



AUSTRAL COKE & PROJECTS LIMITED

(Originally incorporated as "NRE Stocknet Ltd." as Public Limited Company at Kolkata, West Bengal, on April 22, 1994 under the Companies Act, 1956, we changed the name of our company as "NET Interactive Ltd" vide fresh certification of incorporation dated on June 16, 1998 and subsequently renamed as "Austral Coke & Projects Limited" vide fresh certificate of incorporation dated since September 14, 2005)

Registered Office: Diamond Chambers, 4, Chowringhee Lane, Block No. 2, 7th Floor, Unit No.-7-1, Kolkata-700016 Tel: +91-33- 2252 1799; fax +91 -33- 2252 2134

(For changes in our Registered Office, see "History and Corporate Structure of Our Company on page 109)

Works: Survey No.352.353/1,353/2, Village- Lunva, Taluka Bhachau, Dist - Kutch, Gujarat.Tel : 02837 - 291201/223374

Corporate Office: Killedar Estate, Building No. 1, 1st & 2nd Floor, Opp Jogeshwari MTNL office, S.V. Road, Jogeshwari (West), Mumbai - 400 102;

Tel: +91-22-6724 0000, **Fax:** +91-22- 6724 0100 **Website:** www.australcoke.com; **E-mail:** ipo@australcoke.com

Contact Person: Mr. Navin Choudhary - Company Secretary and Mr. Vivek Bharuka - Compliance Officer

INITIAL PUBLIC OFFERING OF 72,60,000 EQUITY SHARES OF RS. 10/- EACH AT A PRICE OF RS. [●] PER SHARE FOR CASH (INCLUDING SHARE PREMIUM OF RS. [●] PER SHARE) AGGREGATING RS [●] LACS (HEREINAFTER REFERRED TO AS THE ISSUE) ADDITIONALLY THERE IS A GREEN SHOE OPTION OF UP TO 10,89,000 EQUITY SHARES TO BE OFFERED FOR CASH AT A PRICE OF RS. [●] EACH AGGREGATING RS. [●] LACS. THE ISSUE SHALL CONSTITUTE 27.72% OF THE FULLY DILUTED POST ISSUE CAPITAL OF OUR COMPANY, ASSUMING THE GREEN SHOE OPTION IS EXERCISED AND SHALL CONSTITUTE 25.00% OF THE FULLY DILUTED POST ISSUE CAPITAL OF OUR COMPANY, ASSUMING THE GREEN SHOE OPTION IS NOT EXERCISED.

PRICE BAND: RS 164 TO RS 196 PER EQUITY SHARE OF FACE VALUE RS 10 EACH

THE FACE VALUE OF THE SHARE IS RS 10 AND THE FLOOR PRICE IS 16.4 TIMES OF THE FACE VALUE AND THE CAP PRICE IS 19.6 TIMES OF THE FACE VALUE

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 Limited ("BSE") and 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 and at the terminals of the Syndicate.

This Issue is being made through the 100% Book Building Process wherein upto 50% of the Issue shall be available for allocation on a proportionate basis to Qualified Institutional Buyers ("QIBs") (including 5% of the QIBS Portion that would be specifically reserved for mutual funds on a proportionate basis), subject to valid Bids being received at or above the Issue Price. Further, at least 15% of the Issue shall be available for allocation on a proportionate basis to Non-Institutional Bidders and at least 35% of the Issue shall be available for allocation on a proportionate basis to Retail Individual Bidders, subject to valid Bids being received at or above the Issue Price.

RISK IN RELATION TO THE FIRST ISSUE TO THE PUBLIC

This being the first issue of Austral Coke & Projects Limited, there has been no formal market for the shares of our company. **The Face value of the Equity share is Rs. 10 and the Floor price is 16.4 times of the face value, and the Cap Price is 19.6 times of the face value.** The Issue Price (as determined by our company in consultation with the Book Running Lead Managers, based on 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 or regarding the price at which the Equity Shares will be traded after listing.

GENERAL RISKS

Investments in equity and equity-related securities involve a degree of risk and investors should not invest any funds in this Issue unless they can afford to take the risk of losing their investment. Investors are advised to read the risk factors carefully before taking an investment decision in this Issue. For taking an investment decision, investors must rely on their own examination of our company and the Issue including the risks involved. The Equity Shares offered in the Issue have not been recommended or approved by the Securities and Exchange Board of India ("SEBI"), nor does SEBI guarantee the accuracy or adequacy of this Red Herring Prospectus. **Specific attention of the investors is invited to the section titled "Risk Factors" beginning on page 10 of this Red Herring Prospectus.**

ISSUER'S ABSOLUTE RESPONSIBILITY

The Issuer having made all reasonable inquiries, accepts responsibility for and confirms that this Red Herring Prospectus contains all information with regard to the Issuer and the Issue, which is material in the context of the Issue, that the information contained in this 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.

LISTING

The Equity Shares offered through this Red Herring Prospectus are proposed to be listed on the BSE and the NSE. We have received in-principle approval from the BSE and the NSE for the listing of our Equity Shares pursuant to letters dated November 28, 2007 and December 18, 2007 respectively. BSE shall be the Designated Stock Exchange for the purpose of this Issue.

IPO GRADING

This issue has been graded by CARE Limited and has been assigned the "CARE IPO Grade 2", indicating below average fundamentals through its letter dated January 16, 2008 and revaluated vide their letter dated June 11, 2008. For more information on IPO Grading, please refer to the section "General Information" beginning on page 34 of this Red Herring Prospectus.

BOOK RUNNING LEAD MANAGER



Allbank Finance Limited
(Wholly owned Subsidiary of Allahabad Bank)
2nd Floor, Allahabad Bank Building,
37, Mumbai Samachar Marg, Fort, Mumbai - 400023
Tel No: +91-22-65109933/2262-6283; Fax No: +91-22-22677552
E-mail: austral_ipo@allbankfinance.com; Website: www.allbankfinance.com
Contact Person: Mr. Prasaad Akolkar / Mr. T. V. Krishnan
SEBI Registration No.: INM000006609

REGISTRAR TO THE ISSUE



Intime Spectrum Registry Limited
C-13, Pannalal Silk Mills Compound, LBS Marg,
Bhandup (West), Mumbai - 400 078
Tel No: +91-22-25960320; Toll Free no. 1800-22-0320
Fax No: +91-22-25960328-29
Email: austral.ipo@intimespectrum.com; Website: www.intimespectrum.com
Contact Person: Mr. Sachin Achar
SEBI Registration No.: INM000003761

C0-BOOK RUNNING LEAD MANAGERS



Prabhudas Lilladher
POWERING YOUR FINANCIAL GROWTH
PL Capital Markets Private Limited
3rd Floor, Sadhana House, 570, P.B. Marg
Behind Mahindra Towers, Worli, Mumbai - 400 018
Tel No: +91 22 6632 2222, Fax No: +91 22 6632 2229
Email: australipo@plindia.com; Website: www.plindia.com
Contact Person: Mr. Rishabh Shah
SEBI Registration No.: INM 000011237



Saffron Capital Advisors Private Limited
energising ideas
Ground Floor, Vilco Center, 8, Subhash Road,
Vile Parle (East), Mumbai - 400 057
Tel No: +91 22 4082 0904 / 0910; Fax No: +91 22 2682 0502
Email: ipo@saffronadvisor.com; Website: www.saffronadvisor.com
Contact Person: Mr. Neeraj Khandelwal
SEBI Registration No.: INM000011211



Elara Capital (India) Private Limited
304, Vaibhav Chambers, Bandra Kurla Complex,
Bandra (E), Mumbai - 400 051.
Tel: +91-22 - 30626167; Fax: +91-22 - 30626170
Email: rashmi.deshpande@elaracapital.com
Website: www.elaracapital.com
Contact Person: Ms. Rashmi Deshpande
SEBI Registration No.: INM000011104

ISSUE PROGRAMME

BID / ISSUE OPENS ON	August 7, 2008	BID / ISSUE CLOSES ON	August 13, 2008
-----------------------------	-----------------------	------------------------------	------------------------

TABLE OF CONTENTS

INDEX	Page No.
SECTION I: GENERAL	
Definitions	1
Conventional / General Terms	1
Issue Related Terms	2
Glossary of Technical & Industry terms	6
Abbreviations of General terms	7
Certain Conventions; Use of market data	8
Forward Looking Statements	9
SECTION II: RISK FACTORS	
Risk factors	10
SECTION III: INTRODUCTION	
Summary	22
Issue details in brief	28
General Information	34
Capital Structure	50
Objects of the Issue	61
Basis for Issue Price	74
Statement of Tax Benefits	76
SECTION IV: ABOUT OUR COMPANY	
Industry Overview	85
Our Business	96
Key Industry Regulations	108
History and Corporate Structure	109
Our Management	113
Our Promoters	123
Our Promoter Group Companies / Firms / Ventures	130
Related Party Transactions	142
Dividend Policy	143
SECTION V: FINANCIAL INFORMATION	
Financial Statements	144
Management's Discussion and Analysis of Financial Condition and Results of Operations	158
SECTION VI: LEGAL AND REGULATORY INFORMATION	
Outstanding Litigations and Material Developments	165
Government Approvals & Licensing	178
Other Regulatory and Statutory Disclosures	180
SECTION VII: ISSUE RELATED INFORMATION	
Terms of the Issue	189
Issue Structure	191
Issue Procedure	193
SECTION VIII: MAIN PROVISIONS OF ARTICLES OF ASSOCIATION	
Main Provisions of the Articles of Association	223
SECTION IX: OTHER INFORMATION	
Material Contracts and Documents for Inspection	252
Declaration	255

SECTION I: GENERAL

DEFINITIONS AND ABBREVIATIONS

DEFINITIONS

Term	Description
“AC&PL” or “ACPL ” Austral Coke & Projects Limited or “our company”	Austral Coke & Projects Limited a Public Limited Company incorporated under the Companies Act, 1956.
“We” or “us” and “our”	Unless the context otherwise require, refers to Austral Coke & Projects Limited

Conventional / General Terms

Terms	Description
AoA/Articles/ Articles of Association	Articles of Association of Austral Coke & Projects Limited
Auditors	The Statutory Auditors of Austral Coke & Projects Limited being T.N.Datta & Associates, Chartered Accountants.
Bankers to our company	State Bank of India State Bank of Indore Bank of India
Board of Directors / Board	The Board of Directors of Austral Coke & Projects Limited
BSE	Bombay Stock Exchange Limited (the designated stock exchange)
Companies Act	The Companies Act, 1956, as amended from time to time
Corporate Office	Killedar Estate, Building No. 1, 1 st & 2 nd Floor, Opp. Jogeshwari MTNL office, S.V. Road, Jogeshwari (West), Mumbai - 400 102, India
Depositories Act	The Depositories Act, 1996, as amended from time to time
Director(s)	Director(s) of Austral Coke & Projects Limited , unless otherwise specified
Equity Shares	Equity Shares of our company of face value of Rs. 10 each unless otherwise specified in the context thereof
EPS	Earnings Per Share
GIR Number	General Index Registry Number
GSO	Green Shoe Option
HUF	Hindu Undivided Family
Indian GAAP	Generally Accepted Accounting Principles in India
IPO	Initial Public Offering
MOA/ Memorandum/ Memorandum of Association	Memorandum of Association of Austral Coke & Projects Limited
Non Residents	A person resident outside India as defined under FEMA and includes a Non-Resident Indian
Non-Resident Indian/ NRI	A person resident outside India, as defined under FEMA and who is a citizen of India or a Person of Indian Origin under FEMA (Transfer or Offer of Security by a Person Resident Outside India) Regulations, 2000
NSE	The National Stock Exchange of India Limited
Overseas Corporate Body / OCB	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 (Transfer or Issue of Security by a Person Resident Outside India) Regulations, 2000
Person or Persons	Any individual, sole proprietorship, unincorporated association, unincorporated organization, body corporate, corporation, company, partnership, limited liability company, joint venture, or trust or any other entity or organization validly constituted and/or incorporated in the jurisdiction in which it exists and operates, as the context requires.

Promoters	Mr. Rishi Raj Agarwal Mr. Ratan Lal Tamakhuwala Shri Hanuman Investments Private Limited Anarcon Resources Private Ltd
Qualified Institutional Buyers or QIBs	Public financial institutions as specified in Section 4A of the Companies Act, Foreign Institutional Investors, Scheduled Commercial Banks, Mutual Funds registered with SEBI, Venture Capital Funds registered with SEBI, Foreign Venture Capital Investors registered with SEBI, State Industrial Development Corporations, Insurance Companies registered with the Insurance Regulatory and Development Authority, Provident Funds with minimum corpus of Rs. 250 million and Pension Funds with minimum corpus of Rs. 250 million and National Investment Fund.
Registered Office of our Company	Diamond Chambers, 4, Chowringhee Lane, Block No. 2, 7 th Floor, Unit No.-7-1, Kolkata - 700 016
S.A.	Stabilization agent
SEBI	The Securities and Exchange Board of India constituted under the SEBI Act, 1992
SEBI Act	Securities and Exchange Board of India Act, 1992, as amended from time to time
SEBI Guidelines	SEBI (Disclosure and Investor Protection) Guidelines, 2000 issued by SEBI on January 27, 2000, as amended, including instructions and clarifications issued by SEBI from time to time.
SEBI Takeover Regulations	Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeover) Regulations, 1997, as amended from time to time.
Stock Exchanges	BSE & NSE, referred to as collectively
Subsidiaries	The subsidiary of the company namely, Astra mining Limitada.SARL
U.S. GAAP	Generally Accepted Accounting Principles in the United States of America

Issue Related Terms

Terms	Description
Allotment	Issue of Equity Shares pursuant to the Issue to the successful Bidders as the context requires.
Allottee	The successful bidder to whom the Equity Shares are being / have been issued.
Escrow Bankers to the Issue	Axis Bank Limited ABN Amro Bank ICICI Bank Limited Deutsche Bank AG HDFC Bank Limited Standard Chartered Bank
Bid	An indication to make an offer during the Bidding Period by a prospective investor to subscribe to or purchase our 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 Closing Date/ 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 an English National Newspaper, a Hindi national Newspaper and a Regional Newspaper, all with wide circulation.
Bid cum Application Form/ Bid Form	The form used by a Bidder to make a Bid and which will be considered as the application for Allotment for the purposes of this Red Herring Prospectus and the Prospectus.
Bid Opening Date/ Issue Opening Date	The date on which the members of the Syndicate will accept Bids for the issue, which shall be notified in an English National Newspaper, a Hindi national Newspaper and a Regional Newspaper, all with wide circulation.
Bidder	Any prospective investor who makes a Bid pursuant to the terms of this Red Herring Prospectus.

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 may submit their Bids.
Book Building Process	Book Building route as provided under Chapter XI of the SEBI Guidelines, in terms of which the Issue is being made.
BRLM/Book Running Lead Manager	Book Running Lead Managers to the Issue being Allbank Finance Limited, Saffron Capital Advisors Private Limited, PL Capital Markets Private Limited and Elara Capital (India) Private Limited
CAN/ Confirmation of Allocation Note	Means the note or advice or intimation of allocation of Equity Shares sent to the Bidders who have been allocated Equity Shares in the Book Building Process.
Cap Price	The higher end of the Price Band, above which Issue Price will not be finalized and above which no Bids will be accepted.
Cut-off Price	The Issue Price finalized by our company in consultation with the BRLM. A Bid submitted at Cut-off Price is a valid Bid at all price levels within the Price Band.
Depository Act	The Depositories Act, 1996 as amended from time to time.
Depository	A depository registered with SEBI under the SEBI (Depositories and Participant) Regulations, 1996 as amended from time to time.
Depository Participant	A depository participant as defined under the Depositories Act
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 the Equity Shares to successful Bidders.
Designated Stock Exchange	Bombay Stock Exchange Limited
Draft Red Herring Prospectus	This Draft Red Herring Prospectus filed with SEBI, which does not have complete particulars on the price at which the Equity Shares are offered and size of the Issue.
Escrow Account	Account opened with the Escrow Collection Bank(s) and in whose favour the Bidder will issue cheques or drafts in respect of the Bid Amount when submitting a Bid.
Escrow Agreement	Agreement entered into amongst our company, Syndicate Members, the Registrar, the Escrow Collection Bank(s) and the BRLM for collection of the Bid Amounts and for remitting refunds (if any) of the amounts collected to the Bidders.
Escrow Collection Bank(s)	The banks, which are clearing members and registered with SEBI as Bankers to the Issue at which bank the Escrow Account of our company, will be opened.
First Bidder	The Bidder whose name appears first in the bid cum application form or revision form
Floor Price	The price advertised by our company prior to the Bid/Issue Opening Date, below which the Issue Price will not be finalized and below which no Bids will be accepted
Green Shoe Option	An option to the BRLM / Issuer in consultation with the Stabilising Agent, to allocate Equity Shares in excess of the Equity Shares included in the IPO and operate a post-listing price stabilisation mechanism in accordance with Chapter VIII-A of the SEBI Guidelines, which is granted to a company to be exercised through a stabilising agent.
Green Shoe Option Portion	Green shoe option up to 10,89,000 Equity shares of Rs. 10/- each at a price of Rs. [●] per Equity share for cash aggregating Rs. [●] lacs. The Issue size would be up to Rs. [●] lacs assuming no exercise of the Green Shoe Option and up to Rs. [●] lacs assuming the Green Shoe Option is fully exercised
Green Shoe Lender	Mr. Rishi Raj Agarwal
GSO Bank Account	The Bank account opened by the Stabilising Agent under the Stabilising Agreement.
GSO Demat Account	The Demat account opened by the Stabilising Agent under the Stabilising Agreement.

Issue Price	The final price at which the Equity Shares will be allotted in terms of the Red Herring Prospectus, as determined by our company in consultation with BRLM on the Pricing Date
Issue Account / Public Issue Account	Account opened with the Bankers to the Issue to receive money from the Escrow Account for the Issue on the Designated Date.
Issue Period	The period between the Bid / Issue Opening Date and Bid / Issue Closing Date including both these dates
Margin Amount	The amount paid by the Bidder at the time of submission of the Bid, being 10% to 100% of the Bid Amount.
Members of the Syndicate	Syndicate Members
Mutual Fund portion	5% of QIB portion or 1,81,500 equity shares available to allocation to Mutual Funds only, out of QIB portion.
Non-Institutional Portion	All Bidders that are not eligible Qualified Institutional Buyers for this Issue, including affiliates of BRLM and Syndicate members, or Retail Individual Bidders and who have bid for an amount more than Rs. 100,000.
Non-Institutional Bidders	All Bidders that are not eligible Qualified Institutional Buyers for this Issue, including affiliates of BRLM and Syndicate members, or Retail Individual Bidders and who have bid for an amount more than Rs. 100,000.
Pay-in-Date	Bid Closing Date or the last date specified in the CAN sent to Bidders, as applicable
Pay-in-Period	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 QIBs, whose Margin Amount is 10% of the Bid Amount, the period commencing on the Bid/Issue Opening Date and extending until the closure of the Pay- in-Date.
Price Band	Being the price band of a minimum price of Rs. 164 per Equity Share (Floor Price) and the maximum price of Rs. 196 per Equity Share (Cap Price)(both inclusive), and including revision thereof.
Pricing Date	Means the date on which our company, in consultation with the BRLM, finalizes the Issue Price
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/ Issue	Initial Public Offering of 72,60,000 Equity shares of Rs. 10/- each at a price of Rs [●] for cash aggregating to Rs [●] lacs (hereinafter referred to as the issue). The issue would constitute 25% of the fully diluted post issue paid up equity capital of our company.
Public Issue Account	Account opened with Bankers to the Issue for the purpose of transfer of money from the Escrow Account on or after the Bid / Issue Opening Date.
QIB Portion	Consists of 36,30,000 Equity Shares of Rs. 10 each aggregating at a price of Rs. [●] for cash aggregating Rs [●] lacs being up to 50% of the Issue, available for allocation to QIBs. 5% of the QIB Portion shall be available for allocation on a proportionate basis to Mutual Funds only.
Red Herring Prospectus or RHP	Document issued in accordance with Section 60B of the Companies Act and does not have complete particulars on the price at which the Equity Shares are offered 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 with RoC after the pricing and allotment.
Registrar/Registrar to the Issue	Registrar to the Issue being Intime Spectrum Registry Ltd. C-13, Pannalal Silk Mills Compound, L.B.S. Marg, Bhandup (West), Mumbai-400078.

RoC / Registrar of Companies	Registrar of Companies, West Bengal, Kolkata.
Retail Portion	Consists of 25,41,000 equity shares of Rs. 10 each aggregating Rs. [●] lacs, being upto 35% of the Issue, available for allocation to Retail Individual Bidder(s).
Retail Individual Bidders	Individual Bidders (including HUFs and NRIs) who have made their bid for Equity Shares for a cumulative amount of not more than Rs. 100,000.
Revision Form	The form used by the Bidders to modify the quantity of Equity Shares or the Bid Price in any of the Bid options as per their Bid-cum-Application Form and as modified by their subsequent Revision Form(s), if any.
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 (Guidelines for Disclosure and Investor Protection) 2000 issued by SEBI effective from January 27, 2000, as amended, including instructions and clarifications issued by SEBI from time to time.
Stabilising Agent or SA	PL Capital Markets Private Limited
Stabilising Agreement	Agreement entered into by us, the Green Shoe Lender and the Stabilising Agent on December 14, 2007 in relation to the Green Shoe Option.
Stabilisation Period	The period not exceeding 30 days from the date of obtaining trading permission from the Stock Exchanges for the Equity Shares under the Issue.
Syndicate Agreement	Agreement to be entered into amongst the BRLM, Syndicate Member(s) and our company in relation to the collection of Bids in the Issue.
Syndicate Members	Intermediaries registered with SEBI and eligible to act as underwriters. Syndicate Members are appointed by the BRLM and in this case, being <ul style="list-style-type: none"> (a) Aryaman Financial Services Limited (b) Comfort Securities Pvt Ltd (c) Enam Securities Private Limited (d) Elara Securities (India) Private Limited (e) Prabhudas Lilladher Pvt. Limited (f) Saffron Global Markets Private Limited (g) Sal Securities Pvt Ltd (h) Reliance Securities Limited
TRS or Transaction Registration Slip	The slip or document registering the Bids, issued by the Syndicate Members to the Bidder as proof of registration of the Bid on submission of the Bid cum Application Form in terms of this Red Herring Prospectus.
Underwriters	The BRLM and the Syndicate Members
Underwriting Agreement	The Agreement among the Underwriters and our Company to be entered into on or after the Pricing Date

Glossary of Technical and Industry Terms:

AOD	Argon Oxygen Decarburisation
AMC	Asset Management Contract
BAI	Builders Association of India
BF	Blast Furnace
BOF	Basic Oxygen Furnace
BOOT	Build-Own-Operate-Transfer
BOT	Build-Operate-Transfer
BF/ DRI/ EAF	The process adopted by our Company for the Project, involving hot metal from the blast furnace and sponge iron from the DRI plant fed into the Electric Arc Furnace for production of steel.
Cbm/CBM/ Cu. M.	Cubic Metre
CCM	Continuous Casting Machine, which casts the liquid steel into steel billets
CEB	Construction Equipment Bank
CII	Confederation of Indian Industries
COD	Commercial Operations Date
Cr2O3	Chrome Oxide
CTNL	Consolidated Transportation Network Limited
Deg. C. sets	Degrees Centigrade
DG	Diesel Generator sets
DM Water Plant	De-mineralised water plant proposed to be set up for our waste heat recovery power plant.
DRI	Direct Reduced Iron
EAF	Electric Arc Furnace
Fe	Chemical symbol of Iron
Fluxes	Dolomite, Quartzite, Manganese Ore and Limestone
IIP	Index of Industrial Production
IISI	The International Iron and Steel Institute
LAM Coke	Low Ash Metallurgical Coke
MW	Mega Watts.
LCV	Light Commercial Vehicle
LPG	Liquefied Petroleum Gas
LRF	Ladle Refining Furnace
MUV	Multi Utility Vehicle
NM3/HR	Newton Metre Cube per Hour
OEM	Original Equipment Manufacturers
OR&M	Operations Repairs and Maintenance
PLF	Plant Load Factor
PPP	Public Private Partnership
PSU	Public Sector Unit
R&D	Research and Development
T&D	Transmission and Distribution
VD	Vacuum Degassing
VOD	Vacuum Oxygen Decarburisation
Wagon Tippler	Mechanism to tipple a railway wagon to unload its contents
Stacker-Reclaimer	Equipment to stack and reclaim bulk materials such as iron ore and coal

Abbreviations of General Terms

Abbreviation	Full Form
AS	Accounting Standards as issued by the Institute of Chartered Accountants of India
A/c	Account
BSE	Bombay Stock Exchange Limited (BSE)
CDSL	Central Depository Services (India) Limited
EPS	Earning Per Share
EGM	Extraordinary General Meeting
FCNR Account	Foreign Currency Non Resident Account
FIPB	Foreign Investment Promotion Board
FY / Fiscal/Financial Year	Period of twelve months ended March 31 of that particular year, unless otherwise stated
FEMA	Foreign Exchange Management Act, 1999, as amended from time to time, and the regulations framed there under
FII	Foreign Institutional Investors (as defined under FEMA (Transfer or Offer of Security by a Person Resident outside India) Regulations, 2000) registered with SEBI under applicable laws in India
GoI/Government	Government of India
GIR Number	General Index Registry Number
HUF	Hindu Undivided Family
I.T. Act	Income Tax Act, 1961, as amended from time to time
MoF	Ministry of Finance, GOI
MOU	Memorandum of Understanding
NAV	Net Asset Value
NPV	Net Present Value
NRIs	Non Resident Indians
NRE Account	Non Resident External Account
NRO Account	Non Resident Ordinary Account
NSDL	National Securities Depository Limited
NSE	The National Stock Exchange of India Ltd.
Over Allotment shares	Equity Shares allotted pursuant to the Green Shoe Option.
P.A., p.a.	Per annum
P/E Ratio	Price/Earnings Ratio
PAN	Permanent Account Number
RBI	The Reserve Bank of India
RoC	Registrar of Companies, West Bengal, Kolkata
ROE	Return on Equity
RONW	Return on Net Worth
SCRR	Securities Contracts (Regulation) Rules, 1957, as amended from time to time
SCRA	Securities Contract (Regulation) Act, 1956, as amended from time to time
USD/US\$	United States Dollar

CERTAIN CONVENTIONS: USE OF MARKET DATA

Unless otherwise stated, the financial data in this Red Herring Prospectus is derived from the restated financial statements of Austral Coke & Projects Limited as of and for the five years ended March 31, 2007, March 31, 2006, March 31, 2005, March 31, 2004 and March 31, 2003 and eleven month ended February 28, 2008 prepared in accordance with Indian GAAP, audited by the Statutory Auditors and restated in accordance with the applicable SEBI Guidelines. 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.

There are significant difference between Indian GAAP, US GAAP and the International Financial Reporting Standards (IFRS); accordingly, the degree to which Indian GAAP financial statements included in this Red Herring Prospectus will provide meaningful information is entirely dependent on the reader's level of familiarity with Indian accounting practices, Indian GAAP, the Companies Act and the SEBI Guidelines. Any reliance by persons not familiar with Indian accounting practices; Indian GAAP, the Companies Act and the SEBI Guidelines should accordingly be limited. There are significant differences between Indian GAAP, the US GAAP and the International Financial Reporting Standards (IFRS). Our company has not attempted to explain those differences or quantify their impact on the financial data included herein, and our company urges you to consult your own advisor regarding such differences and their impact on our financial data.

Currency of Presentation

All references to "Rupees" or "Rs." or "INR" are to Indian Rupees, the official currency of the Republic of India. All references to "\$", "US\$", "USD", "U.S.\$", "U.S. Dollar(s)" or "U.S. Dollar(s)" are to United States Dollars, if any, the official currency of the United States of America. This Red Herring Prospectus contains translations of certain U.S. Dollar and other currency amounts into Indian Rupees (and certain Indian Rupee amounts into U.S. Dollars and other currency amounts). These have been presented solely to comply with the requirements of Clause 6.9.7.1 of the SEBI Guidelines. These translations should not be construed as a representation that such Indian Rupee or U.S. Dollar or other amounts could have been, or could be, converted into Indian Rupees, at any particular rate, or at all.

Market Data

Unless otherwise stated, industry data used throughout this Red Herring Prospectus has been obtained from internal company reports and Industry publications generally state that the information contained in those publications has been obtained from sources believed to be reliable but their accuracy and completeness are not guaranteed and their reliability cannot be assured. Although our company and Book Running Lead Manager believe that industry data used in this section is reliable, it has not been independently verified. For additional definitions, please refer the section titled "Definitions and Abbreviations" on page 1 of this Red Herring Prospectus.

FORWARD-LOOKING STATEMENTS

Our company has 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”, “project”, “shall”, “contemplate”, “seek to”, “future”, “objective”, “goal”, “project”, “should”, “will continue”, “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 company objectives, plans or goals, expected financial condition and results of operations, business, plans and prospects are also forward-looking statements.

These forward-looking statements include statements as to business strategy, 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 actual results, performance or achievements to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements or other projections.

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

- Our ability to successfully implement strategy, growth and expansion plans;
- Our dependence on key personnel;
- Government approvals
- Our ability to comply with the financial conditions and other covenants of our borrowings;
- The seasonality of our business;
- Changes in the Competition landscape;
- General economic and business conditions in India and other countries;
- Changes in political conditions in India;
- Occurrence of natural disasters or calamities affecting our areas of operations;
- A slowdown in economic growth in India;
- Changes in the foreign exchange control regulations in India and Fluctuations in foreign exchange rates.
- Changes in the regulatory framework governing us.
- Any downgrading of India’s debt rating by an independent agency.

For further discussion of factors that could cause Company’s actual results to differ, see the section titled “Risk Factors” on page 10 of this Red Herring Prospectus. By their nature, certain 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. Our company, the Book Running Lead Manager(s), the members of the Syndicate, and their respective affiliates do not have any obligation to, and do not intend to, update or otherwise revise any statements reflecting circumstances arising after the date hereof or to reflect the occurrence of underlying events, even if the underlying assumptions do not come to fruition. In accordance with SEBI requirements, our company and the BRLM will ensure that investors in India are informed of material developments until such time as the grant of listing and trading permission by the Stock Exchanges.

SECTION II: RISK FACTORS

An Investment in Equity involves a higher degree of risks. Prospective investors should carefully consider the risks described below, in addition to the other information contained in this Red Herring Prospectus before making any investment decision relating to the Equity Shares. The occurrence of any of the following events could have a material adverse effect on the business, results of operation, financial condition and prospects and cause the market price of the Equity Shares to decline and you may lose all or part of your investment.

Prior to making an investment decision, prospective investors should carefully consider all of the information contained in this Red Herring Prospectus, including the sections titled "Our Business", "Management's Discussion and Analysis of Financial Condition and Results of Operations" and the "Restated Financial Statements" included in this Red Herring Prospectus beginning on pages 144, and 158 respectively. The occurrence of any of the following events could have a material adverse effect on our business, results of operation, financial condition and prospects and cause the market price of the Equity Shares to fall significantly.

