out all materials facts concerning each such item of business including, in particular, the nature of concern or interest, if any, therein of every director, and the Manager (if any). Where any such item of special business relates to or affects any other Company, the extent of shareholding interest in other company of every Director and the Manager, if any, of the Company shall also be set out in the Statement if the extent of such share holding interest is not less than 20 percent of the paid-up share capital of that other company Where any item of business consists of the according of approval to any document by the meeting, the time and place where the document can be inspected shall be specified in ' the statement aforesaid.
81. The accidental omission to give any such notice as aforesaid to any of the members, or the non receipt thereof, shall not invalidate the holding of the meeting or any resolution passed at any such meeting.
82. No General Meeting, Annual or Extraordinary shall be competent to enter upon, discuss or transact any business, which has not been mentioned in the notice or notices, upon which it was convened.
83. Five members present in person shall be quorum for a General Meeting.
84. A body corporate being a member shall be deemed to be personally present if it is represented in accordance with Section 187 of the Act.
85. If, at the expiration of half an hour from the time appointed for holding a meeting of the Company, a quorum shall not be present, the meeting, if convened by or upon the requisition of members shall stand dissolved, but in any other case the meeting shall stand adjourned to the same day in the next week or, if that day is a public holiday, until the next succeeding day which is not a public holiday, at the same time and place, or to such other day and at such oilier time and place in the city or town in which the office of the Company is for the time being situate as the Board may determine and if at such adjourned meeting a quorum is not present at the expiration of half an hour from the time appointed for holding the meeting, the members present shall be quorum and may transact the business for which the meeting was called.
86. The Chairman (if any) of the Board shall be entitled to take the chair at every General Meeting, whether Annual or Extraordinary. If there be no such Chairman of the Board, or if at any meeting he shall not be present within fifteen minutes of the time appointed for holding such meeting, or if he shall be unable or unwilling to take the Chair, then the directors present may choose one of their member to be the Chairman of the meeting. If no director be present or if all the directors present decline to take the chair, then the Members present shall elect one of their numbers to be Chairman.

87. No business shall be discussed at any General Meeting except the election of a Chairman, while the chair is vacant.
88. The Chairman with the consent of the members may adjourn any meeting from time to time and from place to place in the city in which it is held but, no business shall be transacted at any adjourned meeting other than the business, left unfinished at the meeting from which the adjournment took place.
89. At any General Meeting a resolution put to vote at the meeting shall be decided on a show of hands, unless a poll is (before or on the declaration of the result of the show of hands) demanded by at least five members having the right to vote on the resolution and present in person or by proxy, or by the Chairman of the Meeting or by any member or members holding not less than one-tenth of the total voting power in respect of the resolution or by any member or members present in person or by proxy and holding shares in the Company conferring a right to vote on the resolution, being shares on which an aggregate sum has been paid-up on all the shares conferring that right, and unless a poll is demanded, a declaration by the Chairman that a resolution has on a show of hands, been carried unanimously, or by a particular majority, or lost, and an entry to that effect in the Minute Book of the Company shall be conclusive evidence of the fact, without proof of the number or proportion of the votes recorded in favour of or against the resolution.
90. In the case of an equality of votes, the Chairman shall, both on a show of hands and at a poll (if any), have a casting vote in addition to the vote or votes to which he may be entitled as a member.
91. If a poll is demanded as aforesaid, the same shall, subject to Article 89 be taken at such time (not later than forty-eight hours from the time when the demand was made) and place in the city or town in which the Office of the Company is for the time being situate and either by open voting or by ballot, as the Chairman shall direct, and either at once or after an interval or adjournment or otherwise, and the result of the poll shall be deemed to be the resolution of the meeting at which the poll was demanded. The demand for a poll may be withdrawn at any time by the person or persons who made the demand.
92. Where a poll is to be taken, the Chairman of the meeting shall appoint two Scrutinizers to scrutinize the vote given on the poll and to report thereon to him. One of the scrutinizers so appointed shall always be a member (not being an officer or employee of the Company) present at the meeting provided such member is available and willing to be appointed. The Chairman shall have power at any time before the result of the poll is declared to remove a Scrutinizer from office and fill vacancies in the office of Scrutinizer from such removal or from any other cause.
93. Any poll duly demanded on the election of Chairman of a meeting or on any question of adjournment shall be taken at the meeting forthwith. .
94. The demand for a poll except on the questions of the election of the Chairman and of an adjournment shall not prevent the continuance of a meeting for the transaction of any business other than the question on which the poll has been demanded.