Unless otherwise stated in the relevant risk factors set forth below, we are not in a position to specify or quantify the financial or other implications of any of the risks mentioned herein.

INTERNAL RISK FACTORS

- 1. We and our promoters are involved in various litigation, the outcome of which could adversely impact our business and financial operations.*

We and our promoters are involved in various litigations, summary of litigation are given below:

Cases/Notices	No. of cases	Amount involved where quantifiable (Rs. Lacs)
Cases filed against our company	1	353.04
Cases filed Against Promoters / Directors	6	5504.94
Cases filed by Promoters / Directors	2	Not Quantifiable
Cases filed against our group company *	1	Not Quantifiable
Cases filed by our group company	1	230.00

* also included in the list of cases "Cases filed Against Promoters / Directors"

*For details of the aforesaid litigation, please refer to the section titled "Outstanding Litigation" appearing on page 165 of this Red Herring Prospectus.

- 2. The Promoter Group Companies are in the same line of business i.e. Equipment hiring and consequently the interest of these companies, may conflict with the interest of Austral Coke & Projects Limited*

Some of our promoter group companies are also doing the same line of activities i.e. Equipment hiring. AC&PL with its separate professional team would create a niche with its quality of service and the choice of standard equipment, which will only be given to established players in the infrastructure industry, and as such, the management does not envisage a conflict in their activities. However, AC&PL is coming out with an IPO; for setting up of Coke and Power plant and already in the manufacturing of LAM Coke and refractories and no other group company is doing the same business except equipment-hiring business.

3. *We have not placed orders for plant and machinery proposed to be purchased out of the proceeds of this Issue. We may face cost overruns in relation to the same.*

We have not placed orders for most of the plant and machinery amounting Rs. 7423.03 Lacs, which is proposed to be funded from the Issue proceeds. We are subject to risks of inflation in the price of plant and machinery that we propose to acquire. This may require us to raise additional funds by way of additional debt or equity to enable to purchase of plant and machinery. This may affect our operational results.

4. *Delay in raising funds from the IPO could adversely impact the implementation schedule*

The expansion of our proposed project is to be entirely funded from the proceeds of this IPO. We have not identified any alternate source of funding and hence any failure or delay on our part to mobilize the required resources or any shortfall in the Issue proceeds may delay the implementation schedule. We therefore, cannot assure that we would be able to execute the expansion project within the given time frame, or within the costs as originally estimated by us. Any time overrun or cost overrun may adversely affect our growth plans and profitability.

5. *Austral Coke & Projects Limited has entered into a Non-Compete agreement with Austral Infrastructure (Pvt.) Limited for initial period of three years which may sometimes lead to conflict of interest or AC&PL foregoing more beneficial business opportunities.*

Austral Coke & Projects Limited (AC&PL), has entered into a Non-Compete Agreement dated September 24, 2007 with 'Austral Infrastructure (Pvt.) Limited (AIPL), which is proposing activities of manufacture of LAM Coke, Pig Iron and Power Plant. AC&PL, in consideration of doing the purchase and sale transactions on behalf of AIPL, will be paid management fees to be decided mutually after production of AIPL. AC&PL will put necessary efforts including carrying out due diligence to get the most competitive and profitable deals for AIPL. AIPL agrees that it will not pursue and approach the Business parties associated with the business of AC&PL for its own business interest or profits and not participate or compete for the business in the same market, geography or product niche for which it has historically participated for AC&PL till the time they are doing the transactions for AIPL. This Non Compete agreement is for a period of three years and is valid till September 23, 2010.

The terms of the agreement may lead to conflict of interest or ACPL forgoing more beneficial business opportunities by virtue of conditions of the non-compete agreement entered into between the parties.

6. *Gremach Infrastructure Equipments & Projects Limited (one of the Group Company) has entered into Memorandum of Understanding (MOU) with Austral Coke & Projects Limited (AC&PL) for initial period of twelve Months only which may sometimes lead to conflict of interest or AC & PL foregoing more beneficial business opportunities.*

Gremach Infrastructure Equipments & Projects Limited, our Group Company, has entered into Memorandum of Understanding (MOU) dated 24th September 2007 with Austral Coke & Projects Limited (AC&PL) and agreed that mining activities i.e. prospecting, exploration, estimation of reserves, geo-physical studies, bore/hole drilling, geo-logical studies etc will be the responsibility of Gremach Infrastructure Equipments & Projects Ltd. The Investments, for attainment of the mining licenses will be borne by Gremach. The responsibility for the financial closure will be of Gremach. The Profit & Loss will be distributed equally between both the said companies. The Marketing and the Logistics will be the sole responsibility of Austral Coke & projects Ltd. The MOU will terminate on the expiry of twelve (12) months from the date of this MOU subject to a mutually agreed renewal of the performance bond by a further consecutive period of twelve (12) months.

The terms of the agreement may lead to conflict of interest or ACPL forgoing more beneficial business opportunities by virtue of conditions of the MOU between ACPL and Gremach Infrastructure Equipments & Projects Ltd. binding the either party.

7. *Land acquired for existing operations at Lunva, Kutch is on lease basis. In case of non-continuation of lease the operations of the project may suffer thereby affecting the financial performance of the company.*

The part of the land for the existing operations has taken on license the land situated at Survey No. 347, 348/1 & 348/2 Village - Lunva, Taluka Bhachau, District Kutch, Gujarat. The said land was licensed to our company vide Agreement for lease dated December 29, 2005 by Anarcon Resources Pvt. Ltd., (one of our Group Company) free from all encumbrances, for a yearly consideration of Rs. 1,100/- (Rupees Eleven Hundred Only) for a period of 50 (Fifty) years.

8. *Our employees may in future form union.*

As on date, our employees are not represented by any labour union and currently we have not faced any union related problem. However, our employees may unionise in future. In that case, there may be restrictions on the flexibility of our labour policies and we may face the risks of strike, agitation and work stoppages, which in turn may affect our operations.

9. *Fluctuations in the international price of LAM coke may adversely affect our business and result of operations.*

The prices of our products may fluctuate with the global market prices of LAM coke and may adversely affect our business and results of operations. The LAM coke industry is cyclical in nature and has been characterized by changes in prices of raw material inputs, changes in technology, excess demand in certain markets and excess capacity in other markets, all of which have resulted in fluctuations in international LAM coke prices and in consumption of LAM Coke.

10. *Our Company may face risks of delays / non-receipt of the requisite regulatory/statutory approvals or licenses for any of our Objects arising out of the Issue. Any delay in receipt or non-receipt of licenses or approvals could result in cost and time overrun.*

We would be applying for various licenses, approvals, registrations at various stages of implementation for the proposed projects. Any delay in receipt or non-receipt of licenses or approvals that may be required for the proposed expansions could result in cost and time overrun, and accordingly adversely affecting our operations and profitability. Our product is in red category zone of the pollution control board so in case of any future local, environmental/Government or any other issues/ policies arises, the management may decide for the relocation of project site.

For details, please refer to section titled "Government Approvals" beginning on page number 178 of this Red Herring Prospectus.

11. *We have entered into certain related party transactions and may continue to do so.*

We have entered into related party transactions with our Promoters and Directors. While we believe that all such transactions have been conducted on the arms length basis, there can be no assurance that we could not have been achieved more favourable terms had such transactions not been entered into with related parties. Furthermore, it is likely that we will enter into related party transactions in the future. There can be no assurance that such transactions, individually or in aggregate, will not have an adverse effect on our financial condition and results of operation. For details, please refer to section titled "Related Party Transactions" at page no. 142 of this Red Herring Prospectus.

- 12. Our operations create environmental challenges, and changes in environmental laws and regulations may expose us to several liabilities and result in increased costs.*

The activities envisaged in setting up and operating our Project are subject to, among other laws, environmental laws and regulations promulgated by the Ministry of Environment and Forests, Government of India and the Maharashtra State Pollution Control Board. These include laws and regulations that limit the discharge of pollutants into the air and water and establish standards for the treatment, storage and disposal of hazardous waste materials, and could become stricter in future. Some of these laws and regulations may be subject to varying and conflicting interpretations. Many of these laws and regulations provide for substantial fines and potential criminal liabilities for violations and require the installation of costly pollution control equipment or operational changes to limit pollution emissions and/or reduce the likelihood or impact of hazardous substance releases. In some cases, compliance with environmental, health and safety laws and regulations might only be achievable by capital expenditure, such as the installation of additional pollution control equipment. We cannot accurately predict future developments, such as increasingly strict environmental laws or regulations and enforcement policies resulting in higher compliance costs. This may have an adverse effect on our financial condition and results of operations.

The Company has received approval from Gujarat Pollution Control Board vide consent order no. 9188 dated 18th July 2007. As regards the new project proposed to be set at Sindhudurg, Maharashtra, company has since received approval from Maharashtra Pollution Control Board vide consent order no. BO/PCI-II/ ROKP/EIC NO. KP-0287-05/E/CC-2 dated 4th January 2006. The company is however required to obtain environmental clearance.

- 13. The LAM Coke industry / business is cyclical in nature and factors affecting the demand for, and production of Coke may affect our results of operations.*

The LAM Coke industry / business, domestic and international, is cyclical in nature, sensitive to general economic conditions and the scenario in other industries. Future economic downturns or stagnant economies in India or our key global markets could adversely affect our business and results of operations. The prices of coke and coal have been volatile in the domestic as well as global markets, due to the fact of its capital-intensive nature and longer pay back period. Going forward, the demand for coke may fluctuate in the future due to a number of factors, including any downturn in purchases by traditional bulk LAM coke end users such as iron and steel industries, zinc, cement and soda-ash industries, availability and price of key raw materials, many of which are beyond our control. Further, China and Australia are the major supplier of raw material i.e. Coal in the world and any adverse developments therein shall affect the LAM Coke industry globally. Unfavorable changes in the demand for LAM Coke, due to changes in Technology, government policies and other factors may adversely affect the LAM Coke industry and consequently our business and results of operations.

- 14. Our operations are subject to a degree of risk, could expose us to material liabilities, loss in revenues, and increased expenses.*

Our operations are subject to hazards, inherent to risk of machinery failure, work accidents, improper handling of materials and / or machines, fire or explosions, including hazards that may cause injury and loss of life, severe damage to and destruction of property and environmental damage.

- 15. Our business is dependent on a continuing relationship with our clients.*

Our business envisages manufacturing coke, refractory and trading in Textiles. Our business is therefore significantly dependent on developing and maintaining relationships and pre-qualified status with certain major clients and obtaining a share of contracts from such clients. Our business and results of operations will be adversely affected if we are unable to develop and maintain a continuing relationship with some of our key clients. The loss of a significant client or a number of significant clients may have a material adverse effect on our results of operations.

16. *We face growing and new competition that may affect our competitive position and our profitability.*

We have historically been able to provide the quality coke with global standard basis in our principal segment at competitive prices and on cost efficient basis. However, we may face new competition that may affect our competitive position and our profitability.

17. *Company's operations depend significantly on the availability of quality raw material viz, coking coal. Non availability of the same in terms of both quality and quantity may hamper our business operations and financial conditions.*

The raw coking coal, which is the main raw material, is not in large quantity in India. Coal available in India is of lower quality and available in smaller quantity in Jharkand and in the Northeastern part of the country and these deposits cannot meet the demand of entire India. Therefore, our Company proposes to import the same from countries like, Australia, China, Mozambique, Zimbabwe etc. There is no major shortage of raw coal in the world market (Source: IISI). We therefore do not envisage any problem in procuring the required quantity of coal for meeting our production requirements. Company intends to buy coal from newer upcoming markets like Mozambique, Zimbabwe, Russia, Indonesia.

18. *Price of raw material and finished products of our company is subject to market fluctuations and any adverse movement may impact both input cost as well as profit margins.*

In the recent past, there have been wide fluctuations in the prices of coal and coke, both at domestic and international levels. Such fluctuations in prices of raw material and our 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 profitability of our company.

19. *Our Insurance coverage may not adequately protect us against certain operating risks and this may have a material adverse impact on our business.*

We believe that the Insurance coverage maintained, would reasonably cover all normal risks associated with the operation of our business, there can be no assurance that any claim under the insurance policies maintained by us will be met fully, in part or on time. To the extent that we suffer loss or damage that is not covered by insurance or exceeds our insurance coverage, or the insurance policy covering such risk is not met, our results of operations and cash flow may be adversely affected.

20. *Our new Project requires significant capital expenditure and if we are unable to obtain the necessary funds by way of the Initial Public Offer (IPO), our project and business may be adversely affected. Delay in receipt of IPO proceeds may require us to explore alternative financing sources for the new Project.*

Our new project is depending on the proceeds of the Initial Public Offering (IPO) and if there is a delay in receipt of IPO proceeds, or this IPO does not go through, it would require us to explore alternative sources of fund or raise further debt. Delay/non-receipt may either force us to abandon or scale down our proposed capital expenditure, and/or arrange for alternative financing for the same, Moreover our objective of repaying high cost debt may not be fulfilled. The afore said financing may affect our cash flow, borrowing capacity, increase our interest outgo and otherwise affect our operations and performance thereto.

21. *Our company depends on its senior management team and the loss of team members may adversely affect its business.*

Our company maintains conducive work environment and provides adequate motivation to perform. However senior management team members or key personals may chose to leave the organisation in which case operations of our company may be affected. However in such eventually we will promptly fill the vacancy through either fresh requirement or internal promotion.

- 22. Company's inability in raising further equity, as and when required may hamper the future growth plans of the company and in turn adversely affect our profitability.*

Our company may require further infusion of funds to fulfill our future growth plans. If our company is not able to raise capital, either, due to market conditions or for any other reasons, this may hamper our growth plans. Moreover, future equity offerings by our company may lead to dilution of equity and earning per share. This may affect market price of our equity shares.

- 23. 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.*

Our company is yet to receive certain approvals or licenses required for the new project in ordinary course of business and the failure to obtain these or causing delay in obtaining may adversely affect the timely implementation of the project and its operations. For more information, see "Government Approvals" on page no. 178 of this Red Herring Prospectus. These approvals are of routine nature and our company is confident to obtain them in due course of time.

- 24. "Lack of forward integration" as one of the weakness pointed out by appraising agency - Mott MacDonald Pvt Ltd., may affect the process of integration of operations and non availability of benefits of synergy in operation thereof.*

One of the weaknesses enumerated is "lack of forward integration". Company may explore initiating steps in this regard once operation from the proposed project is streamlined and stabilized.

- 25. The trademark for our logo may not be registered in the name of our Company*

Our company has filed an Application No. 1444903 on dated April 20, 2006 for Trade Mark of "AUSTRAL" in class 04 under the Trade Marks Act, 1999 and Trade Mark rules 2002 for registration of Company's logo, it has not been registered till date, and therefore there may be potential misuse of the logo. In such case, our company may have to incur additional cost in taking the necessary legal actions to protect their logo from misuse, which will affect the profits of our company.

- 26. There are restrictive covenants under our Loan Agreements, which could influence our ability to expand, in turn affecting our business and results of operations.*

- 27. Our company is subject to increase in labour costs, slowdowns, work stoppages etc.*

Labour unrest, strike and 'go slow' are inherent risk to the business. Our company may also face similar situation and in which case of operations will be adversely affected. We however maintaining harmonious working atmosphere, proper work culture and programmer HR policies as is done in normal course of business.

- 28. Failure to keep abreast with the latest trends in technology may adversely affect our cost competitiveness and may affect our financial condition adversely.*

Our company cannot ensure that it will successfully implement new technology effectively or adapt the processing system to emerging industry standards. If our company is unable due to technical, financial, legal and/or other reasons to adapt in timely manner to the changing market conditions, its business, financial performance and the market price of its equity shares could be adversely affected.

29. Promoters/Directors are interested in ventures which has transactions with the Company, which may be prejudicial to the interests of our Company.

Our Promoters are interested in the transaction entered into between our Company and the ventures where our Promoters are interested as promoter, director, partner and proprietor or otherwise. For details please refer the heads "Interest of Directors" beginning on page 119, "Interest of Promoters" beginning on page 141 and "Statement of Related Parties Transactions" beginning on page 142.

30. We have certain contingent liabilities, which we have not provided for as on February 29, 2008.

We have not provided for Contingent Liabilities as on February 29, 2008 as stated herein below. To the extent of these contingent liabilities becoming our actual liabilities, the performance of our company may be affected. Details of these contingent liabilities are as follows:

Particulars	(Rs. In Lacs)
	Amount
Corporate Guarantee given on behalf of M/s Gremach Infrastructure Equipments & Projects Ltd & Armstrong Infrastructure & Projects Ltd. (Group Company)	10315.00
Letter of credit	5801.95
Total	16116.95

31. There has been a negative cash flow in the following activities for the relevant years:

(Rs. in Lacs)

Particulars	February 29, 2008	2007	2006	2005
Net Cash flow from Operation Activities	1849.02	2354.52	-1574.34	11.30
Net Cash Flow from Investing Activities	-17913.10	-2565.77	-5396.89	-1139.37
Net Cash flow from Financing Activities	15539.70	3155.20	6807.49	1591.26

Negative cash flows in terms of investing activities are mainly attributing to acquisition of fixed assets. For details, please refer the Red Herring Prospectus on page 152.

32. We have not been granted Excise exemption for refractory unit for excise benefit and the department has issued show cause notice vide letter dated 24.11.2006 and the matter is still pending.

The Issuer Company had made an application for exemption from excise duty for its refractory unit situated at Bhachau, Kutch, and Gujarat.

The exemption certificate has since been received vide F.No. V/30-50/CCO/TECH/Kutch/2005 dated 1st February 2008.

33. Some of the entities promoted by our Promoters have either incurred losses or have not earned profits in the last three fiscal years

Details of the losses incurred by the entities promoted by our Promoters in the last three fiscal years are as follows:

Sr. No.	Name of the Entity	(Rs. In Lacs)		
		For the year ended March 31,		
		2007	2006	2005
1.	Shri Hanuman Investments Private Limited	4.20	-0.77	0.23
2.	Anarcon Resources Private Limited	26.20	-2.77	0.83

34. *Gremach infrastructure Equipments & Projects Limited, a group company came out with Initial Public offering (IPO) in March 2007. As against original implementation schedule, the procurement of the equipments was delayed by a period of three months.*

The deviation in terms of implementation i.e. procurement of equipments was delayed due to late delivery of certain equipments & machineries. This resulted in implementation taking place in October 2007 as against August 2007 envisaged earlier.

35. *The Registered office corporate office of Austral Coke & Projects Limited (AC&PL) is operating in leased premises.*

We are operating our both registered office and corporate office in the leased premises. For our registered office, We have entered into an agreement dated April 20, 2007 with M/s. Shri Balaji Enclave (Private) Limited for a period of three years and a sum of Rs. 5,000/- per month has to be paid towards rent on or before the 5th day of every month. For our corporate office, we have entered into an agreement dated March 01, 2008 with Shri Durga Finvest Private Limited for a period of three years and a sum of Rs. 50,000/- per month. We do not envisage any difficulty in renewing the lease agreements.

36. *There has been frequent changes in the statutory auditors in the last three years which is not perceived to be the best practice in the industry. Frequent changes may lead to inconsistency in regard to accounting policies and practices.*

Sr. No	Name of Auditor	Date of change	Particulars of change
1.	M/s. A Toshniwal & Co., "Ganges Garden", 106, Kiran Chandra Singhee Roadblock C-I, 4 th floor, Flat No, "H", Shibpur, Howrah 711 102	19.08.2005	Resigned
2.	T.N. Datta & Associates 87/B, Cossipore Road, Block No.B, Flat no.8, Kolkata 700 002	14.06.2006	Resigned
3.	Prodip Sarkar & Associates 9D/1A, Northern Avenue Kolkata 700 037	25.04.2008	Resigned
4	T.N. Datta & Associates 87/B, Cossipore Road, Block No.B, Flat no.8, Kolkata 700 002	28.05.2008	Appointed

Appointment of the auditors are considered at every AGM / EOGM and which is a regular feature for every company.

EXTERNAL RISK FACTORS

1. *Fluctuation in the value of the Rupee against other currencies could adversely affect the cost of raw materials.*

A devaluation or depreciation in the value of the Rupee increases the total costs of such imports and we may be unable to set-off these costs through cost-saving measures or by passing on these increased costs to our customers. Our Company may resort to hedging of forex risks to minimise the effects on the financials. Our company is exposed to exchange rate fluctuations. Uncertainties in the global financial market may have an impact on the exchange rate between Rupee vis-à-vis other currencies and we feel that the impact is negligible. The exchange rate between the Rupee and other currencies is variable / volatile and may continue to fluctuate in the future. Such fluctuations can have an impact on the cost of our company. However, present revenue of our company is in the rupee denomination.

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

Our future performance and revenue growth are necessarily dependent on the health of the overall Indian economy. Any slowdown in the Indian economy could adversely affect our business. India's economy could be adversely affected by a general rise in interest rates, weather conditions adversely affecting agriculture, commodity and energy prices or various other factors. It is difficult to gauge the impact of these fundamental economic changes on our business. Any slowdown in the Indian economy or future volatility in global commodity prices could adversely affect our business.

3. *Our performance is linked to the stability of policies and the political situation in India. A significant change in India's economic liberalization and deregulation policies could disrupt business and economic conditions in India and thereby affect our business.*

The role of the Indian central and state governments in the Indian economy on producers, consumers and regulators has remained significant over the years. Since 1991, the Government of India has pursued policies of economic liberalization, including significantly relaxing restrictions on the private sector. The present Government of India, which was formed in May 2004, consists of a coalition of different political parties. The withdrawal of one or more of these parties from a coalition government can result in political instability. Any political instability could delay the process of Indian economy and could have a material adverse effect on the market in general and the price of our equity shares in specific. We cannot assure you that these liberalization policies will continue under the newly elected government. Protests against privatisation could slowdown the pace of liberalization and deregulation. The rate of economic liberalization could change, and specific laws and policies affecting companies in the infrastructure sector, foreign investment, currency exchange rates and other matters affecting investment in our securities could change as well. A significant change in India's economic liberalization and deregulation policies could disrupt business and economic conditions in India and thereby affect our business.

4. *Taxes and other levies imposed by the Government of India or other state governments, as well as other financial policies and regulations, may have a material adverse effect on our business, financial condition and results of operations.*

Taxes and other levies imposed by the central or state governments in India that affect our industry include customs duties, excise duties, sales tax, income tax and other taxes, duties or surcharges introduced on a permanent or temporary basis from time to time. Currently we benefit from certain tax benefits that result in a decrease in the effective tax rate compared to the tax rates that we estimate would have applied if these incentives had not been available. There can be no assurance that these tax incentives will continue in the future. The non-availability of these tax incentives could adversely affect our financial condition and results of operations. The impact of the introduction of the value added tax regime on our business and operations would depend on a range of factors including the rates applicable and the exemptions available to our facilities. Currently, we are unable to ascertain the impact of the value added tax regime on our business and operations.

5. *Risk caused by changes in Interest rates and Banking and regulatory Policies*

Our company is dependent on various banks and financial institutions for working Capital requirements, term loans, etc. Accordingly, any changes in banking policy or increase in interest rates may have adverse impact on our company's profitability.

6. *The Equity markets and prices of Equity Shares are generally highly volatile.*

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

- Volatility in Indian and global securities market;
- Our operations performance & financial results;
- Performance of our competitors and perception in the Indian market about investment in the infrastructure sector;
- Changes in the estimates of our performance or recommendations by financial analysts;
- Significant development in India's economics liberalization and de-regulation policies; and
- Significant development in India's fiscal and environmental regulations

There can be no assurance that the price at which our Equity Shares are initially traded will correspond to the prices at which our Equity Shares will trade in the market subsequent to this Issue.

NOTES TO THE RISK FACTORS:

1) SIZE OF THE ISSUE:

Initial public offering of 72,60,000 equity shares of Rs. 10/- each at a price of Rs [●] per share for cash (including share premium of Rs. [●] per share) aggregating Rs [●] lacs (hereinafter referred to as the Issue) Additionally there is a green shoe option of up to 10,89,000 equity shares to be offered for cash at a price of Rs. [●] each aggregating Rs. [●] lacs. The Issue shall constitute 27.72% of the fully diluted post issue capital of our Company, assuming the green shoe option is exercised and shall constitute 25.00% of the fully diluted post issue capital of our Company, assuming the green shoe option is not exercised. The company has made pre-IPO placement of 27,40,000 equity shares with pre IPO investor - Somerset India Fund at Rs. 196 per share on July 18, 2008

2) The Average cost of acquisition of Equity Shares by the Promoters

Name of the Promoter	Average Cost of Acquisition (Rs.) per share
Anarcon Resources Private limited	57.81
Shri Hanuman Investment Private Limited	43.45
Mr. Ratan Lal Tamakhuwala	7.65
Mr. Rishi Raj Agarwal	7.26

- 3) The Net worth of our company as on February 29, 2008 is Rs. 18414.28 lacs.
- 4) The Book Value per share of our Company as on February 29, 2008 is Rs. 96.77
- 5) Investors may please note that in the event of over subscription, allotment shall be made on proportionate basis in consultation with the Bombay Stock Exchange Limited, the Designated Stock Exchange. For more information see "Basis of Allotment" beginning on page 215 of the Red Herring prospectus.
- 6) Investors are advised to refer to the paragraph on "Basis for Issue Price" on page 74 of this Red Herring Prospectus before making an investment in this issue.
- 7) Investors may contact the BRLM or the Compliance Officer for any compliant/ clarifications/ information pertaining to the Issue. For contact details of the BRLM and the compliance officer, refer the front cover page.
- 8) Other than as stated in the section titled "Capital Structure" beginning on page 50 of this red Herring Prospectus, our Company has not issued any Equity Shares for considerations other than cash.
- 9) Trading in Equity Shares of our Company for all the Investors shall be in dematerialized form only.
- 10) Since inception, our Company has issued 83,01,747 bonus shares in the ratio of 1:1 on March 31, 2007, by capitalisation of free reserves.
- 11) The Issue is being made through a 100% Book Building Process wherein up to 50% of the Issue will be available for allocation on a proportionate basis to Qualified Institutional Buyers ("QIBs") (including 5% thereof to be allocated to Mutual Funds). Further, atleast 15% of the Issue will be available for allocation on a proportionate basis to Non-Institutional bidders and atleast 35% of the Issue will be available for allocation on a proportionate basis to the Retail Individual Bidders, subject to valid bids being received at or above the Issue Price.
- 12) Except as disclosed in the sections titled "Our Promoters and Group Companies" or "Our Management" beginning on pages 123 and 113 of this Red Herring Prospectus, none of our Promoters, our Directors and our key managerial employees have any interest in our company except to the extent of remuneration and reimbursement of expenses and to the extent of the Equity Shares held by them or their relatives and associates or held by the companies, firms and trusts in

which they are interested as directors, member, partner and/or trustee and to the extent of the benefits arising out of such shareholding. For Related Party transactions refer to the section entitled “Financial Statements” on page no. 142 of this Red Herring Prospectus. For details relating to loans and advances please refer to section entitled “Financial Statements” on page 155 of the Red Herring Prospectus.

- 13) No part of the issue proceeds will be paid as consideration to promoters, directors, Key managerial personnel or associate.
- 14) Any clarification or information relating to the Issue shall be made available by the BRLM and our Company to the investors at large and no selective or additional information would be available for a section of investors in any manner whatsoever. Investors may contact the BRLM for any complaints pertaining to the Issue. Investors are free to contact the BRLM for any clarification or information relating to the Issue who will be obliged to provide the same to the investor. For transactions in Equity Shares of our company by the promoter group and directors of our company in the last six months, please refer to paragraph under the section entitled ‘Capital Structure’ on page no. 50 of this Red Herring Prospectus.
- 15) Under subscription in any category except in the QIB portion will be allowed to be met with spill over from any category.
- 16) Our Company and the BRLM shall update this RHP in accordance with the Companies Act, 1956. All information shall be made available by our Company and the BRLM to the public and investors at large and no selective or additional information would be available for a section of the investors in any manner whatsoever.
- 17) There are no other contingent liabilities as on February 29, 2008, except as mentioned in the Auditor’s report.
- 18) For details of liens and hypothecation on the properties and assets of our Company please refer to the section titled ‘Financial Statements’ on page 144.
- 19) Our Company was originally incorporated on April 22, 1994 as “NRE Stocknet Ltd.” under the Companies Act, 1956. we changed the name of our company as “NET Interactive Ltd” vide fresh certification of incorporation dated on June 16, 1998 and subsequently renamed as “Austral Coke & Projects Limited” vide fresh certification of incorporation dated from September 14, 2005 so as to represents our company’s business of manufacturing LAM Coke. For details of the change in our name, see “History and certain Corporate Matters” on page 109 of this Draft Red Herring Prospectus.

SECTION III: INTRODUCTION

SUMMARY

This is only the summary and does not contain all information that you shall consider before investing in Equity Shares. You should read the entire Red Herring Prospectus, including the information on “Risk Factors” and related notes on page 10 of this DRHP before deciding to invest in Equity Shares.

THE INDUSTRY OVERVIEW

A. COKE INDUSTRY SEGMENT

Coke, a derivative of metallurgical coking coal, plays a very significant role in metallurgical processes. Coke is the main source of heat and is the reducing agent required to facilitate the conversion of metallurgical ores into metal in the smelting process.

For manufacturing coke, raw coal is crushed into crusher, powdered, and then charged in the oven for the purpose of carbonization. In the process, the volatile matter in the raw coal is released in the form of gas and is burnt in the oven as well as in the flues. After the completion of the carbonization process, within the duration of 36 to 38 hours, the raw coal is converted into the form of coke. The coke being pushed out from the oven is then quenched either by water on the coke side floor wharf or on to a quenching car taken to quenching tower. Thus, coke is ready for dispatch after grading in to size fractions.

For detailed Industry Overview, please refer to page no.85 of this Red Herring Prospectus.

B. POWER INDUSTRY SEGMENT

Power is a critical infrastructure for economic development and for improving the quality of life. The achievement of increasing installed power capacity from 1362 MW to over 100,000 MW since independence and electrification of more than 500,000 villages and towns are impressive in absolute terms. Because of inadequate generation capacity, the country is plagued by power shortages. The total energy shortage, during 2004-2005, was 43,258 million units, amounting to 7.3 % and the peak shortage was 11.7% per cent of peak demand. (Source: Key World Energy Statistics)

With increasing urbanization, industrial growth and per capita consumption, the gap between the actual demand and supply is likely to increase. In this scenario, the GOI expects that alternative/renewable sources of energy, such as wind energy, biomass energy and energy generated through waste heat recovery process are likely to play an increasingly important role in bridging the demand supply gap and conservation of fossil fuels. (Source: Ministry of Power Annual Report 2003-04: CEA Executive Summary- March 2007)

In the manufacturing process of coke, volatile matter is released from the raw coal in the form of gas and is burnt in the oven to produce heat for carbonization and after completing the process of carbonization the waste heat at very high temperature is released in the atmosphere. Such waste heat if utilized for generation of steam, same can be used in the steam turbine for generation of power at a very low cost and in an eco-friendly manner, as no raw material or any other fossil fuel is used in this process of generation of power.