VOTE OF MEMBERS

95. No member shall be entitled to vote either personally or by proxy, at any General Meeting or Meeting of a class of shareholders, either upon a show of hands or upon a poll in respect of any shares registered in his name on which any calls or other sums presently payable by him have not been paid or, in regard to which the Company has, and has exercised any right of lien.
96. Subject to the provisions of these Articles and without prejudice to any special privileges or restrictions as to voting for the time being attached to any class of shares for the time being forming part of the Capital of the Company, every member not disqualified by the last preceding Article shall be entitled to be present, and to speak and vote at such meeting, and on a show of hands every member present in person. shall have one vote and upon a poll the voting rights of every member present in person or by proxy shall be in proportion to his shares of the paid-up equity share capital of the Company. Provided, however, if any preference share-holder be present at any meeting of the Company, save as provided in clause (b) of sub-section (2) of Section 87, he shall have a right to vote only on resolutions placed before the meeting which directly affect the rights attached to his preference shares.
97. On a poll taken at meeting of the Company a member entitled to more than one vote, or his proxy or other person entitled to vote for him, as the case may be, need not, if he votes, use all his votes or cast in the same way all the votes he used or may abstain from voting.
98. 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 poll vote by proxy, if any member be a minor, the vote in respect of his share or shares shall be by his guardian, or any of his guardians, if more than one, to be selected in case of dispute by the Chairman of the meeting.

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99. If there be joint holders of any shares, anyone of such person may vote at any meeting or may appoint another person (whether a member or not) as his proxy in respect of such shares, as if he were solely entitled thereto by the proxy so appointed shall not have any right to speak at the meeting and, if more than one of such joint holders be present at any meeting that one of the said persons so present whose name stands higher on the Register shall alone be entitled to speak and to vote in respect of such shares, but the other or others of the joint-holders shall be entitled to be present at the meeting. Several executors or administrators of a deceased member in whose name shares stand shall for the purpose of these Articles to be deemed joint holders thereof.
100. Subject to the provisions of these Articles, votes may be given either personally or by proxy. A body corporate being a member may vote either by a proxy or by a representative duly authorised in accordance with Section 187 of the Act, and such representative shall be entitled to exercise the same rights and powers (including the rights to vote by proxy) on behalf of the body corporate which he represents as the body could exercise if it were an individual member.
101. Any person entitled under Article 60, to transfer any share may vote at any General Meeting in respect thereof in the same manner, as if he were the registered holder of such shares, provided that forty eight hours atleast before the time of holding the meeting or adjourned meeting, as the case may be at which he proposes to vote he shall satisfy the Directors of his right to transfer such shares and give such indemnity (if any) as the Directors may require or the Directors shall have previously admitted his right to vote at such meeting in respect thereof.
102. Every proxy (whether a member or not) shall be appointed in writing under the hand of the appointer or his attorney, or if such appointer is a corporation under the common seal of such corporation, or be signed by an officer or any attorney duly authorised by it, and any Committee or guardian may appoint such proxy. The proxy so appointed shall not have any right to speak at the meeting.
103. An instrument of proxy may appoint a proxy either for the purpose of a particular meeting specified in the instrument and any adjournment thereof or. It may appoint for the purpose of every meeting of the Company, or of every meeting to be held before a date specified in the instrument and every adjournment of any such meeting.
104. A member present by proxy shall be entitled to vote only on a poll.
105. The instrument appointing a proxy and the power of attorney or other authority (if any) under which it is signed or a notarially certified copy of that power or authority shall be deposited at the office not later than forty eight hours before the time for holding the meeting at which the person named in the instrument proposes to vote, and in default the instrument of proxy shall not be treated as valid. 'No instrument appointing a proxy shall be valid after the expiration of twelve months from the date of its execution.
106. Every instrument of proxy whether for a specified meeting or otherwise shall, as nearly as circumstances will admit, be in any of the forms set out in Schedule IX of the Act.
107. A vote given in accordance with the terms of an instrument of proxy shall be valid notwithstanding the previous death or insanity of the principal, or revocation of the proxy of any power of attorney under which such proxy was signed, or the transfer of the share in respect of which the vote is given, provided that no intimation in writing of the death or insanity, revocation or transfer shall have been received at the office before the meeting.
108. No objection shall be made to the validity of any vote, except at any meeting or poll at which such vote shall be tendered, and every vote whether given personally or by proxy, not disallowed at such meeting or poll shall be deemed valid for all purposes of such meeting or poll whatsoever.

Notwithstanding any thing contained in the foregoing, the company shall transact such business, as may be specified by the Central Government from time to time, through the means of postal ballot. In case of resolutions to be passed by postal ballot, no meeting need to be held at a specified time and space requiring physical presence of members to form a quorum. Where a resolution will be passed by postal ballot the company shall, in addition to the requirements of giving requisite clear days notice, send to all the members the following:

- i) Draft resolution and relevant explanatory statement clearly explaining the reasons therefor.
 - ii) Postal ballot for giving assent or dissent, in writing by members: and
 - iii) Postage prepaid envelope (by Registered Post) for communicating assents or dissents on the postal ballot to the company wit!) a request to the members to send their communications within 30 days from The date of despatch of Notice.
109. The Company shall also follow such procedure, for conducting vote by l postal ballot and for ascertaining the assent or dissent, as may be prescribed by the Act and the relevant Rules made thereunder.

110. The Chairman of any meeting shall be the sole judge of the validity of every vote tendered at such meeting. The Chairman present at the taking of a poll shall be the sole judge of the validity of every vote tendered at such poll.
1. The Company shall cause minutes of all proceedings of every General Meeting to be kept by making within thirty days of the conclusion of every such meeting concerned, entries thereof in books kept for that purpose with their pages consecutively numbered.
 2. Each page of every such book shall be initialed or signed and the last page of the record of proceedings of such meeting in such books shall be dated and signed by the Chairman of the same meeting within the aforesaid period of thirty days or in the event of the death or liability of that Chairman within that period, by a Director duly authorised by the Board for the purpose.
 3. In no case the minutes of proceedings of a meeting shall be attached to any such book as aforesaid by pasting or otherwise.
 4. The minutes of each meetings shall contain a fair and correct summary of the proceedings thereat.
 5. All appointments of Officers made at any meeting aforesaid shall be included in the minutes of the meetings.
 6. Nothing herein contained shall require or be deemed to require the inclusion in any such minutes of any matter which in the opinion of the 'Chairman of the meeting' :-
 - (a) is or could reasonably be regarded, as, defamatory of any person or
 - (b) is irrelevant or immaterial to the proceeding, or
 - (c) is detrimental to the interest of the Company.The Chairman of the meeting shall exercise an absolute discretion in regard to the inclusion or non-inclusion of any matter in the minutes on the aforesaid grounds.
 7. Any such minutes shall be evidence of the proceedings recorded therein.
 8. The book containing the minutes of proceedings of General Meetings shall be kept at the office of the Company and shall be open during business hours for such periods not being less in the aggregate than two hours in each day as the Directors determine, to the inspection of any member without charge.

MANAGING DIRECTOR

138. Subject to the provisions of the Act and of these Articles, the Board shall have power to appoint from time to time any of its member or members as Managing Director or Managing Directors of the Company for fixed term not exceeding five years at a time and upon such terms and conditions as the Board thinks fit and subject to the provisions of Article 140, the Board may by resolution vest in such Managing Director or Managing Directors such of the powers hereby vested in the Board generally as it thinks fit, and such powers may be made exercisable for such period or periods and upon such conditions and subject to such restrictions as it may determine. The remuneration of a Managing Director may be by way of (monthly. payment, fee for each meeting or participation in profits, or by any or all these modes, or any other mode not expressly prohibited by the Act.
139. The Managing Director or Managing Directors shall not exercise the powers to:
- (a) make calls on share holders in respect of money unpaid on the shares in the Company.
 - (b) issue debentures; and except to the extent mentioned in the resolution passed at the Board meeting under Section 292 of the Act, shall also not exercise the powers to;
 - (c) borrow moneys, otherwise than on debentures;
 - (d) invest the funds of the Company, and
 - (e) make loans.
140. The Company shall not appoint or employ, or continue the appointment or employment of a person as its Managing or whole-time Director who -
- (a) is an Undischarged insolvent, or has at any time been adjudged as insolvent;
 - (b) suspends, or has at any time suspended payment to his creditors, or makes, or has at any time made a composition with them; or

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(c) is, or has, at any time been convicted by a Court of an offence involving moral turpitude.