For detailed Industry Overview, please refer to page no.85 of this Red Herring Prospectus.

C. EQUIPMENT HIRING

Company is involved in rental of construction /earthmoving machineries to medium / large construction companies who are engaged in the business of constructing/building of roads, airports, power projects, institutional & industrial complexes, multiplexes and residential buildings and other various national & international government aided projects.

It makes business sense for the firms implementing these numerous infrastructure projects to take these costly construction equipments on a rental basis as they would not like to block their money in procuring construction equipments which can be used for executing other projects as well. The other advantage of taking the equipment on rental basis is the availability of quality equipments without the hassle of their maintenance.

BUSINESS OVERVIEW

Austral Coke & Projects Limited (the “Company / AC&PL”) is an unlisted public limited Company. Our company is mainly involved in the business of manufacturing coke and in the business of refractory, textile sectors and providing rental of construction/earthmoving machineries to medium / large construction companies engaged in the business of construction. Now our company intends to expand its manufacturing facilities by establishment of Low Ash Metallurgical Coke (LAM Coke) and Captive Power Plant Project.

Austral coke is formed essentially to meet the requirements of industries such as steel, foundries, blast furnaces, zinc smelters, cement and the Ferro alloy industry and offers advantages like consistency in quality, sizing and uniform temperature thereby reducing cold spots and metal wastage. The strength of the coke produce by Austral coke has created a good reputation in the market and they are getting several repeat orders. The metallurgical coke division continues to be optimistic about the future with increasing demand for pig iron in the steel and automobile sectors and growth in Ferro alloys, cast iron castings and cement industries. There is a global crisis for finished products i.e. coke as China is changing its export policy very regularly making International prices of coke very high.

We have experienced growth in last 3 years of the coke manufacturing industry and our company has vast experience in Equipment Hiring business also. We have pursued a strategy of diversifying the manufacturing of coke with different quality and specification. In the last year over 78.60% of our total Profit are derived from Coke Division and 19.01% from equipments division.

BUSINESS STRATEGY

Considering the existing competition in the industry and future entrants, our company has focused on the following business strategies. Coke is used in the steel, pig iron, foundries, soda ash, zinc, lead, Ferro alloys, cement and calcium carbide industry. The following are the key strategies being adopted by our Company to make proposed coke project successful and to mitigate risk involved in such business opportunity

▪ TAKING ADVANTAGE OF LOWER COST OF PRODUCTION VIS-À-VIS IMPORTED COKE

As there is a significant gap between the price of the imported coke and the manufacturing cost of coke including raw material cost in India, it will be an added advantage to have Coke manufacturing plant in India so that Steel plants, Pig iron plants, Iron Foundries can procure their coke requirement from coke manufacturing plants in India at comparatively cheaper price. Further availability of coke indigenously will reduce the time required for transportation, which in turn will reduce the working capital requirement and consequently lower the interest outgoing. Therefore, our company proposes to approach various coke using companies with attractive sharing terms to tie up the entire production capacity of coke with user industry.

▪ GENERATING POWER THROUGH WASTE HEAT TO ENHANCE REVENUES FROM THE PROJECT

Through our Non-recovery coke oven plant, we propose to convert waste heat generated in the process of manufacturing of coke in to power which otherwise would have been released into the atmosphere. Therefore, there is no requirement of raw material of any kind of fossil fuel and instead the waste energy is converted into power and thereby it would help our company to operate its coke oven plant entirely through such in-house power plant but would help our company to sell the surplus power and generate additional revenue and profits. Thus, generation of power would help Company to improve the overall margin of coke project substantially.

Adopting the aforesaid business strategy, our Company proposes to make coke project of 1,50,000 TPA and power project of 8 MW, a successful business venture.

Strengths

- Professional Management
- Sound Financial Management
- Long Term relationship with clients
- Effective HR policies
- Operational efficiencies & proper maintenance
- Adequate Research and Development

SUMMARY OF FINANCIAL DATA

The following tables set forth summary financial information derived from our restated financial statements for the financial years ended February 29, 2008, and March 31, 2007, 2006, 2005, 2004 and 2003.

STATEMENT OF ASSETS AND LIABILITIES, AS RESTATED

(Rs. in Lacs)

As at	29.02.08	31.03.07	31.03.06	31.03.05	31.03.04	31.03.03
Assets						
Fixed Assets-Gross block	27546.99	9733.67	7318.09	1956.10	837.50	596.50
Less: Depreciation	3336.50	1778.18	870.01	437.76	345.27	179.59
Net Block	24210.49	7955.48	6448.08	1518.34	492.23	416.91
Less: Revaluation Reserve	-	-	-	-	-	-
Net Block after adjustment for Revaluation Reserve (A)	24210.49	7955.48	6448.08	1518.34	492.23	416.91
Investments (B)	139.45	136.40	-	-	-	53.00
Current assets, loans and advances						
Inventories	5930.76	1706.12	732.31	106.87	34.29	31.44
Receivables	8602.66	5081.55	3411.72	1349.87	531.68	619.14
Cash & bank balances	2729.27	3253.65	309.70	473.44	10.25	2.85
Loans and advances	1949.68	2569.15	1209.31	617.7	305.85	275.03
Total Current Assets (C)	19212.38	12610.47	5663.04	2547.88	882.07	928.46
Total Assets D = (A) + (B) + (C)	43562.31	20702.35	12111.12	4066.22	1374.30	1398.37
Liabilities & Provisions						
Loan funds	-	-	-	-	-	-
Secured loans	8140.63	5298.46	3985.85	1134.79	248.33	367.27
Unsecured loans	6919.45	382.62	1689.74	395.28	145.44	-
Current liabilities & provisions						
Sundry liabilities	7481.58	5890.62	2256.93	1439.65	551.87	635.08
Provisions	661.50	234.04	47.16	22.82	6.17	3.74
Deferred Tax Liability	1944.86	462.11	164.81	68.94	-	-
Total Liabilities & provisions (E)	25148.03	12267.85	8144.49	3061.48	951.81	1006.09
Net worth (D) - (E)	18414.28	8434.5	3966.63	1004.74	422.49	392.28
Represented by:						
Share Capital	1902.96	1660.35	696.96	434.00	300.00	300.00
Reserves & surplus	16643.05	6817.9	3318.28	591.51	72.49	42.31
Less: Revaluation Reserve	-	-	-	-	-	-
Reserves (Net of Revaluation Reserve)	16643.05	6817.9	3318.28	591.51	72.49	42.31
Less: Misc. expenditure not written off	131.73	43.75	48.61	20.77	-	0.03
Share Application Money Recd	-	-	-	-	50.00	50.00
Total Net Worth	18414.28	8434.5	3966.63	1004.74	422.49	392.28

STATEMENT OF PROFIT AND LOSS ACCOUNT, AS RESTATED

(Rs. in lacs)

For the year/period ended	29.02.08	31.03.07	31.03.06	31.03.05	31.03.04	31.03.03
Sales :						
Of products manufactured by the Company	12481.72	6026.71	3514.39	-	-	-
Of products traded by the Company	10184.43	11611.33	8670.84	4248.85	2024.4	1636.92
Other income	504.25	389.63	26.94	0.54	4.71	6.31
Increase (decrease) in inventory	4224.64	1003.02	598.94	72.58	2.85	3.08
Total Income	27395.04	19030.69	12811.11	4321.97	2031.96	1646.31
Raw Materials & goods consumed	12843.24	10532.72	7012.99	93.15	-	-
Vehicle Operating Expenses	4125.69	3653.92	3972.29	3230.37	1200.96	991.95
Staff costs	172.18	85.56	53.38	11.89	10.11	7.08
Other direct expenses	1931.27	1721.82	727.86	477.47	504.28	413.42
Selling & distribution expenses	367.29	189.74	126.12	183.91	69.78	51.88
Interest	747.78	547.21	152.63	31.23	48.21	61.85
Depreciation	1558.32	921.96	432.25	92.5	165.68	90.35
Miscellaneous expenditure written off	8.75	4.86	7.06	-	0.03	0.03
Total Expenditure	21754.53	17657.79	12484.58	4120.52	1999.05	1616.56
Net Profit before tax and extraordinary items	5640.51	1372.9	326.53	201.45	32.91	29.75
Current Tax	640.50	160.82	28.58	15.16	2.40	2.35
Deferred Tax	1482.76	297.29	95.88	58.55	-	-
Net profit after tax & before extraordinary items	3517.25	914.79	202.07	127.74	30.51	27.40
Extraordinary items (net of tax)	0.00	-	-	-	-	-
Net profit after extraordinary items	3517.25	914.79	202.07	127.74	30.51	27.4
Profit brought forward from previous year	1267.84	401.62	199.89	72.49	42.32	15.26
Earlier year adjustments	-	-	-	-	-	-
Appropriations	-	-	-	-	-	-
Proposed dividend	0.00	41.51	0.30	0.30	0.30	0.30
Tax on proposed dividend	0.00	7.06	0.04	0.04	0.04	0.04
Balance carried to Balance sheet	4785.10	1267.84	401.62	199.89	72.49	42.32

Reserve and Surplus

Reserve and surplus for the FY 2007 was Rs. 6817.90 lacs and it increased to Rs. 16643.05 lacs for the eleven months ended February 2008, showing an increase of Rs. 9825.15 lacs. This increase was mainly due to issue of 2426110 Equity shares at premium of Rs. 260 per share on 11.06.2007, thereby creating additional share premium aggregating Rs. 6307.89 lacs. Balance increase compared profit earned during the year.

Cash & bank balance

Cash and Bank Balance for the year ended 31.03.07 increased to Rs. 3253.65 lacs as compared to Rs. 309.70 lacs for the year ended 31.03.06. This increase was due to increase in cash generated from operating activities. Cash generated from operating activities for the FY 2007 was Rs. 2217.43 lacs. It was -620.87 lacs for the FY 2006. Further cash generated from financing activities was Rs. 3292.29 lacs mainly due to issue of shares at premium during FY 2007. There was negative cash flow from investing activities to the tune of -Rs. 2565.77 lacs.

Net Block Fixed Assets in 2006

Increase in Net Block during the F.Y. 2005-06 is due to expansion of Coke Unit from 50000 Ton to 125000 ton and Setting up of new unit of Refractories, thereby building additional assets base. Similer increase in the net block is reported as on 29.02.2008 due to creation of further addition to capacity.

Net Profit in 2007

PAT increased from Rs. 202.97 lacs for the FY 2006 to Rs. 914.79 lacs in FY 2007 showing a increase of 352.71%. for the eleven months ended February 2008 , the Company recorded PAT of 5.19% of the total sales as against 1.66% during FY 2007. This increase was due to increase in the revenue from Coke Division. Overall profit margin improved due to the contribution from LAM coke activity during FY 2007, where as in the year 2006 major contribution to the revenue was by way of trading activity from textiles division. The margins in trading activity is low, hence during FY 2006 we had low profitability.

ISSUE DETAILS IN BRIEF

Fresh Issue of Equity Shares	72,60,000 Equity Shares
Of which	
Qualified Institutional Buyers Portion (Upto 50% of Net offer to public)	Up to 36,30,000 Equity Shares (Allocation on a proportionate basis) Of the above 36,30,000 Equity Shares 1,81,500 Equity Shares shall be available for allocation to Mutual Funds The balance 34,48,500 Equity Shares shall be available to all QIBs, including Mutual Funds
Non Institutional Portion (Atleast 15% of Net offer to public)	10,89,000 Equity Shares
Retail Portion (Atleast 35% of Net offer to public)	25,41,000 Equity Shares
Green Shoe Option Portion	Up to 10,89,000 Equity Shares
The Issue and the Green Shoe Portion	83,49,000 Equity Shares
Equity Shares outstanding prior to the Issue #	2,17,69,604 Equity Shares
Equity Shares outstanding after the Issue (excluding the Green shoe options)	2,90,29,604 Equity Shares
Equity Shares outstanding after the Issue (including the Green shoe option)	3,01,18,604 Equity Shares
Objects of the Issue	Please see the section entitled “Objects of the Issue” on page 61 of this Red Herring Prospectus.
Stabilization Period	The period commencing from the date of obtaining trading permission from the BSE and the NSE for the Equity Shares under the Issue, and ending 30 days thereafter unless terminated earlier by the Stabilizing Agent.
Rights and obligations of the Stabilizing Agent	Open a special bank account under the name of “Special Account for GSO proceeds of “ACPL” or GSO Bank Account and deposit the money received against the over-allotment in the GSO Bank Account. Open a special account for securities under the name of “Special Account for GSO shares of “ACPL” or GSO Demat Account and credit the Equity Shares bought by the Stabilizing Agent, if any, during the Stabilization Period to the GSO Demat account. As per SEBI Guidelines, stabilize the market price of the Equity Shares only in the event of the market price falling below the Issue Price, including determining the price

	<p>at which Equity Shares to be bought, the timing etc. The Stabilizing Agent shall remit to the Company from the GSO Bank Account the Green Shoe Shortfall Payment Amount within one Business Day of the close of the Stabilization Period. On expiry of the Stabilization Period, to return such number of Equity Shares to the Green Shoe Lender either through market purchases as part of stabilizing process or through the issue of fresh Equity Shares by us. To submit daily reports to the Stock Exchanges during the Stabilization Period and final report to SEBI. To maintain a register of its activities and retain for three years. Net gains on account of market purchases in the GSO Bank Account to be transferred net of all expenses and net of taxes, if any, equally to the Investor Protection Fund of BSE and NSE.</p>
Our rights and obligations	<p>On expiry of the Stabilization Period if Stabilizing Agent has not bought the entire number of Equity Shares, which have been over allotted, then such balance number of Equity Shares shall be issued by us to the credit of the GSO Demat Account. If no Equity Shares are bought, then to issue the Equity Shares to the entire extent of over-allotment.</p>
Rights and obligations of the Green Shoe Lender	<p>The Green Shoe Lender undertakes to execute and deliver all necessary documents and give all necessary instructions to procure that all the rights, title and interest in the Loaned Shares shall pass to the Stabilizing Agent/GSO Demat Account free from all liens, charges and encumbrances. Before the Pricing Date, to transfer Loaned Shares to GSO Demat account. The Green Shoe Lender will not recall or create lien or encumbrance on the Loaned Shares till the completion of the formalities during the Stabilization Period.</p>

Company has allotted Equity Shares to the Pre-IPO Investors on a preferential basis after filing the Red Herring Prospectus with the SEBI aggregating to Rs. 5370.40 Lakhs, which the Company proposes to utilise towards the objects of the Issue. For details of these Pre-IPO placement, see the section titled "Capital Structure" on pages 50 of this Red Herring Prospectus.

- Under subscription, if any, in any of the categories, would be allowed to be met with spill over inter se from any other category, at the sole discretion of our Company in consultation with the BRLMs.

GREEN SHOE OPTION

We propose to avail of the Green Shoe Option for allocating Equity Shares in excess of the Equity Shares included in the Issue in consultation with the BRLMs, in order to operate a post-listing price stabilizing mechanism. The Green Shoe Option will be implemented in accordance with the SEBI Guidelines. Our shareholders at the extraordinary general meeting held on September 04, 2007 have authorized the Green Shoe Option.

We have appointed PL Capital Markets Private Limited as the Stabilising Agent, for performance of the role of Stabilising Agent as envisaged in Chapter VIIIA of the DIP Guidelines, including price-stabilizing post listing, if required. There is no obligation to conduct stabilizing measures. If commenced, stabilization will be conducted in accordance with applicable laws and regulations and such stabilization may be discontinued at any time and will not continue for a period exceeding 30 days from the date when trading permission is given by the Stock Exchanges.

The Stabilising Agent will borrow Equity Shares from Green Shoe Lender, Mr. Rishi Raj Agarwal. The Equity Shares borrowed from Green Shoe Lender or purchased in the market for stabilizing purposes will be in demat form only. The Equity Shares available for allocation under the Green Shoe Option will be available for allocation to Qualified Institutional Buyers, Non-Institutional Bidders and Retail Bidders in the ratio of 50:15:35 assuming full demand in each category. On December 14, 2007, we entered into a Stabilization Agreement with Mr. Rishi Raj Agarwal (Green Shoe Lender) and PL Capital Markets Private Limited (the Stabilising Agent). The Green Shoe Lender has agreed to lend the following Equity Shares for the purpose of Green Shoe Option:

Name of the Green Shoe Lender	No. of Equity Shares
Mr. Rishi Raj Agarwal	10.89 lacs equity shares

The terms of the Stabilization Agreement provide that:

Stabilisation Period

“Stabilisation Period” shall mean the period commencing from the date we are given trading permission from the Stock Exchanges for the Equity Shares allotted in the Issue and ending 30 days thereafter, unless terminated earlier by the Stabilising Agent.

Procedure for Over Allotment and Stabilisation

- i. The money received from the applications for Equity Shares in the Issue against the over Allotment shall be kept in the GSO Bank Account, which is a distinct account separate from the Public Issue Account and shall be used only for the purpose of stabilization of the post-listing price of the Equity Shares.
- ii. The allocation of the Over Allotment Shares shall be done in conjunction with the allocation of Issue to achieve pro-rata distribution.
- iii. Upon such allocation, the Stabilising Agent shall transfer the Over-Allotment Shares from the GSO Demat Account to the respective depository accounts of successful Bidders.
- iv. For purchasing the Equity Shares from the market, the Stabilizing Agent shall use the funds lying to the credit of GSO Bank Account.
- v. The Stabilising Agent shall solely determine the timing of buying the Equity Shares, the quantity to be bought and the price at which the Equity Shares are to be bought from the market for the purposes of stabilization of the post-listing price of the Equity Shares.

- vi. The Equity Shares purchased from the market by the Stabilising Agent, if any, shall be credited to the GSO Demat Account and shall be returned to the Green Shoe Lender immediately on the expiry of the Stabilisation Period but in no event later than the expiry of two working days thereafter.
- vii. In the event the Equity Shares lying to the credit of the GSO Demat Account at the end of the Stabilisation Period but before the transfer to the Green Shoe Lender is less than the Over Allotment Shares, upon being notified by the Stabilising Agent and the equivalent amount being remitted to us from the GSO Bank Account, we shall within four (4) days of the receipt of notice from the Stabilising Agent of the end of the Stabilisation Period allot new Equity Shares in dematerialized form in an amount equal to such shortfall to the credit of the GSO Demat Account. The newly issued Equity Shares shall be returned by the Stabilising Agent to the Green Shoe Lender in final settlement of Equity Shares borrowed, within two (2) working days of them being credited into the GSO Demat Account, time being of essence in this behalf.
- viii. Upon the return of Equity Shares to the Green Shoe Lender pursuant to and in accordance with sub-clauses (vi) and (vii) above, the Stabilizing Agent shall close the GSO Demat Account.

GSO Bank Account

The Stabilising Agent shall remit from the GSO Bank Account to us, an amount, in Indian Rupees, equal to the number of Equity Shares to be allotted by us to the GSO Demat Account at Issue Price. The amount left in this account, if any, after this remittance and deduction of expenses including depository, brokerage and transfer fees and net of taxes, if any, incurred by the Stabilising Agent in connection with the activities under the Stabilization Agreement, shall be transferred to the Investor Protection Fund of the Stock Exchanges in equal parts. Upon the return of Equity Shares to the Green Shoe Lender, the Stabilising Agent will close the GSO Bank Account.

Reporting:

During the Stabilisation Period, the Stabilising Agent will submit a report to the Stock Exchanges on a daily basis. The Stabilising Agent will also submit a final report to SEBI in the format prescribed in Schedule XXIX of the DIP Guidelines. This report will be signed by the Stabilizing Agent and us and be accompanied by the depository statement for the GSO Demat Account for the Stabilisation Period indicating the flow of shares into and from the GSO Demat Account.

Rights and obligations of the Stabilising Agent

- a. Open a special bank account “Special Account for GSO Proceeds of Austral Coke & Projects Limited” or GSO Bank Account and deposit the money received against the over-Allotment in the GSO Bank Account.
- b. Open a special account for securities “Special Account for GSO Shares of Austral Coke & Projects Limited” or GSO Demat Account and receive the Equity Shares lent by the Green Shoe Lender and allocate Equity Shares from that account to successful bidders and credit the Equity Shares bought by the Stabilising Agent, if any, during the Stabilisation Period to the GSO Demat account.
- c. Stabilize the market price only in the event of the market price falling below the Issue Price as per DIP Guidelines, including determining quantity and the price at which Equity Shares to be bought and the timing thereof .
- d. On exercise of Green Shoe Option at the end of the Stabilization Period, to request us to issue Equity Shares and to transfer funds from the GSO Bank Account to us within a period of five working days of close of the Stabilisation Period.

- e. On expiry of the Stabilisation Period, to return the Equity Shares to the Green Shoe Lender from the GSO Demat Account that were acquired either through market purchases or issued by us on exercise of Green Shoe Option as part of stabilizing process.
- f. To submit daily reports to the Stock Exchanges during the Stabilisation Period and to submit a final report to SEBI.
- g. To maintain a register of its activities and retain the register for three years. Net gains on account of market purchases in the GSO Bank Account to be transferred net of all expenses and net of taxes, if any, equally to the Investor Protection Fund of the Stock Exchanges.

Rights and obligations of the Green Shoe Lender

- i. The Green Shoe Lender undertakes to execute and deliver all necessary documents and give all necessary instructions to procure that all rights, title and interest in the Equity Shares lent shall pass to the Stabilising Agent in the GSO Demat Account free from all liens, charges and encumbrances.
- ii. On receipt of notice from the Stabilising Agent, to transfer the loaned Equity Shares into the GSO Demat account.
- iii. The Green Shoe Lender will not recall or create any lien or encumbrance on the Equity Shares lent until the transfer of Equity Shares to the GSO Demat Account under the terms of the Stabilization Agreement.

Fees and Expenses

We will pay to Green Shoe Lender a fee of Re. 1.

We will pay the Stabilizing Agent a fee of Re. 1 plus service tax.

Procedure for exercise of Green Shoe Option

The primary objective of the Green Shoe mechanism is stabilization of the market price of Equity Shares after listing. Towards this end, after listing of Equity Shares, in case the market price of the Equity Shares fall below the Issue Price, then the Stabilisation Agent, at its sole and absolute discretion, may start purchasing Equity Shares from the market with the objective of stabilization of the market price of the Equity Shares.

The Stabilising Agent, at its sole and absolute discretion, would decide the quantity of Equity Shares to be purchased, the purchase price and the timing of purchase. The Stabilisation Agent, at its sole and absolute discretion, may spread orders over a period or may not purchase any Equity Shares under certain circumstances where it believes purchase of Equity Shares may not result in stabilization of market price.

Further, the Stabilisation Agent does not give any assurance that it would be able to maintain the market price at or above the Issue Price through stabilization activities.

The funds lying to the credit of GSO Bank Account would be utilized by the Stabilisation Agent to purchase the Equity Shares from the market and such Equity Shares would be credited to GSO Demat Account. The operations of GSO Demat Account and GSO Bank Account are explained in the paragraphs above. Example of working of green shoe option (Investors should note that the following is solely for the purpose of illustration and is not specific to this Issue)

For example, in case of a public issue of 100,000 equity shares at a price of Rs. 100 each where a Green Shoe Option of 10% of the issue size is given:

Issue size - 100,000 equity shares aggregating Rs. 10,000,000

Green shoe - 10,000 equity shares aggregating Rs. 1,000,000

In this case, 10,000 shares corresponding to the green shoe will be borrowed from a green shoe lender. After the issue has closed and assuming bids have been received for 110,000 equity shares the issuer company in consultation with the Book Running Lead Manager will allot 110,000 equity shares aggregating Rs. 11,000,000 to valid applicants. After listing of the equity shares on the exchanges the following two cases may arise:

Market price of equity shares falls below the issue price of Rs. 100 during the stabilisation period

In such a case the stabilising agent at its discretion may buy shares from the market to stabilize the price. The stabilizing agent can buy shares up to the total number of shares borrowed from the green shoe lender which is the size of the green shoe i.e. 10,000 equity shares, as the stabilising agent deems fit. The stabilising agent will purchase shares at its discretion during the period the green shoe option is valid.

The stabilising agent may in certain instances decide not to buy shares from the market. In the current illustration, say the green shoe period is 30 days in which the stabilising agent bought 2,345 shares. After the stabilization period has ended the stabilising agent will return the shares bought from the market to the green shoe lender viz. 2,345 shares and our company will issue fresh shares to the green shoe account for the balance shares, which have to be returned to the lender viz. 7,655 equity shares (10,000 less 2,345). Therefore, the 10,000 shares, which were borrowed from the lender, will be duly returned. In this case the total shares issued by our company will be 107,655 shares and the issue size will be Rs. 10,765,500.

Market price of equity shares rises above the issue price of Rs. 100 during the stabilisation period.

In such a case the stabilising agent will not need to stabilize the price and will not buy any equity shares from the market. At the end of the stabilization period, our company will issue 10,000 fresh shares to the green shoe account, Which will be duly returned to the green shoe lender. In this case the total shares issued by our company will be 110,000 shares and the issue size will be Rs. 11,000,000.

GENERAL INFORMATION

AUSTRAL COKE & PROJECTS LIMITED

(Originally incorporated as “NRE Stocknet Ltd.” as Public Limited Company at Kolkata, West Bengal, on April 22, 1994 under the Companies Act, 1956, changed the name of our company as “NET Interactive Ltd” vide fresh certification of incorporation dated on June 16, 1998 and subsequently renamed as “Austral Coke & Projects Limited” vide fresh certification of incorporation dated from September 14, 2005)

Registered Office: Diamond Chambers, 4, Chowringhee Lane, Block No. 2, 7th Floor, Unit No.-7-I, Kolkata - 700 016; Tel No: +91-33- 2252 1799; Fax No: +91-33-2252 2134

Factory Coke division: Survey No.352.353/1,353/2, Village- Lunva, Taluka: Bhachau, District Kutch, Gujarat. Tel No: (02837) 297201/291201

Factory Refractory Division: Survey No.351, Village- Lunva, Taluka: Bhachau, District: Kutch, Gujarat. Tel No: (02837) 223374

Maharashtra Factory: Village: Padve, Taluka: Sawantwadi, District: Sindhudurg, Maharashtra. Tel No: +91-942-3321448.

Corporate Office: Killedar Estate, Building No.1, 1st & 2nd Floor, Opp. Jogeshwari MTNL office, S.V. Road, Jogeshwari (West) Mumbai - 400 102.

Tel No: +91-22- 6724 0000, Fax No: +91-22- 6724 0100

Website: www.australcoke.com; **E-mail:** ipo@australcoke.com

Contact Person: Mr. Navin Choudhary - Company Secretary and Mr. Vivek Bharuka-Compliance Officer

Our Company has been allocated a Company Identification Number (CIN): U67120WB1994PLC063008 and is registered with the Registrar of Companies West Bengal, Nizam Palace, 2nd NSO Building, 2nd Floor, 2, 3, 4/4, Acharya Jagdish Chandra Bose Road, Kolkata - 700 020.

Board of Directors:

Our Board of Directors comprise of the following members:

Name	Designation	Status
Mr. Ratan Lal Tamakhuwala	Chairman	Non Independent and Executive Director
Mr. Rishi Raj Agarwal	Managing Director	Non Independent and Executive Director
Mr. Rajendra Kumar Khaitan	Director	Independent Non-Executive Director
Mr. S. K. Chowdhary	Director	Independent Non-Executive Director
Dr. M. K. Sinha	Director	Independent Non-Executive Director

MR. R.L.TAMAKHUWALA

Mr. Ratanlal Tamakhuwala, aged 63 years, is the Executive Chairman and promoter of our Company. An Arts graduate, he started his career in 1960 as a dealer in coke and coal. Having worked over 10 years as a trader he acquired thorough knowledge of the domestic and international market. In 1972 he joined M/s. Sanjay Udyog and took charge of their associate concern, M/s. Nirsa Coke Ovens - Dhanbad as executive officer. During his tenure with the company, he became well versed in Coke oven technology and all the operational aspects of Coke manufacturing, and has provided consultancy to various units, (including Ganesh Hard Coke and Nirsa Coke Ovens, Dhanbad) for setting up Coke ovens.

He has visited various Coke oven units across the globe and particularly in countries like China and Australia to gain more knowledge and insight. He subsequently associated himself as one of the promoters of Gujarat NRE Coke Limited, one of the leading manufacturers of Coke in India. However due to family dispute he has disassociated himself from Gujarat NRE Coke Limited effective from 1997. Mr. Tamakhuwala is equally conscious of social objectives to be pursued by the entrepreneurs and shouldered social responsibility by his active participation in programmes for social cause. He is currently a Director of Lions Club and is also a member of the committee of Confederation of Indian Industries (CII) for community development.

MR. RISHI RAJ AGARWAL

Mr. Rishi Raj Agarwal, aged 38 years is a commerce graduate (B.Com.) from Kolkata University and has over 17 years of experience in the field of Coke, coal and in the renting of heavy Equipments for carrying out construction and infrastructure activities. He was in coal & coke trading since early age particularly with Coal India Ltd. He is promoter and Managing Director of M/s Gremach Infrastructure Equipments & Projects Limited, which under his leadership has grown to become one of the leading construction equipments rental companies in India.

He was involved in the execution and implementation of LAM Coke & Refractory Project set up at Village Lunva (Kutch). It was under his leadership both Refractory and Coke oven plant got financial closure enabling timely implementation of project. He has been instrumental in acquisition of controlling stake in Coal Mines at Mozambique, which will provide, on continuous basis, major raw material i.e. coking coal for captive consumption to AC & PL as well as for trading in international market.

He has been associated with bodies like CII and FICCI. He is also actively involved, as Committee Member, in various programmes initiated by agencies such as Indian Merchants' Chamber and Indian Road Congress.

For further details of Chairman and Managing Director and other directors of our Company, please refer to section titled "Our Management" on page 113 of this Red Herring Prospectus.

Company Secretary

Mr. Navin Choudhary

Austral Coke & Projects Limited

Killedar Estate, Building No.1, 1st & 2nd Floor,

Opp. MTNL office, S.V. Road,

Jogeshwari (west),

Mumbai -400053, India ;

Tel No: +91-22-6724 0000, Fax No: +91-22- 6724 0100,

E-mail: ipo@australcoke.com

Compliance Officer

Mr. Vivek Bharuka

Austral Coke & Projects Limited

Killedar Estate, Building No.1, 1st Floor,

Opp. MTNL office, S.V. Road,

Jogeshwari (West),

Mumbai -400053, India ;

Tel No: +91-22-6724 0000, Fax No: +91-22- 6724 0100,

E-mail: ipo@australcoke.com

Investors can contact our company Secretary or Compliance Officer in case of any Pre-Issue or Post-Issue related matters such as non-receipt of letters of allotment, credit of allotted shares in the respective beneficiary account, refund orders etc.