141. A Managing Director shall not while he continues to hold that office be subject to the retirement by rotation, in accordance with Article 129. If he ceases to hold the office of Director, he shall ipso facto and immediately cease to be a Managing Director.

DIVIDENDS

159. The profits of the Company, subject to any special rights relating thereto created or authorized to be created by these Articles, and subject to the provisions of these Articles shall be divisible among the members in proportion to the amount of capital paid-up on the shares held by them respectively.

160. The Company in General Meeting may declare dividends to be paid to members according to their respective rights, but no dividend shall exceed the amount recommended by the Board, but the Company in General Meeting may declare a smaller dividend.

161. No dividend shall be declared or paid otherwise than out of the profits of the financial year arrived at after providing for depreciation in accordance, with the provisions of Section 205 of the Act or out of the profits of the Company for any previous financial year or years arrived at after providing for depreciation in accordance with these provisions and remaining undistributed or out of both, provided that;

(a) if the Company has not provided for depreciation for any previous financial year or years, it shall, before declaring or paying a dividend for any financial year, provide for such depreciation out of the profits of the financial year or years.

(b) if the Company has incurred any loss in any previous financial year or years, the amount of the loss or any amount which is equal to the amount provided for depreciation for that year or those years whichever is less, shall be set off against the profits of the company for the year for which the dividend is proposed to be declared or paid or against the profits of the Company for any previous financial year or years arrived at in both cases after providing for depreciation in accordance with the provisions of sub-section (2) of Section 205 of the Act, or against both.

162. The Board may, from time to time, pay to the Members such interim dividend as in their judgment, the position of the Company justifies.

163. Where capital is paid in advance of calls, such capital may carry interest but shall not in respect thereof confer a right to dividend or participate in profits.

164. All dividends shall be apportioned and paid proportionately to the amounts paid or credited as paid on the shares during any portion or portions of the period in respect of which the dividend is paid, but if any share is issued on terms providing that it shall rank for dividend as from a particular date, such share shall rank for dividend accordingly.

165. The Board may retain the dividends payable upon shares in respect of which any person is under the Article 60 entitled to become a member or which any person under that Article is entitled to transfer; until such a person shall become a member, in respect of such shares or duly transfer the same.

166. Anyone of several person who are registered as joint-holders of any share may give effectual receipts for all dividends or bonus and payments on account of dividends or bonus or other moneys payable in respect of such shares.

167. No member shall be entitled to receive payments of any interest or dividend in respect of his share or shares, while any money may be due or owing from him to the Company in respect of such share or shares or otherwise howsoever, either alone or jointly with any other person or persons and the Board may deduct from the interest or dividend payable to any member all sums of money so due from him to the Company.

168. A transfer of share shall not pass the right to any dividend declared thereon before the registration of the transfer.

169. Unless otherwise directed, any dividend may be paid by cheque or warrant or by a pay-slip or receipt having the force of a cheque or warrant sent through the post to the registered address of the member or person entitled or in case of joint-holders to that one of them first named in the Register in respect of the joint-holdings. Every such cheque or Warrant shall be made payable to the order of the person to whom it is sent. The Company shall not be liable or responsible for any cheque or Warrant or pay-slip or receipt lost in transmission, or for any dividend lost to the member or person entitled thereto by the forged endorsement of any cheque or warrant or the forged signature of any pay-slip or receipt or the fraudulent recovery of the dividend by any other means.

170. No unclaimed dividend shall be forfeited by the Board unless the claim thereto becomes barred by law and the company shall comply with the provision of Section 205A and 205C of the Act in respect of all unclaimed or unpaid dividend.

171. Any General Meeting declaring a dividend may, on the recommendation of the Directors, make a call on the members of such amount as the meeting fixes, but so that the call on each member shall not exceed the dividend and the dividend may, if so arranged between the Company and the member, be set off against the calls.

CAPITALISATION OF RESERVES

172. Any General Meeting may resolve that any moneys, investments, or other assets forming part of undivided profits of the Company standing to the credit of the Reserves, or any Capital Redemption Reserve Fund, in the hands of the Company and available for dividend or representing premiums received on the issue of shares and standing to the credit of the Share Premium Account be capitalised and distributed amongst such of the members as would be entitled to receive the same if distributed by way of dividend and in the same proportions on the footing that they become entitled thereto as capital and that all or any part of such capitalised fund be applied on behalf of such members in paying up in full any unissued shares, debentures, or debenture-stock of the Company which shall be distributed accordingly or in or towards payment of the uncalled liability on any issued shares, and that such distribution or payment shall be accepted by such members in full satisfaction of their interest in the said capitalised sum. Provided that any sum standing to the credit of a Share Premium Account or a Capital Redemption Reserve Fund may, for the purposes of this Article, only be applied in the paying up of unissued shares to be issued to members of the Company as fully paid bonus shares.
173. A General Meeting may resolve that any surplus money arising from the realisation of any capital asset of the Company or any investments representing the same, or any other undistributed profits of the Company not subject to charge for income tax, be distributed among the members on the footing that they receive the same as capital. .
174. For the purpose of giving effect to any resolution under the two last preceding articles hereof the Board may settle any difficulty which may arise in regard the distribution as it thinks expedient and in particular may issue fractional certificates, and may fix the value of distribution of any specific assets, and may determine that cash payment shall be made to any members upon the footing of the value so fixed in order to adjust the rights of all parties and may vest such cash or specific assets in trustees upon such trusts for the persons entitled to the Board. Where requisite, a proper contract shall be filed in accordance with Section 75 of the Act, and the Board may appoint any person to sign such contract on behalf of the person entitled to the dividend or capital fund, and such appointment shall be effective.

DOCUMENTS AND NOTICES

181. (1) A document or notice may be served or given by the Company on any member either personally or sending it by post to him to his registered address or (if he has no registered address in India) to the address, if any, in India supplied by him to the Company for serving documents or notices on him.
- (2) Where a document or notice is sent by post, service of the document or notice shall be deemed to be effected by properly addressing, prepaying and posting a letter containing the document or notice, provided that where a member has intimated to the Company in advance that documents or notices should be sent to him under a certificate of posting or by registered post with or without acknowledgment due and has deposited with the Company a sum sufficient to defray the expenses of the doing so; service of the documents or notice shall not be deemed to be effected unless it is sent in the manner intimated by the member and such service shall be deemed to have been effected in the case of Notice of a meeting, at the expiration of forty-eight hours after the letter containing the document or notice is posted and in any other case at the time at which the letter would be delivered in the ordinary course of post.
182. A document or notice advertised in a newspaper circulating in the neighborhood of the Office shall be deemed to be duly served or sent on the day on which the advertisement appears to every member who has no registered address in India and has not supplied to the Company an address within India for serving of documents on or the sending of notices to him.
183. A document or notice may be served or given by the Company on or given to the joint-holders of a share by serving or giving the document or notice on or to the joint-holders named first in the Register of Members in respect of the share.
184. A document or notice may be served or given by the Company on or to the persons entitled to a share in consequence of the death or insolvency of a member by sending it through post in a prepaid letter addressed to him or them by name or by the title of representatives of the deceased or assignee of the insolvent or by any like description, at the address (if any) in India supplied for the purpose by the persons claiming to be entitled, or (until such an address has been so supplied) by serving the document or notice in any manner in which the same might have been given if the death or insolvency had not occurred.
185. Documents or notices of every General Meeting shall be served or given in the same manner hereinbefore on or to (a) every member (b) every person entitled to a share in consequence of the death or insolvency of a member, and (c) the Auditor for the time being of the Company.

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186. Every person who, by operation of law, transfer or other means whatsoever, shall become entitled to any share, shall be bound by every document or notice in respect of such shares, previously to his name and address being entered on the Register of Members, shall have been duly served on or given to the person from whom he derives his title to such shares.
187. Any document or notice to be served or given by the Company may be signed by a Director or some person duly authorised by the Board of Directors for such purpose and the signatures thereto may be written, printed or lithographed.
188. All documents or notices to be served or given by members on or to the Company or any office thereof shall be served or given by sending it to the Company or Officer at the Office by post under a certificate of posting or by registered post, or by leaving it at the office.