BOOK RUNNING LEAD MANAGER

Allbank Finance Limited

(Wholly owned Subsidiary of Allahabad Bank)

SEBI Regn No. INM000006609

2nd Floor, Allahabad Bank Building,

37, Mumbai Samachar Marg, Fort,

Mumbai - 400023

Tel No: +91 22 6510 9933/ 2262 6283

Fax No: +91 22 2267 7552

E-mail: austral_ipo@allbankfinance.com

Website: www.allbankfinance.com

Contact Person: Mr. Prasaad Akolkar/ Mr. T.V. Krishnan

Saffron Capital Advisors Private Limited

SEBI Regn No: INM000011211

Ground Floor, Vilco Center

8, Subhash Road, Vile Parle (East)

Mumbai - 400 057

Tel No: +91 22 4082 0904 / 0910

Fax No: +91 22 2682 0502

Email: ipo@saffronadvisor.com

Website: www.saffronadvisor.com

Contact Person: Mr. Neeraj Khandelwal

PL Capital Markets Private Limited

SEBI Regn No: INM 000011237

3rd Floor, Sadhana House

570, P.B. Marg

Behind Mahindra Towers, Worli

Mumbai - 400 018

Tel No: +91 22 6632 2222

Fax No: +91 22 6632 2229

Email: australipo@plindia.com

Website: www.plindia.com

Contact Person: Mr. Rishabh Shah

Elara Capital (India) Private Limited

SEBI Regn No. : INM000011104.

304, Vaibhav Chambers,

Bandra Kurla Complex, Bandra (East),

Mumbai - 400 051.

Tel: +91-22 - 30626167

Fax: +91-22 - 30626170

Email: rashmi.deshpande@elaracapital.com

Website: www.elaracapital.com

Contact Person: Ms. Rashmi Deshpande

LEGAL ADVISER TO THE ISSUE

Tapan Roy Choudhuri & Co, (Advocate)

Chajjar Chambers,
6A, Kiran Shankar Roy Road,
3rd Floor, Room No.19 E,
Kolkata - 700 001.
Tel No: +91 33 2210 0035;
Email: tapanrc@yahoo.com

BANKERS TO OUR COMPANY

State Bank of India

Industrial Finance Branch,
Shivsagar Estate, 1st Floor, Worli,
Mumbai - 400 018
Tel No: 91-22-2495-2125/2494-2702
Fax No: 91-22-2495-1131

State Bank of Indore

(Associate of the State Bank of India)
Commercial Branch,
Mittal Court, 'B' Wing, Ground Floor,
Nariman Point
Mumbai - 400 021
Tel No: +91 22 2282 1527/58
Fax No: +91 22 2283 5742
E-mail id: sbn3342@sbindore.co.in

Bank of India

Andheri Corporate Banking Branch
MD I Bldg, 1 st Floor, 28, S V Road,
Mumbai, 400 058.
Tel No: +91 22 2670 2346
Fax No: +91 22 2624 7655
Email: boiarcbb@mtnl.net.in

APPRAISAL OF THE PROJECT

Mott MacDonald Private Limited

44, Dr R G Thadani Marg,
Worli, Mumbai 400018
Tel No: +91- 22- 3981 0100
Fax No: +91-22-2495 0539
E-mail Id: amit.mukherjee@mottmac-india.com
Contact Person: Mr. Amit Mukherjee

REGISTRAR TO THE ISSUE

Intime Spectrum Registry Limited

SEBI Regn No. INR000003761
C-13, Pannalal Silk Mills Compound,
L.B.S. Marg, Bhandup (W),
Mumbai - 400 078
Tel No: +91-22 -25960320
Toll Free no. 1800-22-0320
Fax No: +91-22-25960328-29
Email: austral.ipo@intimespectrum.com
Website: www.intimespectrum.com
Contact Person: Mr. Sachin Achar

ESCROW COLLECTION BANKERS TO THE ISSUE

HDFC Bank Limited

SEBI Regn No: INBI00000063
2nd Floor, Process House
Kamala Mills Compound
Senapati Bapat Marg,
Lower Parel,
Mumbai - 400 013.
Tel No: +91-22-24988484
Fax No: +91-22-24963871
E-mail: kripa.kalro@hdfcbank.com
Website: www.hdfcbank.com
Contact Person: Ms. Kripa Kalro

ICICI Bank Limited

SEBI Regn No: INBI00000004
Capital Market Division
30, Mumbai Samachar Marg,
Mumbai- 400 001.
Tel No: +91-22-22627600
Fax No: +91-22-22611138
E-mail: venkataraghavan.t@icicibank.com
Website: www.icicibank.com
Contact Person: Mr. Venkataraghavan T A

Axis Bank Limited

SEBI Regn No: INBI00000017
Court Chambers,
35, Sir Vithaldas Thakersey Marg,
New Marine lines,
Mumbai - 400 020.
Tel No: +91 22 22007705
Fax No: +91 22 2200 7703
Email: surendra.sharma@axisbank.com
Contact person: Mr. Surendra Sharma
Website: www.axisbank.com

Standard Chartered Bank

SEBI Regn No: INBI00000885
270, D.N. Road,
Fort, Mumbai - 400 001
Tel No: +91 22 22683965 / 2209 2213
Fax No: +91 22 2209 6069
Email: joseph.george@in.standardchartered.com / rajesh.malwade@in.standardchartered.com
Contact Person: Mr. Joseph George / Mr. Rajesh Malwade
Website: www.standardchartered.co.in

ABN Amro Bank

SEBI Regn No: INB100000034
Brady House,
14, Veer Nariman Road,
Hornimon Circle
Fort, Mumbai - 400 001
Tel No: +91 22 66585858 / 66585817
Fax No: +91 22 2204 2673
Email: akhouri.malay@in.abnamro.com
Contact Person: Mr. Akhouri Malay
Website: www.abnamro.co.in

Deutsche Bank AG

SEBI Regn No: INBI00000003
Kodak House
222, Dr. D.N. Road
Fort, Mumbai - 400 001
Tel No: +91 22 6658 4000
Fax No: +91 22 2207 6553
Email: shyamal.malhotra@db.com
Contact Person: Mr. Shyamal Malhotra
Website: www.db.com

SYNDICATE MEMBER (S)**Saffron Global Markets Private Limited**

SEBI Regn No: INB231295230
A Wing, 1st Floor,
Western Tower,
Western Express Highway,
Parsi Wada, Vile Parle (East)
Mumbai - 400 057
Tel No: +91 22 4082 4901/4082 0910
Fax No: +91 22 2682 0502
Email: ipo@saffronadvisor.com
Website: www.saffronadvisor.com
Contact Person: Mr. Rahul Kamble

Enam Securities Private Limited,

SEBI Regn No. INM000006856
Khatau Bldg, 2nd Floor,
44, Bank Street, Fort,
Mumbai - 400101
Tel No: +91 22 2267 7901
Fax No: +91 22 2266 5613
Email: ajays@enam.com
Website: www.enam.com
Contact Person: Mr. Ajay Sheth

SAL Securities Pvt Limited

SEBI Regn No: INM 000011047
703, A Wing, Lakshachandi,
Krishna Vatika Marg,
Gokuldharm, Goregaon (E)
Mumbai - 400 063
Tel No: +91 22 2657 2525
Fax No: +91 22 2657 2018
Email: sunil.prakash@salsecurities.com
Website: www.salsecurities.com
Contact Person: Mr. Sunil Prakash

Prabhudas Lilladher Pvt Ltd

SEBI Regn No: INB/ F010502855, INB/ F230597738
3rd Floor, Sadhana House
570, P.B. Marg
Behind Mahindra Towers, Worli
Mumbai - 400 018
Tel No: +91 22 6632 2222
Fax No: +91 22 6632 2229
Email: australipo@plindia.com
Website: www.plindia.com
Contact Person: Mr. Manish Bhatt

Comfort Securities Pvt Ltd

SEBI Regn No: INM000011328
A-301, Hetal Arch, S.V.Road,
Malad (W)
Mumbai - 400 064
Tel No: +91 22 2881 1259
Fax No: +91 22 2889 2527
Email: sarthak@comfortsecurities.co.in
Website: www.comfortsecurities.co.in
Contact Person: Mr. Sarthak Vijlani

Aryaman Financial Services Limited

SEBI Regn No: INM000006807
306-307, Mint Chambers,
45/47 Mint Road, Fort
Mumbai - 400 001
Tel No: +91 22 2261 8264
Fax No: +91 22 2263 0434
Email: info@afsl.co.in
Website: www.afsl.co.in
Contact Person: Mr. Deepak Biyani

Reliance Securities Limited

SEBI Regn No: INB231234833 / INB011234839
Reliance Money House ,
250-A/1, Baburao Pendharkar Marg,
Off Dr Annie Besant Road,
Worli, Mumbai - 400025
Tel: +91 22 30443300
Fax: +91 22 30443610
Email: ravi.doshi@relianceada.com
Website: www.relianceada.com
Contact person; Mr Ravi Doshi

Elara Securities (India) Private Limited

SEBI Regn No. : INB 231289837 / INB 011289833
205, 2nd Floor, Trade Centre,
Bandra Kurla Complex, Bandra (East),
Mumbai - 400 051.
Tel: +91-22 - 40626878
Fax: +91-22 - 40626869
Email: rashmi.deshpande@elaracapital.com
Website: www.elaracapital.com
Contact Person: Ms. Rashmi Deshpande

AUDITORS TO OUR COMPANY

T.N. Datta & Associates
Chartered Accountant
87/B, Cossipore Road,
Block No.B, Flat no.8,
Kolkata - 700 002.
Tel No: +91 33 2557 3950
Fax No: +91 33 2230 2892
E-mail: tn.datta@yahoo.co.in
Contact Person: Mr. T.N. Datta
Membership No. : 056676

IPO GRADING

Credit Analysis & Research Limited

4th Floor, Godrej Coliseum,
Somaiya Hospital Road,
Off Eastern Express Highway,
Sion (East), Mumbai - 400 022.
Tel: +91- 22- 6754 3499
Fax: +91- 22- 6754 3457
E-mail: bhavana.kashi@careratings.com
Website: www.careratings.com
Contact Person: Ms. Bhavana Kashi

CARE has assigned “CARE IPO Grade 2” to the proposed IPO of ACPL. “CARE IPO Grade 2” indicates below average fundamentals. CARE assigns IPO grades on a scale of Grade 5 to Grade 1, with Grade 5 indicating strong fundamentals and Grade 1 indicating poor fundamentals.

Rationale for CARE IPO Grading

The grade is constrained by ACPL’s relatively small size of operations, unorganized and highly competitive industry in which the company operates, cyclicity of the steel industry, high dependence on IPO proceeds of propose expansion plans, moderate corporate governance practices and low professional management. The grading is also constrained by risk associated with proposed deployment of funds from the IPO in setting up new manufacturing units.

However the grading factors in promoter’s experience in setting up coke manufacturing plant, favourable industry scenario for LAM Coke and power, proposed backward integration in form of coal mine acquisition by its group company, comfortable gearing levels, and improvement in technology for expansion projects.

A copy of the report provided by CARE, furnishing the rationale for its grading is available for inspection at the registered office of our Company from 10.00 am to 4.00 pm on working days from the date of the Red Herring Prospectus until the bid/issue closing date.

“DISCLAIMER: CARE’s IPO Grading is a one time assessment and the analysis draws heavily from the information provided by the issuer as well as information obtained from sources believed by CARE to be accurate and reliable. However, CARE, does not guarantee the accuracy, adequacy or completeness of any information and is not responsible for any errors or omissions or for the results obtained from the use of such information. CARE’s IPO grading does not take cognizance of the price of the security and it is not a recommendation to buy, sell or hold shares/securities. It is also not a comment on the offer price or the listed price of the scrip. It does not imply that CARE performs an audit function or forensic exercise to

detect fraud. It is also not a forecast of the future market performance and the earnings prospects of the issuer; also it does not indicate compliance/violation of various statutory requirements. CARE shall not be liable for any losses incurred by users from any use of the IPO grading.

Credit Rating

As the Issue is of Equity shares, credit rating is not mandatory.

Trustees

As the Issue is of Equity Shares, the appointment of Trustees is not mandatory.

Brokers to the Issue

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

Monitoring Agency

Deutsche Bank AG,
Kodak house,
222, Dr. D.N.Road,
Fort, Mumbai 400 001
Tel No: +91 22 66584000
Fax No: +91 22 2207 6553
Tel No: +91 22 6658 4000
Fax No: +91 22 2207 6553
Email: shyamal.malhotra@db.com
Contact Person: Mr. Shyamal Malhotra
Website: www.db.com

Inter-se allocation of Responsibilities

The following table sets forth the inter se allocation of responsibilities for various activities between Book Running Lead Managers (BRLMs) viz, AllBank Finance Limited (ABFL), Saffron Capital Advisors (P) Limited (Saffron), PL Capital Markets (P) Limited (PL Capital) and Elara Capital (India) Private Limited. (Elara Capital)

No.	Activity	Responsibility	Coordination
1.	Capital structuring with the relative components and formalities such as type of instruments, etc.	ABFL	ABFL
2.	Conducting a Due diligence of our Company’s operations / management / business plans / legal, etc. Drafting and designing the Draft Red Herring Prospectus/ Red Herring Prospectus/ Prospectus. Ensuring compliance with the Guidelines for Disclosure and Investor Protection and other stipulated requirements and completion of prescribed formalities with the Stock Exchanges, RoC and SEBI.	ABFL	ABFL
3.	Primary co-ordination with SEBI, RoC and Stock Exchanges up to bidding and coordinating interface with lawyers for agreements.	ABFL	ABFL
4.	Primary coordination of drafting/proofing of the design of the Prospectus, bid forms including memorandum containing salient features of the Prospectus with the printers. Primary coordination of the drafting and approving the statutory advertisement.	ABFL	ABFL

5.	Drafting and approving all publicity material other than statutory advertisement as mentioned in (4) above including corporate advertisement, brochure, etc.	ABFL, PL Capital	ABFL
6.	Appointment of the Registrar, Bankers to the issue and appointment of other intermediaries viz. printers and advertising agency	ABFL	ABFL
7.	Institutional Marketing, which will cover inter alia: <ul style="list-style-type: none"> ▪ Finalisation of list of investors. ▪ Finalisation of one to one meetings and allocation of institutions. ▪ Finalisation of presentation material 	PL Capital, Saffron, ABFL and Elara Capital	PL Capital
8	Retail & HNI segment Marketing, Which will cover inter alia: <ul style="list-style-type: none"> • Preparation of road show presentation • Finalising centres for holding Brokers' conference • Finalising media, marketing and PR Strategy • Follow up on distribution of publicity and issue material including application form, brochure and deciding on quantum of issue material • Finalising collection centres 	Saffron, PL Capital, ABFL & Elara capital.	Saffron
9.	Managing Book & co-ordination with stock Exchanges for bidding terminals, mock trading etc. as well as pricing and QIB allocation	ABFL, PL Capital & Saffron	ABFL
10.	Follow - up with the bankers to the issue to get quick estimates of collection and advising the issuer about closure of the issue, based on the correct figures.	ABFL, PL Capital & Saffron	ABFL
11.	The post-Issue activities for the Issue will involve essential follow up steps, which include finalizing basis of allotment / weeding out of multiple applications, the listing of instruments and dispatch of certificates and dematerialized delivery of shares with the various agencies connected with the work such as the Registrars to the Issue and Bankers to the Issue and the bank handling refund business. The Lead Managers shall be responsible for ensuring that these agencies fulfill their functions and enable it to discharge this responsibility through suitable agreements with our Company.	ABFL & PL Capital	ABFL
12.	Green Shoe Option, if exercised <ul style="list-style-type: none"> • Acting as stabilizing Agent and carrying out necessary activities in terms of agreement entered into between Green shoe lender, Stabilizing agent and the issuer • Coordination of various activities with BRLM 	PL Capital	PL Capital

Book Building Process

Book Building refers to the process of 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:

- Austral Coke & Projects Limited
- The Book Running Lead Manager;
- The Syndicate Members who are intermediaries registered with SEBI or registered as brokers with the stock exchange (s) and eligible to act as underwriters. Syndicate Members are appointed by the BRLM;
- Escrow Collection Bank; and
- Registrars to the Issue

SEBI through its Guidelines has permitted an issue of securities to the public through the 100% Book Building Process, wherein up to 50% of the Issue to the public shall be available for allocation to QIBs on a proportionate basis out of which 5% shall be available for allocation on a proportionate basis to Mutual Funds only, and the remainder of the Qualified Institutional Buyers 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 the Issue Price. Further, not less than 15% of the Issue shall be available for allotment on a proportionate basis to Non-Institutional Bidders and not less than 35% of the Issue to the public 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.

In accordance with SEBI Guidelines, QIBs are not allowed to withdraw their Bid(s) after the Bid/Issue Closing Date. For further details see section titled “Issue Structure” on page 191 of the Red Herring Prospectus.

We will comply with the Guidelines issued by SEBI for this Issue. In this regard, we have appointed Allbank Finance Ltd. as BRLM to manage the issue and to procure subscriptions to the Issue.

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

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

Bidders can bid at any price within the price band. For instance, assume a price band of Rs. 20 to Rs. 24 per share with issue size of Rs. 3,000 equity shares and five bids are received from bidders. Out of which one bidder has bid for 500 shares at Rs. 24 per share while another bid for 1,500 shares at Rs. 22 per share. A graphical representation of the consolidated demand and price would be made available at the bidding centers 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.

Bid Quantity	Bid Price (Rs.)	Cumulative Quantity	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 number of shares is the price at which the book cuts off i.e. Rs. 22 in the above example. The issuer, in consultation with the BRLM, will finalise the issue price at or below such cut off price i.e. at or below Rs. 22. All bids at or above this issue price and cut-off bids are valid bids and are considered for allocation in the respective categories.

Steps to be taken by the Bidders for bidding:

- Check eligibility for bidding (please refer to the section “Issue Procedure - Who Can Bid” on page no. 194 of this Red Herring Prospectus);
- 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.

Withdrawal of the Issue

Our Company, in consultation with the BRLM, reserves the right not to proceed with the Issue at anytime after the Bid Opening Date/ Issue Opening Date but before Allotment, without assigning any reason thereof.

BID/ISSUE PROGRAMME

Bidding Period/Issue Period

Bid/Issue Opens on: August 7, 2008

Bid/Issue Closes on: August 13, 2008

Bids and any revision in Bids shall be accepted only between 10.00 a.m. and 3.00 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, Bids shall be accepted only between 10.00 a.m. and 3.00 p.m. (Indian Standard Time) and uploaded till (i) 5.00 p.m. in case of Bids by QIB Bidders, Non-Institutional Bidders where the Bid Amount is in excess of Rs. 1,00,000 and (ii) till such time as permitted by the NSE and the BSE, in case of Bids by Retail Individual Bidders where the Bid Amount is up to Rs. 1,00,000. Due to limitation of time available for uploading the Bids on the Bid/Issue Closing Date, the Bidders are advised to submit their Bids one day prior to the Bid/Issue Closing Date and, in any case, no later than 3.00 p.m. (Indian Standard Time) on the Bid/Issue Closing Date. Bidders are cautioned that in the event a large number of Bids are received on the Bid/Issue Closing Date, as is typically experienced in public offerings, which may lead to some Bids not being uploaded due to lack of sufficient time to upload, such Bids that cannot be uploaded will not be considered for allocation under the Issue. Bids will only be accepted on working days.

Investors please note that as per letter no. List/smd/sm/2006 dated July 3, 2006 and letter no. NSE/IPO/25101-6 dated July 6, 2006 issued by BSE and NSE respectively, Bids and any revision in Bids shall not be accepted on Saturdays and holidays as declared by the Exchanges.

Any revision in the Price Band and the revised Bid/ Issue Period, if applicable, will be duly disseminated by notification to the BSE and NSE by issuing a press release and by indicating the change on the website of the BRLM and at the terminals of the Members of the Syndicate.

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 of the Price Band, the Issue Period will be extended for three additional days after revision of the Price Band, subject to the total Bid/Issue Period not exceeding 10 working days. Any revision in the Price Band and the revised Bid/Issue Period, if applicable, will be widely disseminated by notification to the BSE and the NSE, by issuing a press release and by indicating the changes on the websites of the BRLM and on the terminals of members of the Syndicate.

UNDERWRITING AGREEMENT

After the determination of the Issue Price and prior to filing of the Prospectus with RoC, we 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 Syndicate Members do not fulfill their underwriting obligations in terms of the Underwriting Agreement.

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)

<i>Name and Address of the Underwriters</i>	Indicative Number of Equity shares to be Underwritten	Amount Underwritten (Rupees In Lacs)
Allbank Finance Limited (Wholly owned Subsidiary of Allahabad Bank) 2 nd Floor, Allahabad Bank Building, 37, Mumbai Samachar Marg, Fort, Mumbai - 400023 Tel No: +91 22 6510 9933/ 2262 6283 Fax No: +91 22 2267 7552 E-mail: austral_ipo@allbankfinance.com Website: www.allbankfinance.com Contact Person: Mr. Prasaad Akolkar/ Mr. T.V. Krishnan SEBI Regn No. INM000006609	[•]	[•]
Saffron Capital Advisors Private Limited Ground Floor, Vilco Center 8, Subhash Road, Vile Parle (East) Mumbai - 400 057 Tel No: +91 22 4082 0904/ 0910 Fax No: +91 22 2682 0502 Email: ipo@saffronadvisor.com Website: www.saffronadvisor.com Contact Person: Mr. Neeraj Khandelwal SEBI Regn No: INM000011211	[•]	[•]
PL Capital Markets Private Limited 3 rd Floor, Sadhana House 570, P.B. Marg Behind Mahindra Towers, Worli Mumbai - 400 018 Tel No: +91 22 6632 2222 Fax No: +91 22 6632 2229 Email: australipo@plindia.com Website: www.plindia.com Contact Person: Mr. Rishabh Shah SEBI Regn No: INM 000011237	[•]	[•]
Elara Capital (India) Private Limited 304, Vaibhav Chambers, Bandra Kurla Complex, Bandra (East), Mumbai - 400 051. Tel: +91-22 - 30626167 Fax: +91-22 - 30626170 Email: rashmi.deshpande@elaracapital.com Website: www.elaracapital.com Contact Person: Ms. Rashmi deshpande SEBI Regn No. : INM000011104.	[•]	[•]

<p>Saffron Global Markets Private Limited A Wing, 1st Floor, Western Tower, Western Express Highway, Parsi Wada, Vile Parle (East) Mumbai - 400 057 Tel No: +91 22 4082 4901/4082 0910 Fax No: +91 22 2682 0502 Email: ipo@saffronadvisor.com Website: www.saffronadvisor.com Contact Person: Mr. Rahul Kamble SEBI Regn No: INB231295230</p>	[•]	[•]
<p>Enam Securities Private Limited, Khatau Bldg, 2nd Floor, 44, Bank Street, Fort, Mumbai - 400101 Tel No: +91 22 2267 7901 Fax No: +91 22 2266 5613 Email: ajays@enam.com Website: www.enam.com Contact Person: Mr. Ajay Sheth SEBI Regn No. INM000006856</p>	[•]	[•]
<p>SAL Securities Pvt Limited 703, A Wing, Lakshachandi, Krishna Vatika Marg, Gokuldharm, Goregaon (E) Mumbai - 400 063 Tel No: +91 22 2657 2525 Fax No: +91 22 2657 2018 Email: sunil.prakash@salsecurities.com Website: www.salsecurities.com Contact Person: Mr. Sunil Prakash SEBI Regn No: INM 000011047</p>	[•]	[•]
<p>Prabhudas Lilladher Pvt Ltd 3rd Floor, Sadhana House 570, P.B. Marg Behind Mahindra Towers, Worli Mumbai - 400 018 Tel No: +91 22 6632 2222 Fax No: +91 22 6632 2229 Email: australipo@plindia.com Website: www.plindia.com Contact Person: Mr. Manish Bhatt SEBI Regn No: INB/ F010502855, INB/ F230597738</p>	[•]	[•]

<p>Comfort Securities Pvt Ltd A-301, Hetal Arch, S.V.Road, Malad (W) Mumbai - 400 064 Tel No: +91 22 2881 1259 Fax No: +91 22 2889 2527 Email: sarthak@comfortsecurities.co.in Website: www. comfortsecurities.co.in Contact Person: Mr. Sarthak Vijlani SEBI Regn No: INM000011328</p>	[•]	[•]
<p>Aryaman Financial Services Limited 306-307, Mint Chambers, 45/47 Mint Road, Fort Mumbai - 400 001 Tel No: +91 22 2261 8264 Fax No: +91 22 2263 0434 Email: info@afsl.co.in Website: www. afsl.co.in Contact Person: Mr. Deepak Biyani SEBI Regn No: INM000006807</p>	[•]	[•]
<p>Reliance Securities Limited Reliance Money House , 250-A/1, Baburao Pendharkar Marg, Off Dr Annie Besant Road, Worli, Mumbai - 400025 Tel: +91 22 30443300 Fax: +9122 30443610 Email: ravi.doshi@relianceada.com Website: www.relianceada.com Contact person; Mr Ravi Doshi SEBI Regn No: INB231234833 / INB011234839</p>	[•]	[•]
<p>Elara Securities (India) Private Limited 205, 2nd Floor, Trade Centre, Bandra Kurla Complex, Bandra (East), Mumbai - 400 051. Tel: +91-22 - 40626878 Fax: +91-22 - 40626869 Email: rashmi.deshpande@elaracapital.com Website: www.elaracapital.com Contact Person: Ms. Rashmi Deshpande SEBI Regn No. : INB 231289837 / INB 011289833</p>		
Total	[•]	[•]

The above-mentioned amount is an indicative of underwriting and this would be finalized after pricing and actual allotment. The above Underwriting Agreement is dated [•]

In the opinion of the Book Running Lead Manager(s) and the Board of Directors acting through the Managing Director, based on a certificate given to them by the Underwriters, the resources of the 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 the Managing Director of our Company and has 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 severally 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 to be defined in the Underwriting Agreement, will also be required to procure/subscribe to the extent of the defaulted amount.

CAPITAL STRUCTURE

In Rupees (Amount in Lacs)			
		Aggregate Nominal Value	Aggregate value at Issue Price
(A) Authorized Share Capital			
5,00,00,000	Equity shares of Rs.10/- each	5000.00	
(B) Issued, Subscribed and Paid-up Equity Capital			
2,17,69,604	Equity shares of Rs.10/- each (fully paid up)	2176.96	
(C) Present Issue in terms of this Red Herring Prospectus			
72,60,000	Equity Shares of Rs.10/- each (fully paid up)	726.00	[●]
Of which			
Qualified Institutional Buyers portion of up to 36,30,000 equity shares:		363.00	[●]
Non Institutional Portion of at least 10,89,000 equity shares		108.90	[●]
Retail Portion of at least 25,41,000 equity shares		254.10	[●]
(F) Paid up capital after the Issue			
2,90,29,604	Equity shares of Rs.10/- each (fully paid up) #	2902.96	[●]
(G) Share Premium Account			
Before the Issue			16964.74
After the Issue			[●]

- the Issue shall have a green shoe option up to 10,89,000 Equity shares of Rs. 10/- each at a price of Rs. [●] per equity share for cash aggregating Rs. [●] lacs, if exercised, aggregate nominal value will increase to Rs. 3011.86 Lacs(i.e. 3,01,18,604 Equity Shares).

DETAILS OF INCREASE IN AUTHORISED CAPITAL

Date	Authorised Capital (Rs.)	Face Value (Rs.)	No. of Shares	Particulars	Date of AGM/ EGM
22.04.1994	Rs. 50 Lacs	10/	5,00,000	Incorporation	
18.08.2000	From Rs.50 Lacs to Rs. 200 Lacs	10/	20,00,000	Increase	18.08.2000
05.03.2001	From Rs.200 Lacs to Rs. 350 Lacs	10/-	35,00,000	Increase	05.03.2001
15.02.2005	From Rs.350 Lacs to Rs 750 Lacs	10/-	75,00,000	Increase	15.02.2005
28.01.2007	From Rs. 750 Lacs to Rs 1050 Lacs	10/-	1,05,00,000	Increase	28.01.2007
31.03.2007	From Rs 1050 Lacs to Rs 1700 Lacs	10/-	1,70,00,000	Increase	31.03.2007
11.06.2007	From Rs 1700 Lacs to Rs 3000 Lacs	10/-	3,00,00,000	Increase	11.06.2007
30.06.2007	From Rs 3000 Lacs to Rs 5000 Lacs	10/-	5,00,00,000	Increase	30.06.2007

NOTES FORMING PART OF THE CAPITAL STRUCTURE:

1. Equity Share Capital History of our company

Date of allotment	No. of shares allotted	Face Value (Rs.)	Cumulative no. of shares	Issue Price (Rs.)	Consideration	Nature of Allotment	Securities Premium Account (Rs. in Lacs)	Cumulative Share Premium (Rs. in Lacs)
22.04.1994	700	10	700	10	Cash	Subscription to Memorandum	Nil	Nil
31.03.1995	75,000	10	75,700	10	Cash	Further issue of shares	Nil	Nil
31.03.1996	1,62,500	10	2,38,200	10	Cash	Further issue of shares	Nil	Nil
20.08.1999	2,61,800	10	5,00,000	10	Cash	Further issue of shares	Nil	Nil
22.01.2001	5,71,300	10	10,71,300	10	Cash	Further issue of shares	Nil	Nil
17.11.2001	15,00,000	10	25,71,300	10	Cash	Further issue of shares	Nil	Nil
28.03.2002	4,28,700	10	30,00,000	10	Cash	Further issue of shares	Nil	Nil
31.03.2005	13,40,000	10	43,40,000	40	Cash	Further issue of shares	402.00	402.00
31.03.2006	3,36,600	10	46,76,600	250	Cash	Further issue of shares	807.84	1,209.84
31.03.2006	18,93,000	10	65,69,600	50	Cash	Further issue of shares	757.20	1,967.04
31.03.2006	4,00,000	10	69,69,600	250	Cash	Further issue of shares	960.00	2,927.04
31.03.2007	13,32,147	10	83,01,747	270	Cash	Further issue of shares	3,463.58	6,390.62
31.03.2007	83,01,747	10	1,66,03,494	-	Capitalisation of Reserves	Bonus (1:1)	(830.17)	5,560.45
30.06.2007	24,26,110	10	1,90,29,604	270	Cash	Further issue of shares to Promoters	6307.88	11868.34
18.07.2008	27,40,000	10	2,17,69,604	196	Cash	Further issue of shares to others	5096.40	16964.74

2. Shares issued for consideration other than cash

We have issued 83,01,747 equity shares as bonus shares in the ratio of one share for every one share held as on March 31, 2007.