PAYMENT OF ANNUAL CUSTODIAL FEE

189. The Company agrees that as soon as its securities are listed on the on the Exchange, it will pay to the stock Exchange an Initial Listing fee as prescribed in schedule II hereto annexed and made a part thereof and that thereafter, so long as the securities continue to be listed on the Stock Exchange, it will pay to the Exchange on or before the 30th April, in each year an annual listing fee computed on the basis of the capital of the company as on 31st March and worked out as provided in Schedule II hereto annexed. The company also agrees that it shall pay the additional Annual listing Fee, at the time of making application for listing of securities arising out of further issue, as is computed in terms of Schedule II annexed hereto for any addition in the capital after 31st March.
190. The company agrees to pay the depositors Annual Custodial fee at such rates as specified by SEBI from time to time. The issuer agrees that failure to pay the fee will attract such panel action by SEBI as it may deem fit.

WINDING UP

191. The Liquidator on any winding-up (whether voluntary, under supervision or compulsory) may, with the sanction of a Special Resolution but subject to the rights attached to any preference share capital, divide among the contributories in specie any part of the assets of the Company and may with the like sanction; vest any part of the assets of the Company in trustees upon such trusts for the benefit of the contributories as the Liquidator, with the like sanction shall think fit.

INDEMNITY AND RESPONSIBILITY

192. Every Officer or Agent for the time being of the Company shall be indemnified out of the assets of the Company against all liability incurred by him in defending any proceeding, whether civil or criminal in which judgment is given in his favour or in which he is acquitted or discharged or in connection with any application under Section 633 of Act, in which relief is granted to him by the Court.

SECRECY

193. Subject to the provisions of these Articles and the Act no member, or other person (not being a Director) shall be entitled to enter the property of the Company or to inspect or examine the Company's premises or properties of the Company without the permission of the Directors or to require discovery of or any information respecting any detail of the Company's trading or any matter which is or may be in the nature or a trade secret, mystery of trade, or secret process or of any matter whatsoever which may relate to the conduct of the business of the Company and which in the opinion of the Directors will be inexpedient in the interest of the Company to communicate.

SECTION X – OTHER INFORMATION

MATERIAL CONTRACTS AND DOCUMENTS FOR INSPECTION

The following contracts and agreements referred to in paragraph 'A' below (not being entered into 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 date of this offer document) which are or may be deemed to be material have been entered into by or on behalf of the company. Copies of these contracts together with copies of the documents referred to in Para (B) below have been attached with the offer document and delivered to the Registrar of Companies, West Bengal for registration and also the documents for inspection referred to hereunder, may be inspected at the Registered Office of the Company at 35, Chitranjan Avenue, Kolkata – 700 012 between 10.00 a.m. and 1.00 p.m. on any working day until the date of closing of the subscription list.

A. MATERIAL CONTRACTS

- 1) MOU dated 1st August, 2006 between the Company and Chartered Capital And Investment Ltd to act as Book Running Lead Manager to the Issue.
- 2) MOU between the company and Intime Spectrum Registry Limited to act as the Registrar to the Issue.
- 3) Escrow Agreement dated [•] between the Company, the BRLM, the Escrow Collection Bank(s) and the Registrar to the Issue.
- 4) Syndicate Agreement dated [•] between the Company, BRLM and the Syndicate Members.
- 5) Underwriting Agreement dated [•] between the Company, BRLM and other Syndicate Members.
- 6) Due Diligence Certificate dated 25/09/2006 form the Book Running Lead Manager.
- 7) Tripartite Agreement dated 19/04/2007 between the Company, NSDL and Registrar to the Issue.
- 8) Tripartite Agreement dated 17/01/2007 between the Company, CDSL and Registrar to the Issue.