3. a. SHAREHOLDING OF OUR PROMOTERS (Individual)

Name of the Promoter	Date of Allotment / acquisition and when made fully paid-up	Consideration	No. of shares	Face Value (Rs.)	Issue Price/ Purchase Price (Rs.)	% of Post Issue Paid up Equity capital (assuming GSO not exercised)	% of Post Issue Paid up Equity capital (assuming GSO exercised in full)	Lock-in upto
1. Mr. Ratan Lal Tamakhuwala	17.11.2001	Cash	200,000	10	10			1 Year
	31.03.2005	Cash	75,000	10	40			1 Year
	16.03.2007	Transfer	150,000	10	10			1 Year
	31.03.2007	Capitalisation of reserves	425,000	10	-			1 Year
		TOTAL	850,000			2.93	2.78	1 Year

Name of the Promoter	Date of Allotment / acquisition and when made fully paid-up	Consideration	No. of shares	Face Value (Rs.)	Issue Price/ Purchase Price (Rs.)	% of Post Issue Paid up Equity capital (assuming GSO not exercised)	% of Post Issue Paid up Equity capital (assuming GSO exercised in full)	Lock-in upto
2. Mr. Rishi Raj Agarwal	22.04.1994	Cash	100	10	10			1 Year
	22.01.2001	Cash	100,000	10	10			1 Year
	17.11.2001	Cash	230,900	10	10			1 Year
	28.03.2002	Cash	100,000	10	10			1 Year
	31.03.2005	Cash	175,000	10	40			3 Years
	31.03.2006	Cash	60,000	10	50			3 Years
	15.03.2007	Transfer	258,000	10	10			1 Year
	15.03.2007	Transfer	75,000	10	10			1 Year
	15.03.2007	Transfer	124,300	10	10			1 Year
	15.03.2007	Transfer	25,000	10	40			1 Year
	15.03.2007	Transfer	395,300	10	10			1 Year
	23.03.2007	Transfer	313,100	10	10			1 Year
	31.03.2007	Capitalisation of reserves	666,000	10	-			3 Years
			11,90,700	10	-			1 Year
		TOTAL	3,713,400			12.79	12.16	

(b). SHAREHOLDING OF OUR PROMOTERS (Body Corporate)

Name of the Promoter	Date of Allotment / acquisition and when made fully paid-up	Consideration	No. of shares	Face Value (Rs.)	Issue Price/ Purchase Price (Rs.)	% of Post Issue Paid up Equity capital (assuming GSO not exercised)	% of Post Issue Paid up Equity capital (assuming GSO exercised in full)	Lock-in upto
1. Anarcon Resources Private limited	22.01.2001	Cash	33,900	10	10			3 years
	17.11.2001	Cash	294,500	10	10			3 years
	28.03.2002	Cash	128,700	10	10			3 years
	31.03.2006	Cash	980,000	10	50			3 years
	31.03.2006	Cash	250,000	10	250			3 years
	26.03.2007	Transfer	154,400	10	10			1 Year
	26.03.2007	Transfer	197,500	10	2			1 Year
	31.03.2007	Cash	762,703	10	270			1 Year
	31.03.2007	Capitalisation of reserves	16,87,100	10	-			3 years
			11,14,603	10	-			1 Year
	30.06.2007	Cash	1,487,777	10	270			1 Year
		TOTAL	7,091,183			24.43	23.23	

Name of the Promoter	Date of Allotment / acquisition and when made fully paid-up	Consideration	No. of shares	Face Value (Rs.)	Issue Price/ Purchase Price (Rs.)	% of Post Issue Paid up Equity capital (assuming GSO not exercised)	% of Post Issue Paid up Equity capital (assuming GSO exercised in full)	Lock-in upto
2. Shri Hanuman Investments Private Limited	31.03.2006	Cash	8,53,000	10	50			3 Years
	31.03.2006	Cash	1,50,000	10	250			3 Years
	28.12.2006	Transfer	66,800	10	10			1 Year
	18.03.2007	Transfer	11,97,600	10	10			1 Year
		31.03.2007	Cash	569,444	10	270		
	31.03.2007	Capitalisation of reserves	10,03,000	10	-			3 Years
			18,33,844	10	-			1

								Year
	30.06.2007	Cash	9,38,333	10	270			1 Year
	12.06.2007	Cash	(1)	10	270			-
		TOTAL	6,612,020			22.78	21.65	

4. PROMOTERS CONTRIBUTION AND DETAILS OF LOCK IN FOR 3 YEARS

Pursuant to the SEBI Guidelines, an aggregate of 20% of the fully diluted Post-Issue capital of our company held by the Promoters shall be locked in for a period of three years from the date of Allotment in the Issue. The details of such lock-in are given below:

Name	Date of Allotment / acquisition and when made fully paid-up	Nature of consideration	No. of shares locked in (assuming GSO not exercised)	No. of shares locked in (assuming GSO exercised in full)	Face value (Rs.)	Issue Price / Purchase Price (Rs. per share)	% of Post Issue Paid up Equity capital (assuming GSO not exercised)	% of Post Issue Paid up Equity capital (assuming GSO exercised in full)	Lock in period
Mr. Rishi Raj Agarwal - Individual	31.03.05	Cash	129,950	1,75,000	10/-	Rs.40/-	0.45	0.57	3 years
	31.03.06	Cash	60,000	60,000	10/-	Rs.50/-	0.21	0.20	3 years
	31.03.07	Capitalisation of Reserves	666,000	666,000	10/-	Bonus^	2.29	2.18	3 years
Sub Total - A			8,55,950	9,01,000			2.95	2.95	3 years
Anarcon Resources Private Limited (Corporate)	22.01.01	Cash	--	33,900	10/-	Rs.10/-	--	0.11	3 years
	17.11.01	Cash	159,690	294,500	10/-	Rs.10/-	0.55	0.96	3 years
	28.03.02	Cash	128,700	128,700	10/-	Rs.10/-	0.44	0.42	3 years
	31.03.06	Cash	980,000	980,000	10/-	Rs.50/-	3.38	3.21	3 years
	31.03.06	Cash	250,000	250,000	10/-	Rs. 250/-	0.86	0.82	3 years
	31.03.07	Capitalisation of Reserves	16,87,100	16,87,100	10/-	Bonus^	5.81	5.52	3 years
Sub Total - B			32,05,490	33,74,200			11.04	11.04	3 years

Shri Hanuman Investments Private Limited (Corporate)	31.03.06	Cash	752,700	8,53,000	10/-	Rs.50/-	2.59	2.79	3 years
	31.03.06	Cash	1,50,000	1,50,000	10/-	Rs. 250/-	0.52	0.49	
	31.03.07	Capitalisation of Reserves	10,03,000	10,03,000	10/-	Bonus^	3.45	3.28	
Sub Total - C			19,05,700	20,06,000			6.56	6.56	
Grand Total (A+B+C)			59,67,140	62,81,200			20.56	20.57	3 years

^ - Our Auditors have vide their letter dated October 27, 2007, certified that the issuance of bonus shares which are being locked in are not made out of revaluation reserves or reserves without accrual of cash resources.

In addition to the lock-in of the Promoter's contribution specified above, our entire pre-Issue issued Equity Share capital will be locked-in for a period of one year from the date of Allotment in this issue. The total number of Equity Shares, which are locked-in for one year, is 1,30,62,464 Equity Shares assuming the Green Shoe Option is not exercised and 1,27,48,404 assuming that the Green Shoe Option is exercised in full.

In the event the Green Shoe Option is exercised, the Equity Shares held by the Green Shoe Lender, which are lent to the Stabilising Agent shall be exempt from the one year lock-in, for the period between the date when the Equity Shares are lent to the Stabilising Agent to the date when they are returned to the Green Shoe Lender in accordance with Clause 8A.13 or 8A.15 of the SEBI Guidelines, as the case may be. Shares issued last shall be locked in first. The Equity Shares of the Promoter will be locked-in for the period specified above from the date of allotment of Equity Shares in this Issue. The Equity Shares proposed to be included as part of Promoters' contribution have been issued by us more than a year prior to the filing of the Red Herring Prospectus with SEBI and are not ineligible in terms of clause 4.6.2 of the SEBI DIP Guidelines for computation of Promoters' contribution.

In terms of Clause 4.14.1 of the SEBI Guidelines, in addition to 20% of the post-Issue shareholding of our company held by the Promoter and locked in for three years as specified above, the entire pre-Issue share capital of our company will be locked in for a period of one year from the date of Allotment in this Issue. In terms of Clause 4.16.1(a) of the SEBI Guidelines, the Equity Shares held by persons other than the Promoter 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 the hands of the transferees for the remaining period and compliance with the SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 1997, as applicable.

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

Further, in terms of Clause 4.15 of the SEBI Guidelines, the locked in Equity Shares held by the Promoters, as specified above, can be pledged with banks or financial institutions as collateral security for loans granted by such banks or financial institutions provided that the pledge of the Equity Shares is one of the terms of the sanction of such loans. Further, such loan should have been granted for the purpose of financing one or more of the objects of the Issue.

In addition, the Equity Shares subject to lock-in will be transferable subject to compliance with the SEBI Guidelines, as amended from time to time.

5. The Promoters have vide their letter dated 28.10.2007 given their consent for lock in as stated above. The lock in period shall commence from the date of allotment of shares in the Public Issue. Shares issued last have been locked in first.
6. The Equity Shares forming part of Promoters' contribution do not consist of any private placement made by solicitation of subscription from unrelated persons, either directly or through any intermediary.
7. Locked-in Equity Shares held by the Promoter can be pledged only with banks or financial institutions as collateral security for loans granted by such banks or financial institutions provided that the pledge of the Equity Shares is one of the terms of the sanction of the loan.
8. The details of shareholding is as under:

Particulars	No. Of Equity Shares	% of Pre-Issue Capital
(A) Promoters		
Mr. Ratan Lal Tamakhuwala	850,000	3.91
Mr. Rishi Raj Agarwal	3,713,400	17.06
M/s. Anarcon Resources Private Limited	7,091,183	32.57
M/s. Shri Hanuman Investment Private Limited	6,612,020	30.37
Sub-Total (A)	18,266,603	83.91
(B) Relative of the Promoter forming part of the Promoter Group		
Sangeeta Agarwal	222,800	1.02
Lalita Agarwal	540,200	2.48
Ashok Agarwal	1	0.00
Sub-Total (B)	763,001	3.50
(C) Others		
Somerset India Fund	27,40,000	12.59
Sub-Total (C)	27,40,000	12.59
Grand Total (A+B)	217,69,604	100.00

9. Post-issue Shareholding pattern

Category	If the Green Shoe Option is not exercised		If the Green Shoe Option is exercised in full	
	No. of Equity Shares	%	No. of Equity Shares	%
Core Promoters (Individual & Body Corporates)	18,266,603	62.93	18,266,603	60.65
Promoter Group	7,63,001	2.63	763,001	2.53
Somerset India Fund (Pre IPO Investor)	27,40,000	9.44	27,40,000	9.10
Public	72,60,000	25.00	83,49,000	27.72
Total Share Capital	2,90,29,604	100.00	3,01,18,604	100.00

Note: Post Issue Shareholding pattern may change if any persons forming part of the Promoter group as mentioned hereinabove are allotted Equity Shares in the Issue.

10. We have issued Equity Shares in last twelve months, before the date of the Red Herring Prospectus. The details is as follows:

Date of allotment	Pre lpo Investors	Number of equity shares	Price per equity shares
July 18, 2008	Somerset India Fund	27,40,000	196

The Equity Shares allotted to the Pre-IPO Investor shall be subject to a minimum lock-in for a period of one year from the date of Allotment in accordance with the SEBI Guidelines.

11. Details of Top ten largest Shareholders of our company

a) Top ten shareholders as on the date of filing the Red Herring Prospectus

Sr. No.	Name of Shareholders	No. of Equity shares held	% of holding
1.	M/s. Anarcon Resources Private limited	7,091,183	32.57
2.	M/s. Shri Hanuman Investment Private Ltd	6,612,020	30.37
3.	Mr. Rishi Raj Agarwal	3,713,400	17.05
4.	Somerset India Fund	27,40,000	12.59
5.	Mr. Ratan Lal Tamakhuwala	850,000	3.91
6.	Mrs. Lalita Agarwal	540,200	2.48
7.	Mrs. Sangeeta Agarwal	222,800	1.02
8.	Mr Ashok Agarwal	1	0.00
	Total	2,17,69,604	100.00

b) Top ten shareholders, Ten days prior to filing Red Herring Prospectus

Sr. No.	Name of Shareholders	No. of Equity shares held	% of holding
1.	M/s. Anarcon Resources Private limited	7,091,183	37.26
2.	M/s. Shri Hanuman Investment Private Ltd	6,612,021	34.75
3.	Mr. Rishi Raj Agarwal	3,713,400	19.51
4.	Mr. Ratan Lal Tamakhuwala	850,000	4.47
5.	Mrs. Lalita Agarwal	540,200	2.84
6.	Mrs. Sangeeta Agarwal	222,800	1.17
7.	Mr Ashok Agarwal	1	0.00
	Total	19,029,604	100.00

c) Top ten shareholders, Two years prior to filing the Red Herring Prospectus

Sr. No.	Name of Shareholders	No. of Equity shares held	% of holding
1.	Anarcon Resources Private Limited	1687100	24.21
2.	Shri Hanuman Investment Pvt Ltd	1003000	14.39
3.	Rishi Raj Agarwal	666000	9.56
4.	Shri Balaji Enclave Pvt. Ltd.	395300	5.67
5.	Armstrong Infrastructure & Projects Ltd.)	313100	4.49
6.	Ratan Lal Tamakhuwala	275000	3.95
7.	Lalita Agarwal	270100	3.88
8.	Gujarat Free Flow Salts Ref. Pvt ltd	258000	3.70
9.	Ratan Lal Tamakhuwala (HUF)	150000	2.15
10.	Rishi Raj Agarwal (HUF)	149300	2.14
	Total	5166900	74.14

12. There has been no sale or purchase of Equity Shares of our company by the Promoters and Promoter Group, during the period of six months preceding the date on which the Red Herring Prospectus is filed with SEBI.

13. The securities which are subject to lock-in shall carry the inscription 'non-transferable' and the non-transferability details shall be informed to the depositories. The details of lock-in shall also be provided to the stock exchanges, where the shares are to be listed, before the listing of the securities.

14. The Promoters Contribution brought-in by the promoters was more than the specified minimum lot as defined under SEBI Guidelines.
15. There is no “Buyback”, “Standby”, or similar arrangement for the purchase of Equity Shares by our company / its Promoters/ Directors/BRLM for purchase of Equity Shares offered through the Red Herring Prospectus.
16. Our company has not raised any bridge loans against the proceeds of this issue.
17. Investors may note that in case of over-subscription, allotment will be on proportionate basis as detailed in para on “Basis of Allotment” on page on 215 of this Red Herring Prospectus.
18. 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 nearest integer during finalizing the allotment, subject to minimum allotment lot.

Consequently, the actual allotment may go up by a maximum of 10% of the Net Issue to Public, as a result of which, the post-issue paid up capital after the Issue would also increase by the excess amount of allotment so made. In such an event, the Equity Shares held by the Promoter and subject to lock-in shall be suitably increased; so as to ensure that 20% of the Post Issue paid-up capital is locked in.

19. In terms of Clause 4.16.1(a) of the SEBI Guidelines, the Equity Shares held by persons, other than our 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.

The Equity Shares to be held by the Promoters under lock-in period shall not be sold/ hypothecated/ transferred during the lock in period. In terms of Clause 4.16.1(b) of the SEBI Guidelines, the Equity Shares held by our Promoters may be transferred to and amongst the Promoter group or to new Promoters or persons in control of our Company subject to continuation of the lock in in the hands of the transferees for the remaining period and compliance with SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 1997, as applicable.

20. As on date of filing of this Prospectus with SEBI, the entire Issued Share Capital of our Company is fully paid-up. The Equity Shares offered through this public issue will be fully paid up.

On the date of filing the Red Herring Prospectus with SEBI, there are no outstanding financial instruments or any other rights that would entitle the existing promoters or shareholders or any other person any option to receive equity shares after the issue.

21. Our company has not issued any Equity Shares out of revaluation reserves.
22. There will be only one denomination of the Equity Shares of our company unless otherwise permitted by law, our company shall comply with such disclosure and accounting norms as may be specified by SEBI from time to time.
23. There will 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 this Red Herring Prospectus with SEBI until the Equity Shares to be issued pursuant to the Issue have been listed.
24. Our company presently does not have any intention or proposal to alter its capital structure for a period of six months from the date of opening of the issue, by way of spilt/consolidation of the denomination of Equity Shares or further issue of Equity Shares (including issue of securities convertible into Equity Shares) whether preferential or otherwise. However, during such period or a later date, it may issue equity shares or securities linked to equity shares to finance an acquisition, merger or joint venture or for regulatory compliance or such other scheme of arrangement if an opportunity of such nature is determined by its Board of Directors to be in the interest of our company.

25. At any given point of time, there shall be only one denomination for a class of Equity Shares of our company.
26. 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 are 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.
27. In the Issue, in case of over-subscription in all categories, upto 50% of the Issue shall be available for allocation on a proportionate basis to QIBs out of which up to 5% of the QIB portion shall be available for allocation on a proportionate basis to Mutual Funds and the balance of the QIB portion to QIBs including Mutual Funds, a minimum of 15% of the Issue shall be available for allocation on a proportionate basis to Non-Institutional Bidders and a minimum of 35% of the Issue shall be available for allocation on a proportionate basis to Retail Individual Bidders, subject to valid Bids being received at or above the Issue Price. Under-subscription, if any, in any category would be met with spill over from other categories at the sole discretion of our Company in consultation with the BRLM.
28. An investor cannot make a Bid for more than the number of Equity Shares offered in this Issue, subject to the maximum limit of investment prescribed under relevant laws applicable to each category of investor.
29. As per our working capital loan agreements / Loan agreement entered into by us with our lenders, we are required to obtain consent of them prior to altering our capital structure. Accordingly, we have obtained consents of our lenders for the present issue.

Sr. No.	Name of Lender	Date of Consent
1.	State Bank of India, Industrial Finance Branch, Worli, Mumbai	21/09/2007
2	State Bank of Indore, Commercial Branch, Nariman Point, Mumbai	24/09/2007
3	Bank of India, Andheri Corporate Banking Branch, Mumbai	10/06/2008

30. Restrictive conditions under lenders agreements about capital structure.

There are restrictive covenants in agreements we have entered into with certain banks for short-term loans and long-term borrowings. These restrictive covenants require us to seek the prior permission of the said banks for various activities, including, amongst others, alteration of our capital structure, undertaking new projects, undertaking any merger/ amalgamation/restructuring, investing by way of share capital in or lend or advance funds to or place deposits with any other concern, secured or unsecured borrowings, undertaking guarantee obligations, declaration of dividend exceeding 25% of the net profits and change in management.

31. As per Chapter VIII - of the SEBI Guidelines, we have availed of the Green Shoe Option for stabilising the post-listing price of the shares. We have appointed PL Capital Markets Private Limited as the Stabilising Agent. The Green Shoe Option consists of option to over allot up to 10,89,000 shares of Rs. 10/- each at a price of Rs. [●] per share aggregating Rs. [●] Lacs representing 15% of the Issue, exercisable during the period commencing from the date of obtaining trading permission from the BSE & NSE for the Equity Shares under the Issue, and ending 30 days thereafter unless terminated earlier by the Stabilising Agent.

The terms of the Green Shoe Option are as follows:

The maximum number of shares	10,89,000 Equity Shares of Rs. 10 each at a price of Rs. [●] per Equity Share aggregating [●] lacs representing 15% of the Issue Size
The maximum increase in paid-up capital in case of full exercise of the Green Shoe Option	3,01,18,604 Equity shares
Stabilisation period	The period commencing from the date of obtaining approval from the BSE & NSE for the Equity shares under the issue and ending 30 days thereafter, unless terminated earlier by the stabilizing agent.

32. No payment, direct or indirect in the nature of discount, commission, allowance or otherwise shall be made either by us or our Promoters to the persons who receive allotments, if any, in this issue.
33. Our company has Eight (8) members as on the date of filing of this Red Herring Prospectus.

OBJECTS OF THE ISSUE

The proceeds from the proposed Issue of Equity Shares are intended to be deployed for:

- ❖ Setting up of 1,50,000 MTPA of Low Ash Metallurgical Coke (LAM Coke) at Sindhudurg in Maharashtra.
- ❖ Setting up of 8 MW Captive Power Plant (CPP) at Sindhudurg in Maharashtra.
- ❖ Acquisition of coal mines to acquire more prospecting mining licenses and also to start mining in acquired licenses
- ❖ Prepayment of High Cost Debt
- ❖ Issue expenses
- ❖ General Corporate Purposes

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

The fund requirements and the intended use of the net proceeds as described herein are based on management estimates and our current business plan. The fund requirements and intended use of net proceeds is based on management estimates and various quotations received by us from different suppliers. We may have to revise our expenditure and fund requirements as a result of variations in the cost structure, changes in estimates and external factors, which may not be within the control of our management. This may entail rescheduling, revising or canceling the planned expenditure and fund requirements and increasing or decreasing the expenditure for a particular purpose from its planned expenditure at the discretion of our management. In addition, the estimated dates of completion of various projects as described herein are based on management's current expectations and are subject to change due to various factors, some of which may not be in our control.

The fund requirement is proposed to be raised mainly through IPO proceeds and the proceeds from the Initial Public Offering / IPO would be crystallized on finalization of the Issue Price on conclusion of the Book Building Process. Any shortfall in meeting the objects of the issues on determination of issue price on conclusion of the Book Building Process would be met from internal accruals and / or debt. Further, the amount that is in excess of the funds required for the objects proposed project and Issue expenses will be utilized for general corporate purposes, which would be in accordance with the policies of our Board made from time to time.

COST OF PROJECT:

The total project cost for the above mentioned objects as per our Company's estimate is as follows:

		(Rs. in Lacs)
Sr. No.	Particulars	Amount
1.	Captive Power Plant (CPP)*	3077.14
2.	Setting up of 1,50,000 MTPA of Low Ash Metallurgical Coke (LAM Coke)*	7812.18
	Sub Total	10889.32
3	To acquire coal mines in India / Internationally and to acquire more prospecting mining licenses and also to start mining in acquired licenses, the cost is estimated of US\$ 10 million	4000.00
4	Prepayment of High Cost debt	254.01
5	General Corporate Purpose	[•]
	Total	[•]

* - As appraised by the Mott MacDonald Private Limited

MEANS OF FINANCE

(Rs. in Lacs)

Particulars	Amount
Initial Public Offering and the Green shoe Option	[●]
Pre Ipo Placement	5370.40
Internal Accruals	[●]
Total	[●]

The Company has allotted Equity Shares to the Pre-IPO Investors on a preferential basis after filing the Red Herring Prospectus with the SEBI aggregating to Rs. 5370.40 Lakhs, which the Company proposes to utilise towards the objects of the Issue. For details of these Pre-IPO placement, see the section titled “Capital Structure” on page no. 50, of this Red Herring Prospectus.

Firm arrangements of finance through verifiable means towards 100% of the stated means of finance excluding the amount to be raised through public Issue have been made.

Details of Utilization of Issue Proceeds

1. CAPTIVE POWER PLANT

We propose to set up a Captive power plant to generate 8 MW power by using waste heat gases. The cost for setting up of power plant is estimated as below:

(Rs. in lacs)

Sr. No.	Particulars	Amount
i.	Land & Site development	16.60
ii	Cost of Building	243.80
iii.	Plant & Machineries	2417.00
iv.	Electrical components & fitting	254.00
v.	Contingencies	145.74
	Total	3077.14

(Source: Appraisal Report)

i. Land & Site Development:

We will set up our both projects Power and Lam Coke at the same location at Sindhudurg district in Maharashtra. The total land requirement for the both projects is estimated about 15 acres admeasuring 60,660 square meters. As per the current prevailing market price the land cost is estimated at Rs. 1.25 lacs per acre. The total estimated land cost is worked out Rs. 18.75 lacs. The site development cost is estimated at Rs. 63.85 lacs for leveling, gardening, fencing and for removal of vegetation. We have estimated the 20% cost will be relating to Power project and 80% cost for LAM Coke. Therefore, estimated cost of land & site development for power project is Rs. 16.60 lacs.

Our company has already acquired the land and the sale agreement to this effect has already been concluded. The aforesaid land has been acquired from Shri Desai & family, Sawant & Family, Smt. Anuradha Ravji Rane, Sou. Vinaya Vinayak Satam. The Parties are not related to the promoters/directors of our company. The title of the land is clear and free from all encumbrances.

Our product is in red category zone of the pollution control board so in case of any future local, environmental/Government or any other issues/ policies arises, the management may decide for the relocation of project site.

ii. Cost of Buliding:

We estimated building cost for the power project at Rs. 243.80 lacs. Details of the same is given below:

				(Rs. in Lacs)
Sr. No.	Particulars	Area(Sq. Mtr.)	Rate (Rs. / Sq. Mtr.)	Amount
1.	Factory Building	2500	7500	187.50
2.	Utilities Building	300	5000	15.00
3.	Warehouses	250	5500	13.75
4.	Roads and Drainage	1250	600	7.50
5.	Water & Waste Water System (Lump sum)	-	-	15.05
6.	Administrative Building	50	7000	3.50
7.	Canteen, Security, Toilets & Parking	50	3000	1.50
	Total			243.80

iii. Plant & Machinerries:

We require various plant & machinerries for setting up of power project. Estimated cost of plant & machinerries are given as below:

			(Rs. in Lacs)
Sr. No.	DESCRIPTION	COST	
1	1X19.5 TPH, 67 KSC(a), 485°C WHRSG, desecrator for boiler, instrumentation and control, pumps including inlet gas ducting, gas tight dampers, insulation, Structure & supports. (LS)	1307.00	
2	8 MW bleed cum condensing Turbo generator unit controls and instrumentation, condensor, alternator , Control & Relay panels, LAVT, NGT, etc. (LS)	720.00	
3	Cooling tower with auxiliaries (2x2500cum/hr)	40.00	
4	Ash handling system & SILOv	20.00	
5	High Pressure steam piping and valves & Supports including PRDS and dumping system. (LS)	37.50	
6	Aux. steam piping cooling water piping , compressed Air piping and other miscellaneous piping. (LS)	15.00	
7	Water Treatment Plant. (LS)	45.00	
8	Tankages for DM water , Miscellaneous structural For pipe rack(LS)	7.50	
9	Air conditioning for control room , ventilation system for the building. (LS)	27.50	
10	Air compressors & compressed air system. (LS)	12.50	
11	Fire protection system. (LS)	15.00	
12	DCS system and balance of plant instrumentation system(LS)	110.00	
13	Cooling water pumps and other misc. Pumps. (LS)	32.50	
14	45 T EOT crane for the Turbine hall. (LS)	27.50	
	Total	2417.00	

iv. Electrical components & fittings:

We require following electricals components & fittings and the estimated cost thereof is given below:
(Rs. in Lacs)

Sr. No.	Description	Amount
1	Generator & all generator accessories including relay material and control panels , AVR, synchronizing panel, NGR & LAVT and 11 KV Switchboard. (Set)	27.50
2	1.0 MVA Transformer, (1 Nos. Distribution transformer and 1 No converter transformer) (Set)	
3	LT Busucts and Cables (LS)	27.50
4	HT XLPE cables including termination kit (LS)	5.00
5	LT Panels (MCC, PCC, Including cabling etc.) (LS)	80.00
6	VFD drive system (LS)	37.50
7	UPS System for DCS (LS)	7.50
8	Plant Communication System (LS)	12.50
9	Electrical contracts package including lighting, earthling, installation, etc. (LS)	56.50
10	DG set for plant start up and emergency purpose (LS)	
	Total For Electrical Works	254.00

v. Contingencies:

We estimated contingencies @ 5 % on the Building and plant & machineries and electrical equipment cost which work out at Rs. 145.74 lacs.

2. LAM COKE PROJECT:

We propose to set up LAM COKE project to manufacture 1,50,000 Metric Ton per annum Low Ash Metallurgical Coke (LAM Coke) at at Sindhurg in Maharashtra. The estimated cost for setting up the project is given as below:

		(Rs. in Lacs)
Sr. No.	Particulars	Amount
i.	Land & Site development	66.00
ii.	Building cost	455.00
iii.	Plant & Machineries	6774.70
iv.	Miscellaneous Fixed Assets	150.00
v.	Contingencies	366.48
	Total	7812.18

(Source: Appraisal Report)

i. Land & Site Devolpment:

We will set up our both projects Power and Lam Coke at the same location at Survey No, 27, Hissa No1, Village Padve, Tehsil -Sawantwadi, Sindhurg District, Maharashtra. The total land requirement for the both projects is estimated about 15 acres admeasuring 60,660 square meters. As per the current prevailing market price the land cost is estimated at Rs. 1.25 lacs per acre. The total estimated land cost is worked out Rs. 18.75 lacs. The site development cost is estimated at Rs. 63.85 lacs for leveling, gardening, fencing and for removed of vegetation. We have estimated the 20% cost will be relating to Power project and 80% cost for LAM Coke. Therefore, estimated cost of land & site development for LAM Coke project is Rs. 66.00 lacs.

Our product is in red category zone of the pollution control board so in case of any future local, enviourmental/Government or any other issues/ policies arises, the management may decide for the relocation of project site.

ii. COST OF BUILDING:

We estimated building cost for the LAM Coke project at Rs. 455 lacs. Details of the same is given below:

(Rs. in Lacs)				
Sr. No.	Particulars	Area (Sq. Mtr.)	Rate (Rs. / Sq. Mtr.)	Amount
1	Factory Building	5000	7500	375.00
2	Utilities Building	-	-	-
3	Warehouses	2000	1250	25.00
4	Roads and Drainage	7500	600	45.00
5	Water & Waste Water System (Lump sum)	-	-	5.00
6	Administrative Building	50	7000	3.50
7	Canteen, Security, Toilets & Parking	50	3000	1.50
	Civil and Building Work			455.00

iii. Plant & Machineries:

Our company has obtained estimates for plant & machinery from various established entities. The estimates so obtained for various items of plant & equipments are enumerated herein below:

Sr. No.	Company	Equipments/Components
1.	Chemet Engineers (India) Pvt. Ltd.	Entire plant & project consultancy
2.	National Steel	Steel components
3.	S. J. Steel Company	Steel components
4.	Tata Refractories Ltd.	Refractory
5.	Valley Refractories Ltd.	Refractory
6.	Rassi Refractories Ltd.	Refractory
7.	Panacea Industries	Refractory
8.	Satellite Cable	Wires

We require various plant & machineries for setting up of LAM Coke project. Estimated cost of plant & machineries are given as below:

(Rs. in lacs)	
Particulars	Amount
Iron for waste gas tunnel/inspection (1900 MTs @ Rs. 3000/-)	570.00
Cement, sand and stone chips	70.50
Grog(half inches) IS -8 (320 MTs @ Rs. 3000/-)	9.60
Calendem (1260 MTs @ Rs. 11000/-)	138.60
Mortar - 45% (1660 MTs @ Rs. 3500/-)	58.10
Fire Bricks IS 8 (3400 MTs @ Rs. 8500/-)	289.00
High Almuna 78% Standard (8840 MTs @ Rs. 18000/-)	1,591.20
End-arch (Almuna - 82%) (4280 MTs @ Rs. 20000/-)	856.00
Side-arch - 78% (4540 MTs @ Rs. 18000/-)	817.20
Shape wall bricks - 78% (3120 MTs @ Rs. 19500/-)	608.40
Springer block - 78% (400 MTs @ Rs. 18000/-)	72.00
Shape bricks - 82% (2600 MTs @ Rs. 19500/-)	506.26
Tiles Bricks (Large) - 78% (3520 MTs @ Rs. 19500/-)	686.40
Electrical	50.40
Gear Box (30 Nos. @ Rs. 45000/-)	13.50

TEF (10 HP motor) (30 Nos. @ 35000/-)	10.50
Iron for charging hole frame & hole cover (30 MTs @ Rs. 18000/-)	5.40
Copper wire (15000 Mtrs @ 112/-)	16.80
Armoured OVC aluminum cable (4200 Mtrs @ 70/-)	2.94
Chain koupey	0.90
Hand winch (2 ton. 4no.)	1.80
Diesel burner lamp (2" STD burner oilcap.)	8.10
Plumbing	6.30
Welding machine (400 Amps 3 phase, 6 no.)	4.50
Ceramic cerawool fibre	9.00
Stein steel type 304 seamless (200 Mtrs @ 3000/-)	6.00
S.S. pipe type 304 seamless (350 Mtrs @ 2000/-)	7.00
6.6 mm thick SS plate 304 type (500 Mtrs @ 6000/-)	30.00
50 rope wheel fitted with gun metal on bush and MS Shaft (400 Nos. @ 1200)	4.80
Nut and washer (Misc sizes, EN 8 quality)	7.20
Erection and fabrication for ovens	120.00
Coal Yard (25000 sq. feet)	104.30
Four coke plate form (RCC with special fire bricks) 1250 sq feet each	92.00
Total	6,774.70

We also have our in house Refractory Unit being setup only with the purpose of Manufacturing Quality Refractories when we are implementing our Coke Projects. It is normally a trend that all major companies like TATA steel has its own in-house Refractory Unit called TATA Refractory. Similarly ACC Cements had ACC refractory Unit. In house purchases shall only be done on competitive basis that is order shall only be placed on the lowest Quotation received. However since the requirement of Refractories shall be huge & timely implementation of the Project shall be our aim so we foresee procurement from other manufacturers also. Above Quotations obtained are indicative prices only and company shall try to do further negotiation and can give order to other reputed suppliers/manufacturers, if required. The Refractory cost which is indicated above is Major Portion of capital expenditure. Our company may call for fresh Quotations globally as well as at national level and at the time of placement of order shall be given only to competitive supplier. Steel and Cement can be purchased from several traders /Manufacturers who have manufacturing and storage facilities near the Project site and on competitive basis company intends to purchase them from reputed suppliers. For purchases of Coke and Power division, our company shall be calling comparative bidding from various suppliers depending on time to time and IPO proceed shall be disbursed on comparative / competitive basis to deserving suppliers.

iv. Misc. Fixed Assets:

We required Miscellaneous Fixed Assets i.e. Furniture, Computers, Vehicles and safety equipments for the LAM Coke project. The estimated cost of is given below:

Particulars	Amount (In Lacs)
Furniture, fixtures and fittings	25.00
Computers, computer accessories, communication system and MIS system	50.00
Transports and Vehicles	50.00
Safety systems, security system and fire fighting system	25.00
TOTAL	150.00

v. Contingencies:

We estimated contingencies @ 5 % on the Building and plant & machineries and Misc. Fixed Assets cost which work out at Rs. 366.48 lacs.

INFRASTRUCTURE FACILITY

The proposed coke and power project of our Company, requires following infrastructure facilities:

a) Raw material

Coking coal is the main raw material, which is available from mines/coal fields such as Jharia, Ramagarh, Raniganj or can be imported from China, Australia and other countries. Both indigenous and imported coal is suitably blended to get low ash metallurgical coke. The technology adopted by our company is suitable for various characteristics of indigenous coal, imported coal, indigenous coke or combination thereof to produce met coke. The raw material is available and our company does not envisage any difficulty in procuring the same in the required quantity. As regards power generation, waste heat in the form of gas is required which is available during the coke production, the flue gas/ waste heat quantity is about 55000 NM³ /hr and being comprised of carbon dioxide, Hydrogen, Ammonia and Oxygen with a temperature ranging from 500 to 800 Celsius.

b) Electricity

We estimate the total power requirement of the Project at about 0.65 MW, which includes-

- 0.5 MW of load from the LAM Coke Plant
- Plant loads indicated include HVAC, lighting and operation of environment management systems
- Condensate energy will be used to heat feed water, which will improve plant performance.
- Automation to improve controls.
- Adequate environmental safety measures

The average Plant Load Factor will be about 70%, which is based on industry standards. The balance power (about 7.35 MW) will be sold.

c) Water

Water will be needed for the following applications -

- Process requirements (Steam)
- Cooling applications
- Drinking
- House keeping
- Beautification

The Project will have bore-wells to meet the water requirement. Further, our company plans to have Water Treatment Plant (with secondary treatment) to recycle wastewater. It is understood that our company will also undertake rainwater harvesting to ensure stability in ground water table. At this stage, adequate information on ground water availability and quality is not available and hence the Consultants are unable to comment on the same.

d) Pollution Control Measures

Our company proposes to install necessary equipments to minimize the adverse effect of gases generated in the coke process.

e) Manpower

The Project will operate for three shifts a day. The Consultants estimate the requirement of 250 persons to operate the facility, as indicated in table given below. It is to be noted that the manpower indicated in the table given below, includes sales, accounts, HR and other administrative staff. The annual manpower cost is estimated at Rs 33.65 million. The Requirement will be met in due course for which we do not envisage any difficulty as the same is easily available in and around our plant location.

We estimate the requirement of 250 persons to operate the facility, as indicated below.

Sr. No.	Level	No. of people
I.	Top management	1
II.	Senior / Middle Managers	10
III.	Engineers	20
IV.	Technical & Non-Technical Staff	89
V.	Semi-Skilled / Un-Skilled Labour	130
	Total	250

3. Acquisition of coal mines to acquire more prospecting mining licenses:

We propose to acquire coal mines to acquire more prospecting mining licenses. The coal mines propose to be acquire would be situated in India or out of India. We estimated cost for the said purposed is given as below:

(Rs. in Lacs)

Sr. No.	Particulars	Amount
1.	Cost of Acquisition of new prospecting licenses in world wide	2000.00
2.	Initial Mine development costs	1300.00
3.	Feasibility technical study fees	100.00
4.	Bore/hole Drilling cost	300.00
5.	Exploration cost	200.00
6.	Consultancy costs	50.00
7.	Other expenses	50.00
	TOTAL	4000.00

4. Prepayment of High Cost Debt:

We have an outstanding debt of Rs. 9027.02 lacs as on 31.05.2008 , details of the same is given below.

Sr. No.	Name of the lender	Loan	Rate of Interest	Purpose of loan	Date of sanction letter	Sanction amount	Amount O/s as on 31.05.2008
1.	State Bank of Indore	Term Loan	13.25%	Project finance / Setting up of LAMC capacity of 50000 MT	25.02.05	750.00	254.01
		Cash Credit	12.75%	Working capital	30.10.06	1000.00	1004.47*
2.	State Bank of India	Term Loan I & II	11.75%	Project finance / Setting up of LAMC capacity of 125000 MT & Refractory	18.10.06	2950.00	1874.36
		Term loan III	11.75%	Setting up of LAMC capacity of 1 Lac MT	19.11.07	2500.00	2526.06*
		Cash Credit	11.00%	Working capital	18.10.06	1500.00	1405.84
3.	Bank of India	Term loan	12.25%	Setting up of LAMC 1 Lac MT	14.12.07	2500.00	1962.28
TOTAL						11200.00	9027.02

* Including accrued interest.

Our Company has sanctioned the loan availed of by it from the banks for the purposes for which they were sanction.

We intend to prepay up to Rs. 254.01 lacs of our outstanding debt from the net proceeds of the Issue including any loans we may borrow until the Closing Date.

5. General Corporate Purpose:

We, in accordance with the policies set up by our Board, will have flexibility in applying the remaining Net proceeds of this issue aggregating [●] lacs, for general corporate purpose towards margin for additional working capital, further mining acquisitions in India, or abroad, financing normal capital expenditure, strategic initiatives, expanding into new geographies, pre-operative expenses, brand building exercise and strengthening our marketing capabilities & for issue expenses.

Issue Expenses

The total estimated expenses are Rs. [●] lakhs which is [●]% of Issue Size. The details of Issue expenses are tabulated below:

(Rs. In lakhs)

S. No.	Particulars	Amount	% of Total Issue size	% of Issue Expenses
1	Issue Management Fee	[●]	[●]	[●]
2	Registrars fees	[●]	[●]	[●]
3	IPO Grading Expenses	7.86	[●]	[●]
3	Fee for Legal Counsel	2.00	[●]	[●]
4	Printing and Distribution of Issue Stationery	80.00	[●]	[●]
5	Advertising and Marketing expenses	142.10	[●]	[●]
6	Other expenses (stamp duty, initial listing fees, depository fees, charges for using the book building software of the exchanges and other related expenses)	[●]	[●]	[●]
	Total	[●]	[●]	[●]

Schedule of Implementation

Activity	Start Date	End Date
Land Acquisition	Already Acquired	
Building	September 2008	January 2009
Order of Plant & machineries	September 2008	November 2008
Delivery & installation of Plant & machineries	November 2008	February 2009
Commissioning & Production Trial Run	March 2009	March 2009
Commercial production	April 2009	

Schedule of Implementation as above has undergone a change and is as per revised appraisal report dated June 12, 2008 of Mott MacDonald Private Limited, appraising agency.

Proposed quarter-wise deployment of funds:

The overall cost of the proposed project and the proposed quarter wise break up of deployment of funds are as under:

(Rs. In Lacs)

Particulars	Already Incurred	FY 2008 - 09	FY 2008 - 09	Total
		Quarter 2	Quarter 3	
Land & Site Development Cost	77.84	4.76	-	82.60
Buildings	70.35	279.05	349.40	698.80
Plant & Machinery	1768.67	3615.52	3807.51	9191.70
Electric Components			254.00	254.00
Miscellaneous Fixed Assets	-	75.00	75.00	150.00
Issue expenses	87.72	[•]	[•]	[•]
Contingency	-	256.11	256.11	512.22
Acquisition of coal mines in India/ international	-	2000.00	2000.00	4000.00
Prepayment of High Cost Debt	-	[•]	-	[•]
General Corporate Purpose	-	[•]	[•]	[•]
Total	2004.58	[•]	[•]	[•]

Details of funds already deployed till Date & Sources of funds deployed

The funds deployed upto May 31, 2008 pursuant to the object of this issue on the project as certified by the Statutory Auditors of our Company, viz. M/s. T. N. Datta & Associates, Chartered Accountants pursuant to their certificate dated June 16, 2008 is given below:

(Rs. in Lacs)

Deployment of Funds	Amount
Project related	1916.86
Public Issue Expenses	87.72
Total	2004.58

(Rs. in Lacs)

Sources of Funds	Amount
Internal Accruals	2004.58
Total	2004.58

Appraisal by Appraising Agency:

The Project has been appraised by Mott MacDonald Pvt. Limited, Mumbai as per their report dated October 9, 2007 and revision thereof dated June 12, 2008. The scope and purpose of the appraisal was to study the Techno - Economic feasibility of the project and to assess the financial viability of the proposed capital expenditure plan. Appraisal by Mott MacDonald Pvt. Limited has been used as a basis for this document wherever required. Mott MacDonald Pvt. Limited vide their letter dated October 9, 2007, have given their consent for their name being included as appraising agencies and for their appraisal report being used in this document. However, the appraiser did not have any financial commitment in the proposed project expansion nor they have been appointed as the Monitoring Agency for the deployment of funds.

Mott MacDonald's India business is a multi-disciplinary management and engineering consultancy with offices nation-wide. They are engaged in planning, developing and delivering projects across many sectors - from energy, water and environment to transport, buildings, urban infrastructure and social development. Their customers include national and local governments, public and private utilities, industrial and commercial companies, investors, developers, banks and financial institutions, international and bilateral funding agencies and private entrepreneurs.

Mott MacDonald is involved continuously in several hundred projects in India, ranging from quite small advisory, analysis and valuation assignments through many medium size industrial projects particularly in pharmaceuticals, to significant projects and programmes such as Delhi Metro, Mumbai Water Supply and the management of several State HIV/AIDS Control Programmes.

(Source: <http://www.mottmac.in>)

Shortfall of Funds

Any shortfalls in meeting the project cost will be met through by way of internal accruals and/ or through additional funding by banks and/ or unsecured loans.

Monitoring of Utilisation of Funds:

The company has appointed Deutsche bank AG, having its office at Kodak house, 222,Dr. D.N.Road, Fort, Mumbai 400 001 as the monitoring agency to monitor the utilization of the proceeds of the public issue.

Our company undertakes to disclose the utilisation of proceeds in its financial statements. We will disclose the utilization of proceeds under a separate head in our Company's balance sheet for fiscal year 2009 and 2010 clearly specifying the purpose for which such proceeds have been utilized. We, in our balance sheet for fiscal year 2009 and 2010, provide details, if any, in relation to all such proceeds of the issue that have not been utilized thereby also indicating investments, if any, of such unutilized proceeds of the issue.

No part of the proceeds of this issue will be paid as consideration to our promoters, directors, key managerial employees or companies promoted by our promoters

Interim Use of Proceeds

Pending utilization for the purposes described above, we intend to temporarily invest the funds in high quality liquid instruments including money market mutual funds, deposit with banks for necessary duration. GILT edged securities and other 'AAA' rated interest bearing securities as may be approved the Board of Directors or a Committee thereof. Such transactions would be at the prevailing commercial rates at the time of investment. We also intend to apply part of the proceeds of the Issue, pending utilization for the purposes described above, to temporarily reduce our working capital borrowings from banks and financial institutions. In case we utilize the funds towards temporary reduction in utilization of short-term working capital facilities, we undertake that we would ensure consistent and timely availability of the issue proceeds so temporarily deposited in the working capital facilities to timely meet the fund requirement of the project.

BASIC TERMS OF THE ISSUE

Principal Terms and Conditions of the Issue

The Equity Shares being issued are subject to the provisions of the Companies Act, the Memorandum and Articles of Association of our Company, the terms of this Red Herring Prospectus, Red Herring Prospectus, Prospectus and Bid-Cum-Application Form, the Revision Form, the CAN and other terms and conditions as may be incorporated in the allotment advice, and other documents/certificates that may be executed in respect of this Issue. The Equity Shares shall also be subject to laws as applicable, guidelines, notifications and regulations relating to this Issue of capital and listing and trading of securities issued from time to time by SEBI, Government of India, Reserve Bank of India, Stock Exchanges, Registrar of Companies and/or other authorities, as in force on the date of this Issue and to the extent applicable.

AUTHORITY FOR THE ISSUE

Our Board of Directors have, pursuant to resolution passed at its meeting held on August 10, 2007 authorised the Issue subject to the approval by the shareholders of our Company under Section 81(1A) of the Companies Act. The Shareholders of our company had approved the present Issue vide a resolution passed at the EGM held on September 4, 2007

Ranking of Equity Shares

The Equity Shares being issued shall be subject to the provisions of our Memorandum and Articles and shall rank *pari passu* in all respects with the existing Equity Shares of our Company including rights in respect of dividend. The allottees will be entitled to dividend or any other corporate benefits, if any, declared by our Company after the date of Allotment. See the section titled “Main Provisions of Articles of Association” beginning on page 223 for a description of the Articles of Association.

Mode of Payment of Dividend

The declaration and payment of dividend will be as per the provisions of the Companies Act and recommended by the Board of Directors and approved by the shareholders at their discretion, and will depend on a number of factors, including but not limited to earnings, capital requirements and overall financial condition of our Company. We shall pay dividends in cash and as per the provisions of the Companies Act.

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 a price of Rs. [●] per share. At any given point of time, there shall be only one denomination for the Equity Shares of our Company, subject to applicable laws.

Compliance with SEBI Guidelines

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

Rights of the Equity Shareholders

Subject to applicable laws, the equity shareholders shall have the following rights:

- Right to receive dividend, if declared;
- Right to attend general meetings and exercise voting powers, unless prohibited by law;
- Right to vote on a poll either in person or by proxy;
- Right to receive offers for rights shares and be allotted bonus shares, if announced;
- Right to receive surplus on liquidation;
- 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 Articles of Association of our Company.

For further details on the main provisions of our Company's Articles of Association dealing with voting rights, dividend, forfeiture and lien, transfer and transmission and/or consolidation/splitting, please refer section titled "Main Provisions of Articles of Association" beginning on page 223.

Market Lot and Trading Lot

In terms of Section 68B of the Companies Act, the Equity Shares shall be allotted only in dematerialised form. As per the existing SEBI Guidelines, the trading in the Equity Shares shall only be in dematerialised form for all investors.

Since trading of our Equity Shares is in dematerialised form, the tradable lot is one Equity Share. Allocation and Allotment through this Issue will be done only in electronic form in multiples of one Equity Shares to the successful Bidders subject to a minimum Allotment of 34 Equity Shares. For details of Allocation and Allotment, please refer to the section titled "Issue Procedure" on page 193 of this RHP.

BASIS FOR ISSUE PRICE

The issue price will be determined by our Company in consultation with the BRLMs based on assessment of market demand for the equity shares offered by way of book building.

Investors should read the following summary with the Risk Factors included from page number 10 and the details about our Company and its financial statements included on page 144 in this Red Herring Prospectus. The trading price of the equity shares of our Company could decline due to these risks and you may lose all or part of your investments.

Qualitative Factors:

- Promoters have experience in the coal and coke trading of more than 30 years experience of manufacturing coke.
- Besides LAM Coke manufacturing, our company is engaged in Equipment rental business. Considering the Growth potential for infrastructure and construction industry for which these equipments are required, our company will derive significant advantage.
- Our Company is presently having existing client base for LAM Coke. Hence, we are in a position to leverage on existing client base to achieve further growth in the business of LAM coke manufacturing.
- Our Company has already established operations from LAM coke at its existing plant at Gujarat. With setting up of additional facilities at new location i.e. Sindhudurg, Maharashtra, our company will have economies of large scale.
- Existing profit making and dividend paying Company.
- We have qualified and experienced key management personnel.

Quantitative Factors:

1. Adjusted Earning Per Equity Share

Year	Earning per Share (Rs.)	Weight
FY 2004-05	1.13	1
FY 2005-06	1.60	2
FY 2006-07	5.99	3
Weighted Average	3.72	
Audited 11 months ended February 2008	19.00*	

* The EPS is actual if annualized EPS works out to Rs. 20.73 per share.

After February 29, 2008 Company has issued 27,40,000 Equity shares to pre-IPO investors , for Details please refer page no 50 of this Red Herring prospectus .

- The Earning per equity share has been computed on the basis of adjusted Profits & Losses for the respective years/periods after considering the impact of accounting changes and prior period adjustments/regroupings pertaining to the earlier years.
- EPS Calculations have been done in accordance with Accounting Standard 20-“Earning per Share” issued by the Institute of Chartered Accountants of India.
- The denominator considered for the purpose of calculating earning per share is the weighted average number of Equity Shares outstanding during the period.

2. Price / Earning Ratio (P/E) in relation to the Issue Price [•]

- (a) Based on fiscal year as on 31.03.2007 EPS is Rs. 5.99
 (b) Based on 11 months ended February 29th 2008 (2007-2008 fiscal year) EPS is Rs. 20.73 (Annualized)
 (c) P/E for Industry - As regards, LAM Coke, there is only one established company viz. Gujarat NRE Coke Ltd. Whose P/E is 26.1

*Source: Capital Market, Volume X X III / 09- June 30, 2008- July 13, 2008

	At the lower band of Rs. 164 Per share	At the upper band of Rs. 196 Per share
Based on March 31, 2007 EPS 5.99	27.38	32.72
Based on the weighted average EPS 3.72	44.08	52.69
Based on 11 months ended Feb 2008, EPS 19.00	8.63	10.31

3. Return on Net Worth

Year	RONW (%)	Weight
FY 2004-05	12.71	1
FY 2005-06	5.09	2
FY 2006-07	10.85	3
Weighted Average	9.24	

4. Minimum RONW to maintain the Pre-issue EPS of Rs 5.99
 a) At the Floor price of Rs. 164 per share is 5.57%
 b) At the Cap price of Rs. 196 per share is 5.02%

5. Net Asset Value per Equity Share

	Particulars	At the Floor Price (Rs. 164)	At the Cap Price (Rs. 196)
a)	As on March 31, 2007	50.80	50.80
b)	As on February 29, 2008	96.77	96.77
c)	After Issue	122.95	130.95
d)	Issue Price	[•]	[•]

6. Peer Group Comparison of Accounting Ratios.

Based on the Products portfolio and turnover, given below is the comparison of Accounting Ratios with Peer Group Companies

Particulars	Face value	EPS (Rs.)	P/E Ratio	RONW (%)	Book value (Rs.)
Gujarat NRE Coke Limited	10	5.00	26.1	10.70	34.5
Austral Coke & Projects Ltd					
FY 2006-2007	10	5.99	[•]	10.85	50.80
Eleven months ended february 08	10	19.00	[•]	19.10	96.77

(Source: Capital Market, Volume X X III / 09- June 30, 2008- July 13, 2008)

7. The face value of our shares is Rs.10/- per share and the Issue Price is of Rs. [•] per share is [•] times of the face value.
8. BRLMs believe that the Issue Price of Rs. [•] is justified in view of the above qualitative and quantitative parameters. The investors may also want to peruse the risk factors and our financials as set out in the Auditors Report in the Red Herring Prospectus to have a more informed view about the investment proposition.

STATEMENT OF TAX BENEFITS

**The Board of Directors,
Austral Coke & Projects Ltd.**
Diamond Chambers, 4, Chowringhee Lane,
Block No. 2, 7th Floor, Unit No. 7-I,
Kolkata - 700 016

Dear Sirs,

We hereby certify that the enclosed "Annexure" states the tax benefits available to Austral Coke & Projects Limited (the "Company") and its Shareholders under the provisions of the Income-tax Act, 1961 and other direct tax laws presently in force. Several of these benefits are dependent on the Company or its shareholders fulfilling the conditions prescribed under the relevant tax laws. Hence the ability of the company or its shareholders to derive the tax benefits is dependant upon fulfilling such conditions which based on business imperatives the company faces in the future, the company may or may not choose to fulfill.

The benefits discussed below are not exhaustive. This statement is only intended to provide general information to the investors and is either designed nor intended to be a substitute for professional tax advice. In view of the individual nature of tax consequences and the changing tax laws, each investor is advised to consult his or her own tax consultant with respect to the specific tax implications arising out of their participation in the issue.

We do not express any opinion or provide any assurance as to whether:

- ❖ The Company or its shareholders will continue to obtain these benefits in future; or
- ❖ The conditions prescribed for availing the benefits have been/would be met with.

The contents of this statement are based on information, explanations and representations obtained from the Company and on the basis of our understanding of the business activities and operations of the Company. A shareholder is advised to consider in his/her/its own case the tax implications of an investment in the Equity Shares.

FOR T. N. DATTA & ASSOCIATES
Chartered Accountants

T. N. DATTA
Proprietor

Membership No. : 056676

Date: 16/06/2008
Place: Kolkata

Encl: As above.

STATEMENT OF POSSIBLE TAX BENEFITS AVAILABLE TO AUSTRAL COKE & PROJECTS LIMITED (“THE COMPANY”) AND ITS SHAREHOLDERS

I. SPECIAL TAX BENEFIT AVAILABLE TO THE AUSTRAL COKE & PROJECTS LIMITED AND ITS SHAREHOLDERS:

No special tax benefits are available to the Austral Coke & Projects Ltd. and its shareholders.

I. GENERAL TAX BENEFITS AVAILABLE TO ALL COMPANIES OR TO THE SHAREHOLDERS OF ANY COMPANY, AFTER FULFILLING CERTAIN CONDITIONS AS REQUIRED IN THE RESPECTIVE ACT.

1. Benefits to the Company under the Income Tax Act, 1961 (“The Act”):

The Company will be entitled to deduction under the sections mentioned hereunder from its total income chargeable to Income Tax.

1.1 Dividends exempt under Section 10(34)

Under Section 10(34) of the Act, the Company will be eligible for exemption of income by way of dividend from domestic company referred to in Section 115-O of the Act.

1.2 Income from units of Mutual Funds exempt under Section 10(35)

The Company will be eligible for exemption of income received from units of mutual funds specified under Section 10(23D) of the Act, income received in respect of units from the Administrator of specified undertaking and income received in respect of units from the specified company in accordance with and subject to the provisions of Section 10(35) of the Act.

1.3 Computation of capital gains

1.3.1 Capital assets may be categorized into short term capital assets and long term capital assets based on the period of holding. Shares in a company, listed securities or units of UTI or unit of Mutual Fund specified under Section 10(23D) or a zero coupon bond will be considered as long term capital assets if they are held for a period exceeding 12 months. Consequently, capital gains arising on sale of these assets held for more than 12 months are considered as “long term capital gains”. Capital gains arising on sale of these assets held for 12 months or less are considered as “short term capital gains”.

1.3.2 Section 48 of the Act, which prescribes the mode of computation of capital gains, provides for deduction of cost of acquisition/improvement and expenses incurred in connection with the transfer of a capital asset, from the sale consideration to arrive at the amount of capital gains. However, in respect of long term capital gains, it offers a benefit by permitting substitution of cost of acquisition/improvement with the indexed cost of acquisition/improvement, which adjusts the cost of acquisition/improvement by a cost inflation index as prescribed from time to time.

1.3.3 As per the provisions of Section 112 of the Act, long term gains as computed above that are not exempt under section 10(36) or 10(38) of the Act would be subject to tax at a rate of 20 percent (plus applicable surcharge and education cess). However, as per the proviso to Section 112(1), if the tax on long term capital gains resulting on transfer of listed securities or units or zero coupon bond, calculated at the rate of 20 percent with indexation benefit exceeds the tax on long term gains computed at the rate of 10 percent without indexation benefit, then such gains are chargeable to tax at a concessional rate of 10 percent (plus applicable surcharge and education cess).

1.3.4 As per the provisions of Section 111A of the Act, short-term capital gains on sale of equity shares or units of an equity oriented fund where the transaction of sale is chargeable to Securities Transaction tax (“STT”) shall be subject to tax at a rate of 15 per cent (plus applicable surcharge and education cess).

1.3.5 Exemption of capital gain from income tax

- Under Section 10(36) of the Act, long term capital gains arising on eligible equity share in a company (acquired on or after the 1st day of March 2003 and before the 1st day of March 2004) sold through a recognized stock exchange in India will be exempt from tax.

- Under Section 10(38) of the Act, long term capital gains arising out of sale of equity shares or a unit of equity oriented fund will be exempt from tax provided that the transaction of sale of such equity shares or unit is chargeable to STT. However, such income shall be taken into account in computing the book profit tax payable under Section 115JB.

- According to the provisions of Section 54EC of the Act and subject to the conditions specified therein, long term capital gains not exempt under Section 10(38) shall not be chargeable to tax to the extent such capital gains are invested in certain notified bonds within six months from the date of transfer. If only part of the capital gain is so reinvested, the exemption shall be allowed proportionately. 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.

1.4 Other specified deductions

Subject to fulfillment of conditions, the Company will be eligible, inter alia, for the following specified deductions in computing its business income:-

1.4.1 Section 35(1)(i) and (iv) of the Act, in respect of any revenue or capital expenditure incurred, other than expenditure on the acquisition of any land, on scientific research related to the business of the Company.

1.4.2 Section 35(1)(ii) and (iii) of the Act, in respect of any sum paid to a Scientific Research Association which has as its object, the undertaking of scientific research or to any approved university, college or other institution to be used for scientific research or for research in social sciences or Statistical Research to the extent of a sum equal to one and one fourth times the sum so paid subject to the Scientific Research Association, university, college or other institution to be approved and notified for the purposes of said clauses.

1.4.3 Subject to compliance with certain conditions laid down in Section 32 of the Act, the Company will be entitled to deduction for depreciation:

- In respect of tangible assets (being buildings, machinery, plant or furniture) and intangible assets (being know-how, patents, copyrights, trademarks, licenses, franchises or any other business or commercial rights of similar nature acquired on or after 1st day of April, 1998) at the rates prescribed under the Income-tax Rules, 1962;

- In respect of any new machinery or plant which has been acquired and installed after 31st March 2005 by an assessee engaged in the business of manufacture or production of any article of thing, a further sum of 20% of the actual cost of such machinery or plant;

1.4.4 As per the provision of sub- section 1(A) of section 115-O of the Act which related to dividend distribution tax that the amount of dividend received from the subsidiary by a domestic company on which tax is payable under section 115-O, will be reduced from amount of dividend declared/distributed for calculation of dividend distribution tax, if the subsidiary has paid dividend distribution tax on such dividend and such domestic company is not a subsidiary of any other company.

1.4.5 Under Section 115 JAA (1A) of the Act, tax credit shall be allowed of any tax paid (MAT) under Section 115 JB of the Act. Credit eligible for carry forward is the difference between MAT paid and the tax computed as per the normal provisions of the Act. Such MAT credit shall not be available for set-off beyond 7 years succeeding the year in which the MAT becomes allowable.

2. Benefits available to resident shareholders

2.1 Dividends exempt under Section 10(34)

Under Section 10(34) of the Act, income earned by way of dividend from domestic company referred to in Section 115-O of the Act is exempt from income tax in the hands of the shareholders.

2.2 Computation of capital gains

2.2.1 Capital assets may be categorized into short term capital assets and long term capital assets based on the period of holding. Shares in a company, listed securities or units of UTI or unit of Mutual Fund specified under Section 10(23D) of the Act or a zero coupon bond will be considered as long term capital assets if they are held for a period exceeding 12 months. Consequently, capital gains arising on sale of these assets held for more than 12 months are considered as “long term capital gains”. Capital gains arising on sale of these assets held for 12 months or less are considered as “short term capital gains”.

2.2.2 Section 48 of the Act, which prescribes the mode of computation of capital gains, provides for deduction of cost of acquisition / improvement and expenses incurred in connection with the transfer of a capital asset, from the sale consideration to arrive at the amount of capital gains. However, in respect of long term capital gains, it offers a benefit by permitting substitution of cost of acquisition / improvement with the indexed cost of acquisition / improvement, which adjusts the cost of acquisition / improvement by a cost inflation index as prescribed from time to time.

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

2.2.4 As per the provisions of section 111A of the Act, short-term capital gains on sale of equity shares where the transaction of sale is chargeable to STT shall be subject to tax at a rate of 15 per cent (plus applicable surcharge and education cess).

2.2.5 Exemption of capital gain from income tax

- Under Section 10(38) of the Act, Long term Capital Gains arising out of sale of equity shares or a unit of equity oriented fund will be exempt from tax provided that the transaction of sale of such equity shares or unit is chargeable to STT.

- According to the provisions of Section 54EC of the Act and subject to the conditions specified therein, long term capital gains not exempt under section 10(38) shall not be chargeable to tax to the extent such capital gains are invested in certain notified bonds within six months from the date of transfer. If only part of the capital gain is so reinvested, the exemption shall be allowed proportionately. In such a case, the cost of such long term specified asset will not qualify for deduction under section 80C of the Act. 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.