B. DOCUMENTS OF INSPECTION

1. Memorandum and Articles of Association of the issuer company.
2. Certificate of Incorporation of the Issuer Company.
3. Copies of the special resolution passed by the shareholders in their meeting held on 28th July, 2006 under section 81(1A) of the Companies Act, 1956.
4. Resolution passed by the Board of Directors dated 03rd July, 2006 for going Initial Public Offer.
5. Resolution passed by the Board of Directors dated 26th September, 2006, 24th May, 2007 and [•] approving the Draft Red Herring Prospectus, Red Herring Prospectus and Prospectus.
6. Consents from the Directors, Book Running Lead Manager, Registrars, Monitoring Agency, Bankers to the issue, Bankers to the company, Auditors, Company Secretary & Compliance Officer and Legal Adviser to act in their respective capacities.
7. Auditors Certificate on tax benefits available to the Company and their consent to include the same in the offer document.
8. Auditors certificate on Sources and Deployment of the Funds incurred on the project and their consent to include the same in the offer document.
9. Auditor's Report of the company dated 8th May, 2007 referred in the offer document and their consent to include the same in the offer document.
10. Sanction Letter of Term Loans of Rs.1500.00 lacs, Rs.2000.00 lacs & Rs.500.00 lacs dated 07.06.04, 09.06.05 & 05.06.06 respectively of State Bank of India, Sanction Letter of Term Loan of Rs.1150.00 lacs & Rs.300.00 lacs dated 10.03.05 & 29.09.06 of Andhra Bank and Sanction Letter of Rs.850.00 lacs & Rs.215.00 lacs dated 19.03.05 & 29.03.07 of Syndicate Bank.
11. Appraisal Report of State Bank of India dated 07.06.04, 09.06.05 & 05.06.06, of Andhra Bank dated 10.03.05 and of Syndicate Bank dated 19.03.05.

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12. Resolution of the Board of Directors of the Company dated 3rd July, 2006 regarding formation of various committees
13. Copies of the Annual Reports of the Company for the year ended 31st March, 2006, 31st March, 2005, 31st March, 2004 and 31st March, 2003 and Audited Accounts for the year ended 31st March, 2007.
14. Memorandum & Articles of Association and Copies of the Annual Reports of the Promoter Companies for last three years.
15. Memorandum & Articles of Association and Copies of the Annual Reports of the Group Companies/ventures for last three years, wherever applicable.
16. Agreement dated 3rd July, 2006 between the Company and Mr. Ankit Patni, Managing Director.
17. Agreement dated 1st August, 2006 between the Company and Mr. Sanjay Singh, Director (Works).
18. Copies of Initial Listing applications made to Bombay Stock Exchange Ltd for listing of the equity shares of the company dated [%].
19. Copy of the in principle approval received from BSE dated 28th November, 2006 .
20. SEBI observation letter No CFD/DIL/ISSUES/PB/PR/90098/2007 dated March 30, 2007 and reply of BRLM to same dated May 29, 2007.
21. Government approvals.

DECLARATION

We, the Directors of Ankit Metal & Power Limited, hereby declare that, all the relevant provisions of the Companies Act, 1956, and the guidelines issued by the Government of India or the guidelines issued by the Securities and Exchange Board of India, as the case may be, have been complied with and no statement made in this Red Herring Prospectus is contrary to the provisions of the Companies Act, 1956, the Securities and Exchange Board of India Act, 1992 or rules made there under or guidelines issued, as the case may be. We further certify that all the disclosures and statements made in this Red Herring Prospectus are true and correct.

We, the directors of Ankit Metal & Power Limited declare and confirm that no information/ material likely to have a bearing on the decision of the investors in respect of the equity shares offered in terms of the offer document has been suppressed/ withheld and / or incorporated in a manner that would amount to misstatement/ mis-representation and in the event of its transpiring at any point of time till allotment/ refund, as the case may be, that any information/material has been suppressed/ withheld and / or amounts to mis-statement/ mis-representation, we undertake to refund the entire application moneys to all the subscribers within seven days thereafter, without prejudice to the provisions of section 63 of the Act.

The company accepts no responsibility for statements made otherwise than in the offer document or in the advertisement or any other material issued by or at the instance of the company and that any one placing reliance on any other source of information would be doing so at its own risk.

SIGNED BY ALL THE DIRECTORS, FINANCE HEAD AND COMPANY SECRETARY

**Mr. Suresh Kumar Patni,
Chairman**

**Mr. Ankit Patni,
Managing Director**

**Mr. Sanjay Singh,
Director (Works)**

**Mr. Kailash Chand Jain,
Director**

**Mr. Vijay Kumar Jain,
Director**

**Mr. Jatindra Nath Rudra,
Director**

**Mr. Chandra Kumar Jain,
GM (F & A), Company Secretary
& Compliance officer**

**Place: Kolkata
Date: 5th June, 2007**

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