- According to the provisions of section 54F of the Act and subject to the conditions specified therein, in the case of an individual or a Hindu Undivided Family ('HUF'), gains arising on transfer of a long term capital asset (not being a residential house) are not chargeable to tax if the entire net consideration received on such transfer is invested within the prescribed period in a residential house. If only a part of such net consideration is invested within the prescribed period in a residential house, the exemption shall be allowed proportionately.

For this purpose, net consideration means full value of the consideration received or accruing as a result of the transfer of the capital asset as reduced by any expenditure incurred wholly and exclusively in connection with such transfer.

2.3 Deduction of securities transaction tax under section 36(1)(xv)

Section 36(1)(xv) provides that securities transaction tax paid during the previous year in respect of taxable securities transactions entered into in the course of his business during the previous year shall be allowed as deduction provided that such income arising from such taxable securities transactions is included in the income computed under the head “profits and gains from business or profession”

3. Benefits available to Non-Resident Indian shareholders (Other than FIIs and Foreign venture capital investors)

3.1 Dividends exempt under Section 10(34)

Under Section 10(34) of the Act, income earned by way of dividend from domestic company referred to in Section 115-O of the Act is exempt from income tax in the hands of the shareholders.

3.2 Computation of capital gains

3.2.1 Capital assets may be categorized into short term capital assets and long term capital assets based on the period of holding. Shares in a company, listed securities or units of UTI or unit of Mutual Fund specified under Section 10(23D) of the Act or a zero coupon bond will be considered as long term capital assets if they are held for a period exceeding 12 months. Consequently, capital gains arising on sale of these assets held for more than 12 months are considered as “long term capital gains”. Capital gains arising on sale of these assets held for 12 months or less are considered as “short term capital gains”.

3.2.2 Section 48 of the Act contains special provisions in relation to computation of capital gains on transfer of shares of an Indian company by non-residents. Computation of capital gains arising on transfer of shares in case of non-residents has to be done in the original foreign currency, which was used to acquire the shares. The capital gain (i.e., sale proceeds less cost of acquisition/ improvement) computed in the original foreign currency is then converted into Indian Rupees at the prevailing rate of exchange. According to the provisions of Section 112 of the Act, long term gains as computed above that are not exempt under section 10(38) of the Act would be subject to tax at a rate of 20 percent (plus applicable surcharge and education cess).

3.2.3 In case investment is made in Indian rupees, the long-term capital gain is to be computed after indexing the cost. According to the provisions of Section 112 of the Act, long term gains as computed above that are not exempt under section 10(38) of the Act would be subject to tax at a rate of 20 percent (plus applicable surcharge and education cess). However, as per the proviso to Section 112(1), if the tax on long term capital gains resulting on transfer of listed securities or units or zero coupon bond, calculated at the rate of 20 percent with indexation benefit exceeds the tax on long-term gains computed at the rate of 10 percent without indexation benefit, then such gains are chargeable to tax at a concessional rate of 10 percent (plus applicable surcharge and education cess).

3.2.4 As per the provisions of Section 111A of the Act, short-term capital gains on sale of equity shares where the transaction of sale is chargeable to STT shall be subject to tax at a rate of 15 per cent (plus applicable surcharge and education cess).

3.2.5 Options available under the Act

Where shares have been subscribed to in convertible foreign exchange -

Option of taxation under Chapter XII-A of the Act:

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

- According to the provisions of Section 115D read with Section 115E of the Act and subject to the conditions specified therein, long term capital gains arising on transfer of shares in an Indian company not exempt under Section 10(38), will be subject to tax at the rate of 10 percent (plus applicable surcharge and education cess), without indexation benefit.
- According to the provisions of Section 115F of the Act and subject to the conditions specified therein, gains arising on transfer of a long term capital asset being shares in an Indian company shall not be chargeable to tax if the entire net consideration received on such transfer is invested within the prescribed period of six months in any specified asset. If part of such net consideration is invested within the prescribed period of six months in any specified asset the exemption will be allowed on a proportionate basis. For this purpose, net consideration means full value of the consideration received or accruing as a result of the transfer of the capital asset as reduced by any expenditure incurred wholly and exclusively in connection with such transfer. Further, if the specified asset in which the investment has been made is transferred within a period of three years from the date of investment, the amount of capital gains tax exempted earlier would become chargeable to tax as long term capital gains in the year in which such specified asset or savings certificates are transferred.
- As per the provisions of Section 115G of the Act, Non-Resident Indians are not obliged to file a return of income under Section 139(1) of the Act, if their source of income is only investment income and / or long term capital gains defined in Section 115C of the Act, provided tax has been deducted at source from such income as per the provisions of Chapter XVII-B of the Act.
- Under Section 115H of the Act, where the Non-Resident Indian becomes assessable as a resident in India, he may furnish a declaration in writing to the Assessing Officer, along with his return of income for that year under Section 139 of the Act to the effect that the provisions of the Chapter XII-A shall continue to apply to him in relation to such investment income derived from any foreign exchange asset being asset of the nature referred to in sub clause (ii), (iii), (iv) & (v) of Section 115C(f) for that year and subsequent assessment years until such assets are converted into money.
- As per the provisions of Section 115-I of the Act, a Non-Resident Indian may elect not to be governed by the provisions of Chapter XII-A for any assessment year by furnishing his return of income for that assessment year under Section 139 of the Act, declaring therein that the provisions of Chapter XII-A shall not apply to him for that assessment year and accordingly his total income for that assessment year will be computed in accordance with the other provisions of the Act.

3.2.6 Exemption of capital gain from income tax

- Under Section 10(38) of the Act, long term capital gains arising out of sale of equity shares or a unit of equity oriented fund will be exempt from tax provided that the transaction of sale of such equity shares or unit is chargeable to STT.
- According to the provisions of Section 54EC of the Act and subject to the conditions specified therein, capital gains not exempt under Section 10(38) and arising on transfer of a long term capital asset shall not be chargeable to tax to the extent such capital gains are invested in certain notified bonds within six months from the date of transfer. If only part of the capital gain is so reinvested, the exemption shall be allowed proportionately. In such a case, the cost of such long term specified asset will not qualify for deduction under Section 80C of the Act. 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.
- According to the provisions of section 54F of the Act and subject to the conditions specified therein, in the case of an individual, gains arising on transfer of a long term capital asset (not being a residential house) are not chargeable to tax if the entire net consideration received on such transfer is invested within the prescribed period in a residential house. If only a part of such net consideration is invested

within the prescribed period in a residential house, the exemption shall be allowed proportionately. For this purpose, net consideration means full value of the consideration received or accruing as a result of the transfer of the capital asset as reduced by any expenditure incurred wholly and exclusively in connection with such transfer.

3.3 Deduction of securities transaction tax under section 36(1)(xv)

Section 36(1)(xv) provides that securities transaction tax paid during the previous year in respect of taxable securities transactions entered into in the course of his business during the previous year shall be allowed as deduction provided that such income arising from such taxable securities transactions is included in the income computed under the head “profits and gains from business or profession”

4. Benefits available to other Non-resident Shareholders (Other than FIIs and Foreign venture capital investors)

4.1 Dividends exempt under Section 10(34)

Under Section 10(34) of the Act, income earned by way of dividend from domestic company referred to in Section 115-O of the Act is exempt from income tax in the hands of the shareholders.

4.2 Computation of capital gains

4.2.1 Capital assets may be categorized into short term capital assets and long term capital assets based on the period of holding. Shares in a company, listed securities or units of UTI or unit of Mutual Fund specified under Section 10(23D) of the Act or a zero coupon bond will be considered as long term capital assets if they are held for a period exceeding 12 months. Consequently, capital gains arising on sale of these assets held for more than 12 months are considered as “long term capital gains”. Capital gains arising on sale of these assets held for 12 months or less are considered as “short term capital gains”.

4.2.2 Section 48 of the Act contains special provisions in relation to computation of capital gains on transfer of shares of an Indian company by non-residents. Computation of capital gains arising on transfer of shares in case of non-residents has to be done in the original foreign currency, which was used to acquire the shares. The capital gain (i.e., sale proceeds less cost of acquisition/ improvement) computed in the original foreign currency is then converted into Indian Rupees at the prevailing rate of exchange. As per the provisions of Section 112 of the Act, long term gains as computed above that are not exempt under section 10(38) of the Act would be subject to tax at a rate of 20 percent (plus applicable surcharge and education cess).

4.2.3 In case investment is made in Indian rupees, the long-term capital gain is to be computed after indexing the cost. As per the provisions of Section 112 of the Act, long term gains as computed above that are not exempt under section 10(38) of the Act would be subject to tax at a rate of 20 percent (plus applicable surcharge and education cess). However, as per the proviso to Section 112(1), if the tax on long term capital gains resulting on transfer of listed securities or units or zero coupon bond, calculated at the rate of 20 percent with indexation benefit exceeds the tax on long-term gains computed at the rate of 10 percent without indexation benefit, then such gains are chargeable to tax at a concessional rate of 10 percent (plus applicable surcharge and education cess).

4.2.4 As per the provisions of section 111A of the Act, short-term capital gains on sale of equity shares, where the transaction of sale is chargeable to STT, shall be subject to tax at a rate of 15 per cent (plus applicable surcharge and education cess).

4.2.5 Exemption of capital gain from income tax

- Under Section 10(38) of the Act, long term capital gains arising out of sale of equity shares or a unit of equity oriented fund will be exempt from tax provided that the transaction of sale of such equity shares or unit is chargeable to STT.

- According to the provisions of Section 54EC of the Act and subject to the conditions specified therein, long term capital gains not exempt under section 10(38) shall not be chargeable to tax to the extent such capital gains are invested in certain notified bonds within six months from the date of transfer. If only part of the capital gain is so reinvested, the exemption shall be allowed proportionately.

In such a case, the cost of such long term specified asset will not qualify for deduction under Section 80C of the Act. However, if the assessee transfers or converts the notified bonds 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.

- According to the provisions of Section 54F of the Act and subject to the conditions specified therein, in the case of an individual or a HUF, gains arising on transfer of a long term capital asset (not being a residential house) are not chargeable to tax if the entire net consideration received on such transfer is invested within the prescribed period in a residential house. If only a part of such net consideration is invested within the prescribed period in a residential house, the exemption shall be allowed proportionately. For this purpose, net consideration means full value of the consideration received or accrued as a result of the transfer of the capital asset as reduced by any expenditure incurred wholly and exclusively in connection with such transfer.

4.3 Deduction of securities transaction tax under section 36(1)(xv)

Section 36(1)(xv) provides that securities transaction tax paid during the previous year in respect of taxable securities transactions entered into in the course of his business during the previous year shall be allowed as deduction provided that such income arising from such taxable securities transactions is included in the income computed under the head “profits and gains from business or profession”

5. Benefits available to Foreign Institutional Investors (‘FIIs’)

5.1 Dividends exempt under section 10(34)

Under Section 10(34) of the Act, income earned by way of dividend from domestic company referred to in Section 115-O of the Act is exempt from income tax in the hands of the shareholders.

5.2 Taxability of capital gains

5.2.1 Under Section 10(38) of the Act, long term capital gains arising out of sale of equity shares or a unit of equity oriented fund will be exempt from tax provided that the transaction of sale of such equity shares or unit is chargeable to STT.

5.2.2 The income by way of short term capital gains or long term capital gains [in cases not covered under section 10(38) of the Act] realized by FIIs on sale of shares of the company would be taxed at the following rates as per section 115 AD of the Act-

- Short term capital gains, other than those referred to under section 111A of the Act shall be taxed @ 30% (plus applicable surcharge & education cess). In case such transaction of sale is entered on a recognized stock exchange in India and is liable to STT then short term capital gain shall be taxed @ 15% ((plus applicable surcharge & education cess).

- Short term capital gains, referred to under section 111A of the Act shall be taxed @ 15% (plus applicable surcharge and education cess)

- Long Term capital gains @ 10% (plus applicable surcharge and education cess) (without cost indexation)
It may be noted here that the benefits of indexation and foreign currency fluctuation protection as provided by section 48 of the Act are not applicable.

5.2.3 According to the provisions of Section 54EC of the Act and subject to the conditions specified therein, long term capital gains not exempt under Section 10(38) shall not be chargeable to tax to the extent such capital gains are invested in certain notified bonds within six months from the date of transfer. If only part of the capital gain is so reinvested, the exemption shall be allowed proportionately. However, if the assessee transfers or converts the notified bonds 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.

5.4 Deduction of securities transaction tax under section 36(1)(xv)

Section 36(1)(xv) provides that securities transaction tax paid during the previous year in respect of taxable securities transactions entered into in the course of his business during the previous year shall be allowed as deduction provided that such income arising from such taxable securities transactions is included in the income computed under the head “profits and gains from business or profession”

6. Benefits available to Mutual Funds

As per the provisions of Section 10(23D) of the Act, any income of Mutual Funds registered under the Securities and Exchange Board of India Act, 1992 or Regulations made there under, Mutual Funds set up by public sector banks or public financial institutions or authorized by the Reserve Bank of India would be exempt from income tax. However, the Mutual Funds shall be liable to pay tax on distributed income to unit holders under Section 115R of the Act.

7. Venture Capital Companies / Funds

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

8. Tax Treaty benefits

An investor has an option to be governed by the provisions of the 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.

9. Benefits available under the Wealth-tax Act, 1957

Shares of the Company held by the shareholder will not be treated as an asset within the meaning of section 2(ea) of Wealth Tax Act, 1957, hence no Wealth Tax will be payable on the market value of shares of the Company held by the shareholder of the Company.

10. Benefits Available under the GIFT tax ACT, 1958

Gift tax is not leviable in respect of any gifts made on or after 1st October 1998. Therefore, any gift of shares will not attract gift tax.

Notes:

1. All the above possible benefits are as per the current tax law as amended by the Finance Act, 2008.
2. The stated benefits will be available only to the sole / first named holder in case the shares are held by joint holders.
3. In view of the individual nature of tax consequences, each investor is advised to consult his/her own tax advisor with respect to specific tax.

SECTION IV: ABOUT OUR COMPANY

INDUSTRY OVERVIEW

Disclaimer: Pursuant to the requirements of the SEBI Guidelines, the discussion on the business of our Company in this Red Herring Prospectus consists of disclosures pertaining to industry grouping and classification as per our Company's own understanding and perception and such understanding and perception could be substantially different or at variance from the views and understanding of third parties. Our Company acknowledges that certain products described in the Red Herring Prospectus could be trademarks, brand names and/or generic names of products owned by third parties and the reference to such trademarks, brand names and/or generic names in the Red Herring Prospectus is only for the purpose of describing the products.

The information presented in this section has been obtained from publicly available documents from various sources including officially prepared materials from the Government of India and its various ministries, industry websites and from publications and company estimates. Industry websites and publications generally state that the information contained therein has been obtained from sources believed to be reliable but their accuracy and completeness are not guaranteed and their reliability cannot be assured. Although we believe industry, market and government data used in this Red Herring Prospectus is reliable, these have not been independently verified.

Coke, a derivative of coking coal, plays a very significant role in metallurgical processes. Coke is the main source of heat and is the reducing agent required to facilitate the conversion of metallurgical ores into metal in the smelting process.

Major Coke production has traditionally been captive, as coke is being produced in the coke oven batteries of integrated steel plants as well as pig iron plants. Hardly any surplus coke is available from these captive coke oven batteries for outside sale. During the last 10 years, a number of pig iron plants have been built in India without captive coke making facilities, which now rely on imported coke. Most Indian coke oven batteries are located in the eastern region of the country; as a result, the various coke consumers in the western region and southern region of the country use imported coke.

The major coke consuming industries are classified as under:

- Blast furnaces and sintering plants in integrated steel plants
- Merchant pig iron producers
- Iron foundry industry
- Ferro- alloys industry
- Soda ash industry
- Zinc and lead producers

In addition, coke also finds application in a number of other sectors like cement industry, gas producers, pit furnaces for small castings etc. Steel plants, the Blast Furnace & Basic Oxygen Furnace/ Electric Arc furnace route (BF-BOF/EAF ROUTE) and pig iron producers are the major consumers of coke. The world coke consumption was estimated to be 328 million tones in 1999 and 337 million tones in 2000. The overall worldwide trade in coke was 24.6 million tonnes in 1999 and 30.6 million tonnes in 2000. The forecast for consumption and trade for 2005 is 368 and 30 million tones respectively. While there have not been any significant coke capacity addition in recent years, there have been several closures of coke plants due to various technological/pollution issues. Further, the Olympics in China in 2008 have fuelled a major construction activity resulting in significant demand for steel and concomitant met coke. Some of the key factors for the present coke shortage being faced in China are as below.

- Closure of heavily polluting, over aged beehive coke oven capacity (up to 70 million MT)
- Closure of unsafe coal mines (up to 280 million MT) and chronic shortage of good quality, more expensive coking coals
- Strong and steadily growing demand from the domestic steel industry

- Domestic coke demand is likely to absorb all newly built capacity (up to 10 million MT in 2003)
- Rising capital costs as more modern technology is applied.

WORLD COKE INDUSTRY

In North America, the coke production has fallen at 3.1% p.a. for the last 10 years and the shortage of capacity is currently estimated at 7.5 million tonnes with expectation to go up further in the next few years due to further shutting down of plants having outdated technology and obsolescence. In the UK and France, a shortage of 2 million tonnes each in near future has been estimated. Germany is already importing about 3 million tonnes per year. In former USSR, a total capacity of 16 MTPA is in need of refurbishing. In Poland, some of the coalmines along with coke making facilities are expected to be shut in anticipation of their joining the European Union. The price of coke FOB China has touch a peak of USD 190 per MT in 2003 and has maintained an average of USD180/ 185 FOB China for 12/12.5% ash coke. Further the supply of coke has tightened dramatically in just last few months and reportedly CIF prices of coke is quoted on an average of USD 300 coke making has thus become a very profitable venture: -

- Gradual erosion of coke capacity outside of China
- Explosion in coke demand within China
- Rise in Chinese coke production costs
- Plans for new coke capacity outside china are few
- Setting up costs of ovens in Europe and America is much higher in comparison to that of China

CHINESE COKE INDUSTRY

Steel industry in China accounts for nearly 70% of the total demand for coke. There has been vigorous development of steel industry leading to significant demand for coke in china. Iron and steel makers in India using in conventional blast furnace route are in real trouble with China - the main source of coking coal and coke, deciding to stop exports to meet their internal requirements.

The total consumption of coke in 2002 was 138 million tons of which 90 million tons are attributed to the steel industry. Due to inadequate supply to meet the demand, some of the signed coke supply contracts cannot be fulfilled, leading some foreign supply enterprises and experts to doubt the stability of China's coke supply. China's steel industry is predicted to maintain its rapid growth rate, the newly built ovens and the increase of coke output in the second half of the year can hardly meet the demand for steel industry in 2004. Thus, the coke industry is still in a chasing state, the balance between coke supply and demand is relatively poor in 2004. The price of coke FOB China has touched a peak of USD 190 per MT in 2003 and has maintained an average of USD180/ 185 FOB China for 12/12.5% ash coke. Further the supply of coke has tightened dramatically in just last few months and has reportedly CIF prices of coke is quoted on an average of USD 300 thereby coke making has become a very profitable venture.

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 Silicon 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)

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)

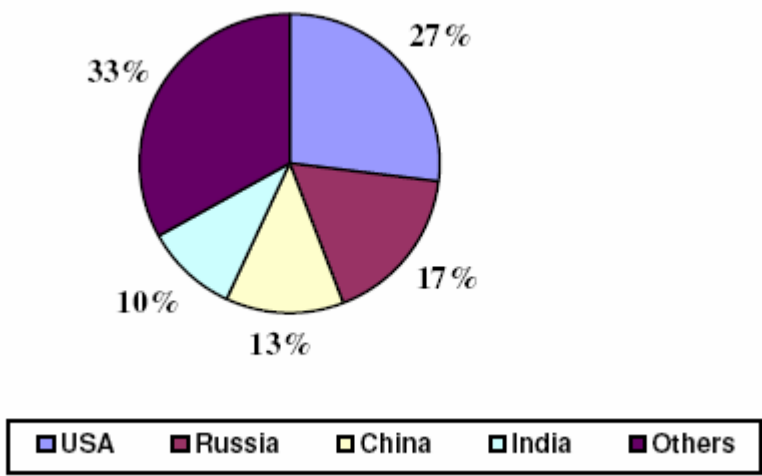
The projected growth in the Indian steel production shall result in continued growth in demand for LAM coke. With the restrictions in Coke exports from China, this demand-supply gap is likely to widen. This provides an opportunity for setting up new facilities for production of LAM coke in India.

Low Ash Metallurgical Coke (LAM Coke or Metallurgical Coke or Met Coke) is manufactured by heating bituminous coal in absence of air. LAM Coke forms an integral part in manufacture of Steel. It is one of the basic raw materials required to produce Pig Iron, which in turn is used to manufacture Steel. This is the prime reason behind the integral steel plants having their own LAM Coke manufacturing plant on premises. In this section of the report, we will discuss in detail the steel value chain, industry scenario for coal, LAM Coke and Power.

COAL INDUSTRY

The global recoverable reserve of coal around the world is estimated at 1,001 billion MT during 2006, which is adequate to last approximately 180 years at current consumption levels. Over the years, estimates of global recoverable coal reserves have declined gradually from 1,174 billion MT at the beginning of 1990 to and the existing level of 1,001 billion MT.

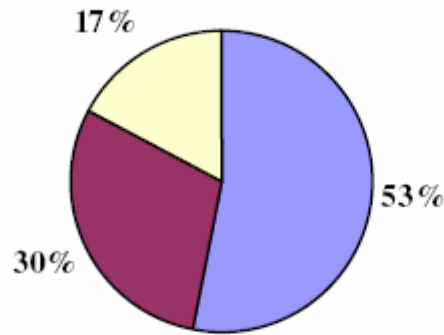
The distribution of global coal deposits, it can be noted that USA, Russia, China and India together account for about 67% of global coal reserves. We note that these four countries together account for about 63% of the global production and with this perspective, we foresee a very bright future while converting these opportunities into real terms of quality coke output and revenues for us.



Globally, the various varieties of coal available include -

- Anthracite
- Bituminous
- Sub-bituminous
- Lignite

The below figure below indicates the type of global coal reserves. From the below figure, it can be noted that Anthracite and Bituminous coal accounts for about 53% of the global reserves.



■ Anthracite & Bituminous ■ Sub-bituminous □ Lignite

Coal has a heterogeneous composition and hence coal from a same mine may also vary significantly. The variation is primarily on the following parameters: -

- Heat content
- Ash content
- Sulphur

Global Recoverable Coal Reserves

(all figures in billion MT)

S No	Region	Bituminous & Anthracite	Sub-bituminous	Lignite	Total
1	World Total	531	297	173	1000
2	United States	125	109	36	270
3	Russia	54	107	11	173
4	China	68	37	20	126
5	India	99	0	2.6	102
6	Other Non OECD Europe	50	18.7	31.3	100
7	Australia & New Zealand	42	2.7	42	87
8	Africa	55	0.2		55
9	OECD Europe	19	5	18	43
10	Other Non OECD Asia	1.4	2	8	11.5
11	Brazil	0	11	0	11
12	Other Central & South America	8.5	2.2	0.1	10.8
13	Canada	3.8	1	2.5	7.3
14	Other	1.8	0.4	0.1	2.3

Source: Energy Information Administration Database

The bituminous coal is the higher grade of coal and is often known as coking coal. Bituminous coal is used for manufacturing LAM Coke (Metallurgical Coke) and is used in steel making. The table above indicates the quality wise recoverable coal reserves across various countries.

Based on review of various secondary sources,

- Bituminous coal is used for manufacturing Metallurgical Coke.
- The Metallurgical Coke production in North America and Europe is not adequate to meet the local demand.
- Many Metallurgical Coke capacities in North America and Europe are being closed as they are finding it increasingly difficult to compete with Asian players.
- China is the world's largest producer of LAM Coke.
- India is a net importer of Metallurgical Coke.

From the above table above, it can be noted that India has a recoverable coal reserve of about 102 billion MT during 2006. However, the Indian coal production is inadequate to meet the domestic demand.

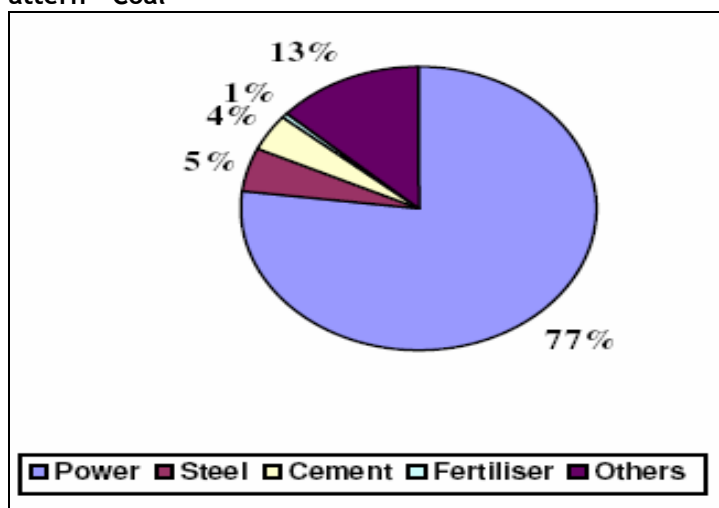
Import of coal in India is continuously increasing. Based on review of various expert opinions:-

- Indian coal sector was nationalised in 1973 with passing of Coal Mines Act. The objective of nationalising the coal sector was to ensure supply of coal to core sectors like Cement, Power and Steel at reasonable rates. However, this resulted in creating a monopoly of Coal India Limited (CIL), which is a Central Public Sector Undertaking. CIL currently produces about 380 million MT of coal annually.
- CIL could not invest adequately in upgrading technology and improve productivity. Hence, when the economy was opened in 1991, it found it increasingly difficult to compete.
- The quality of Indian coal is inferior with high ash content. Indian coal industry has a diversified customer base as can be noted from below.

From the table below, we note the following -

- Power sector accounts for about 77% of the domestic coal consumption.
- Steel sector accounts for about 13% of the domestic coal consumption.
- Cement industry accounts for about 4% of the domestic coal consumption.
- Power sector and Cement industry are allocated coal through Standing Linkage Committee (SLC) operating under the Ministry of Coal, Government of India.

End-Use Consumption Pattern - Coal



Product Description

Metallurgical Coke (Coke) is solid carbonaceous material obtained from destructive distillation of low ash, low sulphur Bituminous coal. Coke is formed when the coal is heated in the absence of air. The residue

obtained from the carbonisation of a non-coking coal such as Sub bituminous coal, Lignite or Anthracite is normally called char. Coke contains carbon as its principal constituent, together with mineral matter and residual volatile matter. Coke is used as a fuel and reducing agent in smelting Iron Ore in Blast Furnace.

Product Classification

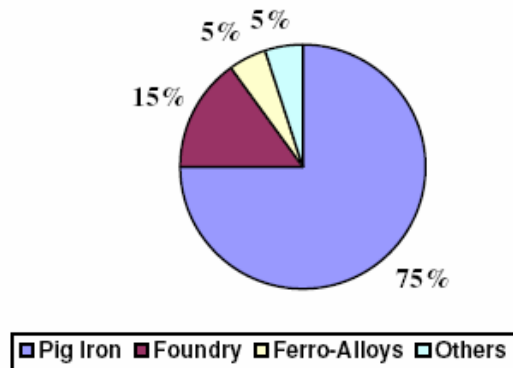
Metallurgical Coke

Metallurgical Coke is produced by carbonisation of coal at a temperature up to 1,400 K. This results in formation of micro porous carbon material. The different varieties of Metallurgical Coke include -

- Blast Furnace grade
- Foundry grade
- Form Coke

The consumption pattern of Metallurgical Coke in India during 2006-07 is indicated below. From the below figure, it can be noted that Pig Iron manufacturers are the major consumers of Metallurgical Coke.

Consumption Pattern of Metallurgical Coke



Petroleum Coke

Petroleum Coke is carbonaceous solid obtained from Oil Cracker units or other Cracking process. There are two types of Petroleum Coke as indicated below.

- Delayed Coke (Shot, Sponge and Needle Type)
- Fluid Coke

Petroleum Coke finds wide application in the following areas -

- Fuel in Catalytic Cracker
- Manufacture of Dry Cells
- Electrodes in Aluminium and Copper manufacturing

The subsequent sections deal with Metallurgical Coke as the Project envisages setting a facility for manufacturing LAM Coke.

Product Specifications

Specifications of LAM Coke based on composition are indicated in table below.

Product Specification based on composition

S. No	Particulars	General Specification
1	Moisture	5.0% Maximum
2	Ash	12.0% Maximum
3	Volatile matter	2.0% Maximum
4	Sulphur	0.60% Maximum
5	Phosphorous	0.05% Maximum

Source: Sesa Goa

Product Applications

Applications of Metallurgical Coke include -

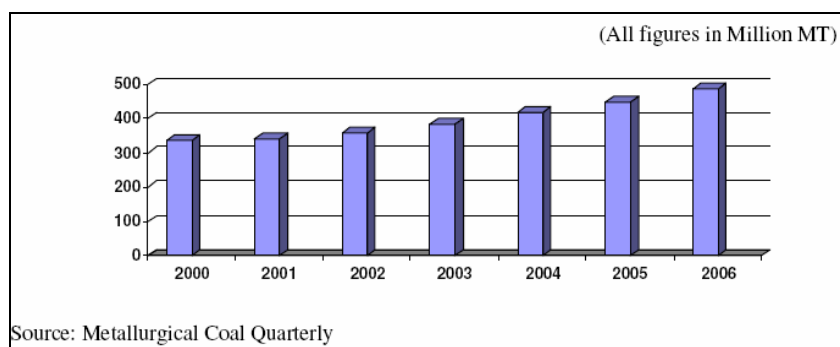
- In Cupola furnace for melting Iron.
- In Steel foundries to adjust carbon content in molten metal depending on specifications.
- For melting applications in Non-ferrous Foundries.
- For smelting applications in Lead and Zinc manufacturing.
- Soda Ash and Calcium Carbide manufacturers use Coke in their process.
- As a reducing agent in manufacturing of Ferro-Alloys.

Existing Demand Supply Scenario

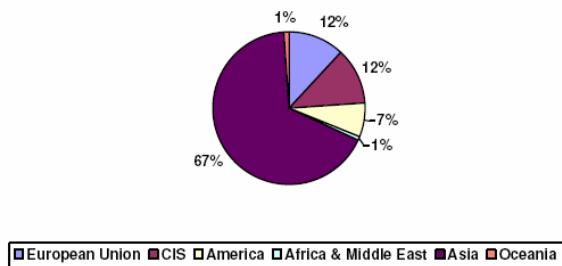
(i) Global Scenario

Demand

Global demand for Metallurgical Coke is estimated at about 490 million MT during 2006. The global demand for Metallurgical Coke grew at an average annual rate of about 6.4 % during 2000-06. Below figure, indicates the global demand scenario during 2000-06.



Region wise demand for Metallurgical Coke is indicated below

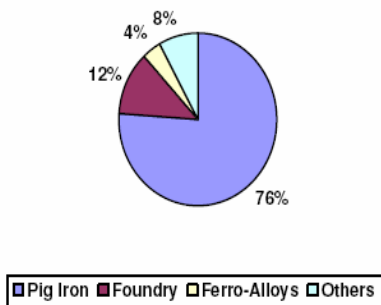


Source: Metallurgical Coal Quarterly

It can be noted that Asia, Europe and CIS are the major markets accounting for about 91% of the total global demand for Metallurgical Coke.

The end use wise global demand for Metallurgical Coke is indicated in figure below. From the figure below, it can be noted that steel producers (including Foundry and Ferro-Alloys) are the major consumers and hence major demand drivers for Metallurgical Coke.

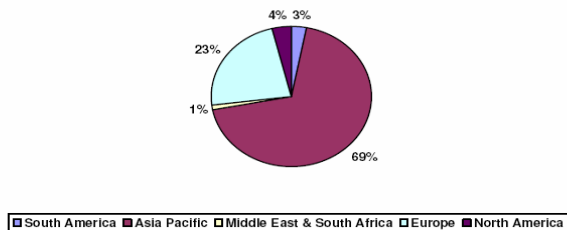
End Use wise Demand of Metallurgical Coke



Source: IMM Analysis

Supply

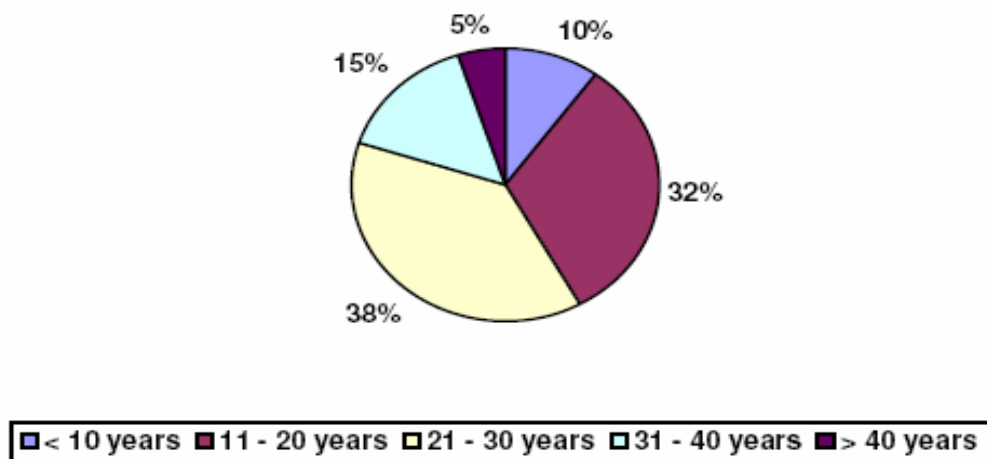
Global installed capacity of Metallurgical Coke stood at about 580 million MT during 2006. The average annual industry capacity utilisation during 2006 is estimated at about 85%. Global capacity of Metallurgical Coke grew at an average annual rate of about 6% during 2000-06. Regional distribution of global capacity of Metallurgical Coke is indicated in the figure below.



Source: Metallurgical Coal Quarterly, IMM Analysis

- Asia Pacific and Europe together account for about 91% of the total installed capacity.
- There is regional balance of capacities and demand. Hence, significant inter-regional trade is not envisaged. However, within regions, the trade of Metallurgical Coke is significantly high.
- China is the largest producer of Metallurgical Coke globally.
- Due to rising environmental and labour costs, manufacturing of Metallurgical Coke in European Union and North America is becoming increasingly uncompetitive. Hence, there are closures of old and less efficient plants and new capacities are being created in Asia and Africa.

From the figure above, it can be noted that Asia Pacific and Europe accounts for about 91% of total operational capacity. In Asia, China is the largest producer of coke. It can be noted that due to high labour costs and stiff environmental norms most of American & European coke facilities are shifting their base to developing countries in Asia and Africa. It can also be noted that most of the coke facilities are ageing and only 10% of global coke facilities were commissioned during the last decade. Figure below indicates the age profile of capacities across the World. From the figure below, we note that in the next 10 years about 5- 15% of the existing capacities will be closed or will require additional investment in improving efficiencies.



Source: IISI & Australian Coal

Demand Supply Gap

The global demand-supply scenario is balanced. However, the industry is witnessing high capacity utilisation. Further, with closure of aging plants, the global supply is expected to fall short of existing demand. Hence, we believe that there will be Capital Investments in creation of new capacities. Further, due to market proximity and cost advantage, most of these new facilities will come up in Asia and Africa.

Major Manufacturers of Metallurgical Coke in India

(all figures in MT)	
Manufacturer	Installed capacity
Integrated Pig Iron Plants with Captive Coke Facility	22,000,000
Gujrat NRE Coke	680,000
Bharat Coke	324,000
Austral Coke	175,000
Sesa Goa	280,000
Antai Balaji Coke	120,000
Usha Ispat	75,000
Southern Fuels	2,400
WMI	100,000
Durgapur Projects	40,000
Total	23,796,400

Source: IMM Analysis, Sector Analysis

POWER PLANT:

Power sector is one of the sectors where there is always high demand and less supply by considering the domestic scenario, we noticed that the domestic supply is not adequate to meet domestic demand.

Captive Power Plant using Waste Heat Gases is a proven technology and is extensively adopted by players in the steel value chain. The features of the technology being procured by our company include -

- Waste Heat Recovery Boilers will be using the energy content in the Waste Gases to generate steam. The boilers will be designed to accommodate for fluctuations in energy content of Waste Gases from the LAM Coke plant, which is a normal phenomenon.
- Four Waste Heat Recovery Boilers will be procured to improve flexibility of operations.
- The Steam Turbines will have a Gross Capacity of 16 MW. There will be two Steam Turbines with each having a Gross Capacity of 8 MW to improve operating flexibility. About 1.45 MW will be the auxiliary consumption of the Captive Power Plant.
- Power will be generated at 11 kV level and later stepped down to 433 V for usage.
- Extraction type condensers will be used to improve power generation.
- Condensate energy will be used to heat feed water, which will improve plant performance.
- Reverse Osmosis system will be installed to use wastewater generated in the plant operation to recycle as make-up feed water.
- Automation to improve controls.

The total installed capacity in India is estimated at about 128,435 MW during 2005-06. Power Sector India has a total installed capacity of 128,435 MW during 2005-06. About 88% of the total installed capacity is under Government Control. Coal is the major fuel being used for manufacturing power. Agriculture and Industry each have a share of 31% in total energy demand. Agriculture and Domestic consumers have subsidized tariff. Per capita energy consumption increased from 374 KWH during 2000-01 to about 616 KWH during 2005-06, indicating an average annual growth of about 10% during 2000-06. There was a 9.3% shortfall in energy demand during 2005-06. There was a 13.9% shortfall in peak demand during 2005-06. Average Plant Load Factor has reached about 80% during 2005-06. By the end of 2011-12, the peak demand will increase to 157,107 MW from the estimated level of 100,403 MW during 2006-07. By the end of 2011-12, the energy demand will increase to 975,222 MWH from the estimated level of 687,374 MWH during 2006-07. The State of Maharashtra is facing severe power deficit. The entire State is crippled with load shedding. Rural and semi-urban localities have power availability for just about 8-10 hours in a day. In urban localities, the power availability is about 18-20 hours a day. Further, the industries have been directed to keep their

operations closed for two days a week or have their own Captive Power Plant. It is estimated that the State is having an overall power deficit of about 4,000-5,000 MW.

REFRACTORY:

Austral Coke & Projects Limited has set-up a Refractory Division at Bhachau, Bhuj District of Gujarat and has started its manufacturing of Refractory products with cutting-edge technology in a phased manner. Our Refractory is a business division of Austral Coke & Projects Limited a group particularly with a varied customer base

INFRASTRUCTURE SECTOR

Our company is also in the business to give on hire, equipments to companies engaged in construction activities particularly in construction of road, building and port. Thus, the activities of our company are affected by the conditions in the Infrastructure Industry. Construction activity is an integral part of a country’s infrastructure and industrial development. It includes hospitals, schools, townships, offices, houses and other buildings; urban infrastructure (including water supply, sewerage, drainage); highways, roads, ports, railways, airports; power systems; irrigation and agriculture systems; telecommunications etc.

With the present emphasis on creating physical infrastructure, massive investment was planned during the Tenth Plan. The construction industry would play a crucial role in this regard.

With the government giving thrust in the area and new investment coming in the infrastructure projects the equipment industry supplying equipment to the infrastructure segment also, get affected. As per the 10th Five-year plan document the breakup of the cost in various construction project in the related sector are as follows: -

Sector	Materials (%)	Construction Equipment (%)	Labour (%)	Finance (%)	Enabling Expenses (%)	Admin Expenses (%)	Surplus (%)
Building	58-60	4.5	11-13	7-8	5.5-6.5	3.5-4.5	5-6
Roads	42-45	21-23	10 -12	7-8	5.5-6.5	3.5-4.5	5-6
Bridges	46-48	16-18	11-13	7-8	5.5-6.5	3.5-4.5	5-6
Dams, etc	42-46	21-23	10-12	7-8	5.5-6.5	3.5-4.5	5-6
Power	41-43	21-24	10-12	7-8	5.5-6.5	3.5-4.5	5-6
Railway	51-53	7-8	16-18	7-8	5.5-6.5	3.5-4.5	5-6
Mineral Plant	41-44	20-22	12-14	7-8	5.5-6.5	3.5-4.5	5-6
Medium Industry	50-52	7-8	16-18	7-8	5.5-6.5	3.5-4.5	5-6
Transmission	49-51	6-7	19-21	7-8	5.5-6.5	3.5-4.5	5-6

(Source: Construction Industry Development Council Survey, 10th Plan)

Thus, construction equipment cost particularly in the road projects, bridges/ dam construction and port projects constitutes a major cost of the projects. Further, with rapid technological developments, the cost of replacement of these equipments is also very high and can have a major impact on the profitability of a project.

This is where the companies with a facility of providing equipments on hire have started coming in. At present, there are not many big companies in this sector, which is largely unorganized. However now these unorganized sector have started pooling in there equipments so that they are able to get better returns of there investment by way of maximum utilization of the equipment, better rental value and better maintenance of the same.

However as the project location are diverse and the equipment requirement at various sites may vary the sector has recently seen consolidation, as development of infrastructure at various geographical location all over India will involve huge fund outlays which can be only managed by the companies in the organized sector who have access to the funds easily and are able to develop the infrastructure.

BUSINESS OVERVIEW

You are requested to note that for the purpose of this section, all references to the terms "we", "us", "our" shall mean our company (Austral Coke & Projects Limited) as well as our Group Companies.

OUR BUSINESS

Our main activity is to manufacture the LAM coke and refractory, trading of textile and to provide rental of construction /earthmoving machineries to medium / large construction companies who are engaged in the business of constructing/building of roads, airports, power projects, institutional & industrial complexes, multiplexes and residential buildings and other related infrastructural activities more importantly catering to Public Sector undertakings, private sector, CPWD and various national & international government aided projects.

Austral coke will be fulfill the requirements of the foundries, blast furnaces, zinc smelters, cement and the Ferro alloy industry and offers advantages like consistency in quality, sizing and uniform temperature thereby reducing cold spots and metal wastage. The metallurgical coke division continues to be optimistic about the future with increasing demand for pig iron in the steel and automobile sectors and growth in Ferro alloys, cast iron castings and cement industries

We have experienced growth in last 3 years of the coke manufacturing industry. Besides LAM Coke manufacturing our established business of equipment rentals will continue to contribute significantly to our future operations. This is due to the fact that infrastructure sector has been showing impressive growth in the recent past and trend is likely to continue.

We have pursued a strategy of diversifying the manufacturing of coke with different quality and specifications as well as conventional equipment rental activity. In the year 2006-07 over 78.60% of our total profit is derived from Coke Division and 19.01% from equipments division.

BUSINESS STRATEGY

Considering the existing competition in the industry and future entrants, our company has focused on the following business strategies:

Coke is used in the iron foundry industry, soda ash industry, zinc and lead industry, Ferro alloys industry, cement industry and calcium carbide industry. The following are the key strategies being adopted by our Company to make proposed coke project successful and to mitigate risk involved in such a business opportunity.

❖ TAKING ADVANTAGE OF LOWER COST OF PRODUCTION VIS-À-VIS IMPORTED COKE

As there is a significant gap between the price of the imported coke and the manufacturing cost of coke including raw material cost in India, it will be an added advantage to have Coke manufacturing plant in India so that Steel plants, Pig iron plants, Iron Foundries can procure their coke requirement from coke manufacturing plants in India at comparatively cheaper price. Further availability of coke indigenously will reduce the time required for transportation, which in turn will reduce the working capital requirement and consequently lower the interest outgoing. Therefore, our company proposes to approach various coke using companies with attractive sharing terms so as to tie up the entire production capacity of coke with user industry.

❖ **GENERATING POWER THROUGH WASTE HEAT TO ENHANCE REVENUES FROM THE PROJECT**

Through our Non-recovery coke oven plant, we propose to convert waste heat generated in the process of manufacturing of coke in to power which otherwise would have been released into the atmosphere. Therefore, there is no requirement of raw material of any kind of fossil fuel and instead the waste energy is converted into power and thereby it would help our company to operate its coke oven plant entirely through such in-house power plant but would help our company to sell the surplus power and generate additional revenue and profits. Thus, generation of power would help Company to improve the overall margin of coke project substantially. By adopting the aforesaid business strategy, our Company proposes to make coke project of 1,50,000 TPA and power project of 8 MW, a successful business venture.

- ❖ To operate into diversified sectors by providing equipments to sectors like urban infrastructure (townships, offices, houses etc.), development of airports, power projects etc
- ❖ To service diversified client base, which includes not only Public Sector Undertakings and Central Public Works Department but also Private Sector Business Groups.
- ❖ To optimise the size of the projects
- ❖ To study the global market structure and demand for the coke and concentrate on the feasibility study of the infrastructure sector to improve the performance and make desired changes in the operations.

Strengths

- ❖ Professional Management
- ❖ Sound Financial Management
- ❖ Long Term relationship with clients
- ❖ Effective HR policies
- ❖ Operational efficiencies & proper maintenance
- ❖ Adequate Research and Development.

Our Properties:

A. Our Registered Office:

Sr. No.	Location of Property	Nature of interest /title	Details of lease
1.	Diamond Chambers, 4 Chowringhee Lane, Block No. 2, 7 th Floor, Unit No.-7-I, Kolkata-700016	Leave and License Basis	Date of Leave and License - 20.04.2007. Period of lease - 3 years renewable on terms mutually acceptable to both the parties Lessor -Shree Balaji Enclave (Pvt.) Ltd. Monthly Rent - Rs 5000/- per month on or before 10th of each month.

B. Our Corporate Office:

Sr. No	Location of Property	Nature of interest /title	Details of lease
1.	Killedar Estate, Building No. 1, 1 st & 2 nd Floor, Opp. MTNL office, S.V. Road, Jogeshwari (West) Mumbai - 400 102,	Leave and License Basis	Date of Leave and License - March 1, 2008. Period of lease - 36 months renewable on terms mutually acceptable to both the parties Lessor - Shri Durga Finvest Pvt. Ltd.. Monthly Rent - Rs 50000/- per month

C. Our Production facilities:

Sr. No	Location of properties	Nature of interest /title
1.	Coke Division: Survey No.352.353/1,353/2, Village- Lunva,Taluka: Bhachau, Dist: Kutch,Gujarat	Owned
2.	Refractory Division: Survey No.351, Village- Lunva,Taluka: Bhachau, Dist: Kutch,Gujarat	Owned
3	Land at Survey No. 347/348(1)/348(2) Village- Lunva, Taluka: Bhachau, District: Kutch, Gujarat	Leased

D. Land at Location of Lam Coke and Power Plant

Sr. No	Location of Property	Nature of interest /title
1.	Lam Coke and Power Plant: Survey No, 27, Hissa No1, Village Padve, Tehsil -Sawantwadi, Sindhudurg District, Maharashtra - 416511, India	Owned

The lease documents pertaining to the Registered office, Corporate office and Land at Kutch, as described above have not been stamped in accordance with the applicable stamp act. Consequently, the said lease deeds may be inadmissible as evidence in a court of law, in case of dispute, if any.

EXISTING PLANT AND MACHINERY

The list of Plant and Machinery in the existing plant is provided in the table below:

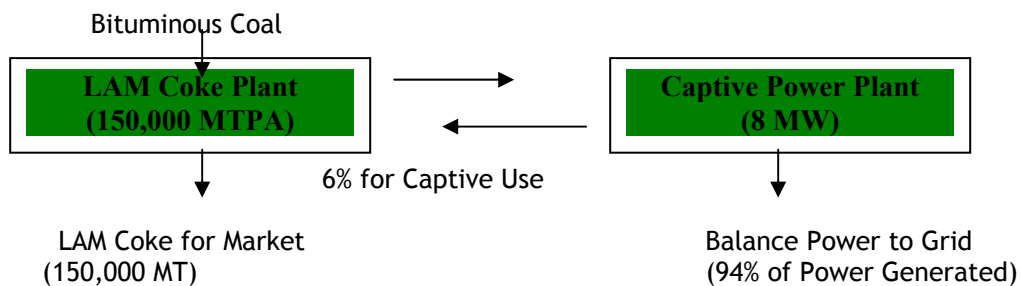
Sr. No.	Description	Nos.
1.	Earth Moving Equipments	14
2.	Chimney	4*
3.	Bhatta	138*
4.	Way Bridge	1
5.	Crusher	2
6.	Hopper (Bunker)	1
7.	Trolley	20
8.	Drag	160
9.	Water Motor Pump	3
10.	Haulage Room	2
11.	Winch Room	2
12.	Screening Plant Vibratory Loading Plant	2
13.	Rotary Loading Room	1
14.	Diesel Generator set	4
15.	PCC Work	2 lac sq feet
16.	Shed (30000 Sq feet)	2
17.	Tunnel Clean	6
18.	Press Machine	2
19.	Gasifire	1
20.	Mill House	1
21.	Ball Mill	1

22.	Disintegrate	1
23.	Jaw Crusher	1
24.	Pulvuriser	1
25.	Impact Mill	1
26.	Muller	2
27.	Umixwe	1
28.	Lath Machine	2
29.	Shaper	1
30.	Drill Machine	2
31.	Welding Machine	2
32.	Surface Frinder	1
33.	Muffel Furnace	2
34.	CCS Mixture Machine	1

* The company has completed the expansion of 2 Lac MT Per annum of LAM Coke recently, and two chimney and 58 Ovens and additional auxiliaries has been added accordingly.

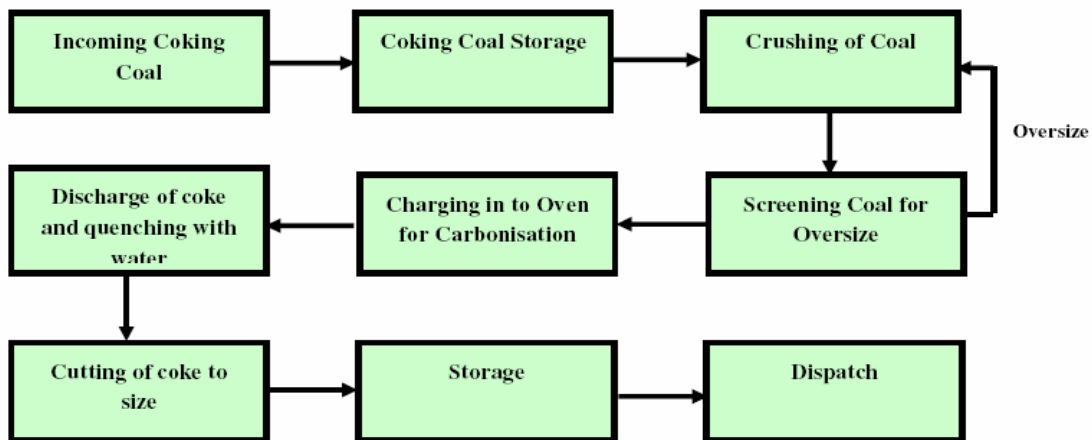
TECHNOLOGY/COLLABORATIONS

Our Company has tied up with consultants for providing technology for its operations namely Mr. Abhijeet Sen, who has 20 years of experience in coke oven and Mr. Girish Solanki has more than 10 years of experience in coke oven technology. The projects undertaken by our Company generally specify the technologies or methodology to be adopted for which key technical personal of Company are experienced; hence there is no requirement for any outside collaboration. The proposed project will be located at Sindhudurg, Maharashtra.



LAM COKE MANUFACTURING PROCESS

LAM Coke making process involves carbonisation of Bituminous coal at high temperatures in an oxygen deficient atmosphere in order to concentrate the carbon. The manufacturing process is indicated below:



Source: IMM Database

There are two alternate technologies for manufacturing LAM Coke, which includes -

- By Product Recovery Process
- Non-Recovery / Heat Recovery Process

By Product Recovery Process -

In the By Product Recovery process the coke oven gas is cooled and the by products are recovered. Flushing liquor, formed from the cooling of coke oven gas and liquor from primary coolers contain tar and are sent to a tar decanter. An electrostatic precipitator is used to remove more tar from coke oven gas. The tar is then sent to storage. Ammonia liquor is also separated from the tar decanter and sent to waste water treatment after ammonia recovery. Coke oven gas is further cooled in a final cooler. Naphthalene is removed in the separator on the final cooler. Light oil is then removed from the coke oven gas and is fractionated to recover benzene, toluene and xylene. Some facilities may include an onsite tar distillation unit. The Claus process is normally used to recover sulfur from coke oven gas. The coke oven gas is also directly used as fuel in power plants and for heating after stripping it of noxious elements. The recovery value of the coke oven gas generally depends upon its calorific value and volume of recovery in standard cubic meters.

Non Recovery/Heat recovery Process -

In the Non Recovery Process, Volatile compounds that are driven off the coal due to heating are fully combusted inside the ovens and the solid carbon remaining in the oven is coke. It is taken to the quench tower, where it is cooled with a water spray or by circulating an inert gas (nitrogen), a process known as dry quenching. The coke is screened into different sizes and sent to a blast furnace or to storage. At present in India, most of the plants are using the Non Recovery process, as it is less capital intensive as compared to the By Product Recovery process. Here it should be noted that within the Non Recovery process there are various kinds of technologies available based on the design of the Coke oven used in the batteries.

We note that the 'Non-Recovery / Heat Recovery Coke Technology' is much suitable for the Project, due to the following reasons:

- The Capital cost of installing a By Product process plant is significantly higher than the Non Recovery process of manufacturing Coke and hence the actual gain of recovery is much less after taking Capital cost into consideration.
- Energy cost is expected to increase in India and hence heat recovery is expected to make the operations more cost effective.
- India is a power deficit country and hence having self generation ensures un-interrupted power supply thereby better availability of the Project.

- It is easier to find a buyer for power in India, as large number of private sector players does not have facilities to manufacture power in a cost-effective way.

The Project will adopt Non-Recovery / Heat Recovery technology. In Non-Recovery Coke plants, originally referred to as beehive ovens, the coal is carbonised in large oven chambers constructed in form of a battery. The coal charging is from the top of the oven. The carbonisation process takes place from the top by radiant heat transfer and from the bottom by conduction of heat through the sole floor. Primary air for combustion is introduced into the oven chamber through several ports located above the charge level in both pusher and coke side doors of the oven. Partially combusted gases exit the top chamber through “down comer” passages in the oven wall and enter the sole flue, thereby, heating the sole of the oven. Combusted gases collect in a common tunnel and exit via a stack, which creates a natural draft in the oven. Since the by-products are not recovered, the process is called Non-Recovery coke making. The waste gases exit into a Waste Heat Recovery Boiler, which converts the excess heat into steam for power generation. The Coke is pushed from the rear of the oven into rail cars to be carried for water quenching. Oven designs are critical to ensure improved operating performances for a LAM Coke plant. Our company has selected the new generation Beehive type ovens for the Project. The Beehive type ovens are successfully operating in India for the last five years. The oven design offers the following advantages:

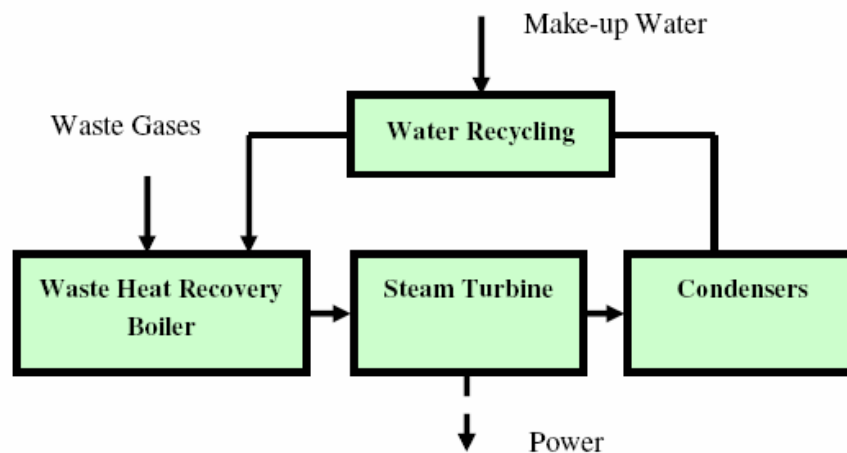
Better emission performance

- Cost efficient
- Continuous combustion cycle
- Low cycle time giving better yield and production
- Capability to synchronise with automation
- Capable of producing power and coal tar, which, if required may be taken up in future for generating additional revenue

B. Captive Power Plant

Manufacturing Process

The detailed manufacturing process is indicated below:



Captive Power Plant using Waste Heat Gases is a proven technology and is extensively adopted by players in the steel value chain. The features of the technology being procured by our company include:

- Waste Heat Recovery Boilers will be using the energy content in the Waste Gases to generate steam. The boilers will be designed to accommodate for fluctuations in energy content of Waste Gases from the LAM Coke plant, which is a normal phenomenon.
- Four Waste Heat Recovery Boilers will be procured to improve flexibility of operations.
- The Steam Turbines will have a Net Capacity of 8 MW. Single Steam Turbines with a Net Capacity of 8 MW will be installed for this purpose.

- Power will be generated at 11 kV level and later stepped down to 433 V for usage.
- Extraction type condensers will be used to improve power generation.
- Condensate energy will be used to heat feed water, which will improve plant performance.
- Automation to improve controls and
- Adequate environmental safety measures.

D. INFRASTRUCTURE FACILITY

1. Existing:

- ❖ **Raw material** - The Raw Materials i.e. Coking Coal is imported from China & Australia
- ❖ **Power:** The Power is supplied by PASCHIM GUJARAT VIJ COMPANY LIMITED
- ❖ **Water:** The Water is supplied by a Boewell
- ❖ **Plant Location:**
 - a. Distance from Kandala Port : 50 KM
 - b. Distance from Mundra Port: 110 KM
 - c. Distance from National Highway : 6 KM
 - d. Distance from Bhachau Railway Station: 20 KM
 - e. Distance from Gandhidham Railway Station: 40 KM
- ❖ **Pollution Control Measures:**
 - a. Proper system to recycle waste water
 - b. Water Treatment Plant with secondary treatment facility
 - c. Sealing of ash/slag pits to minimise see page of water, where ever necessary
 - d. Biological treatment facility for sewerage
- ❖ **Manpower:**

The total present strength of our company as May 31, 2008 is 494, out of the same 151 employees on the roll of our company and remaining 343 are on contract basis. The details are as under.

Sr. No	Level	No. of people
1	Top management	1
2	Senior / Middle Managers	20
3	Engineers	40
4	Technical & Non-Technical Staff	173
5	Semi-Skilled / Un-Skilled Labour	260
	Total	494

PRODUCT PROFILE:

- ❖ Metallurgical Coke commonly known as Coke
- ❖ Electrical Power

NATURE OF PRODUCTS AND END USERS

- ❖ **Coke**
Coke is an industrial product facilitating the conversion of Metallurgical ores into metal in the smelting process. Major coke consuming industries are blast furnaces and sintering plants of integrated steel plants, merchant pig iron producers, iron foundry industry, soda ash industry, zinc and lead industry, Ferro alloys industry, cement industry, calcium carbide industry etc. At present, our company is producing 1,75,000 MT per annum, and further recently added 2,00,000 MT per annum and now proposes to produce an additional capacity of 1, 50,000 MT per annum.

❖ **Power**

Power is used in industrial process as also domestic purposes. However, company proposes to utilize the power for its own captive purpose.

Marketing Set-up

Existing Marketing Set-Up:

Our Company adopts direct marketing approach. We have set-up a separate Tender Department to procure Contracts. The Tender Department is headed by Senior Manager (operations) and is supported by his subordinates. This department functions under direct supervision of Managing Director, considering the importance and sensitive nature of the Department.

While, Public Sector Undertakings and Government Departments invite tenders through public notice, tender from private sector are floated by their purchase/ contracts department. Our company obtains tender document from Public Sector Undertakings/Government Department on the basis of such public notice and has been successfully doing so. To procure contracts from Private Clients, our company on continuous basis collects market information and makes presentation. We have been getting repeat orders from our reputed existing client base. Also company has appointed several dealers and distributor all over India who have rich experience of more than two decades as coal merchants. Since Promoters themselves at one time were one of the leading coal merchants in India Pre-liberations as there were no organize players to manufacture coke except Bharat Coking Coal Ltd. Since Promoters have rich as coal merchants they have large network

Proposed Marketing Set-Up:

In line with the marketing strategy proposed by our Company, a marketing division headed by Marketing Manager along with regional sales managers and export manager will be created at appropriate time to take care of marketing and selling function both for domestic and export market. Our Company has started identifying requisite managerial personnel having suitable qualification and experience of the coke industry.

Competition

We believe that we enjoy certain key competitive strengths vis-à-vis our peer group companies, which will help us to grow in future and eventually enable us to out perform others going forward. In our opinion, the following intangible and tangible factors, going forward, will play the roles of the key differentiators between us and our peers.

- Location
- Raw Material Linkage
- Technology
- Experience of our Promoter Group
- Strong Management Team
- Multi-product Portfolio

We believe that we have the following competitive strengths that will assist us in achieving our long-term business objectives of our company.

QUALITY CONTROL

Quality control has two aspects; one is maintaining the quality of raw materials, which we trade and procure for captive consumption, and another is maintaining the quality of the products we manufacture.

For proper understanding of the quality of all our procured materials, both for captive consumption and onward sales. For maintaining the quality of the product, we produce and to achieve targeted productivity, we have an in-house quality control department. The activities of this department comprise of collection and preparation of samples, testing of raw materials and other process inputs inspection, testing and quality certification of finished products, feed back assistance to main production units to ensure control of process parameters and to take timely corrective measures.

Insurance

We maintain insurance for standard fire and special perils policy, which provides insurance cover against loss or damage by fire, explosion, riot and strikes, terrorism, burglary, theft and robbery, which we believe is in accordance with customary industry practices.

However, the amount of our insurance coverage may be less than the replacement cost of all covered property and may not be sufficient to cover all financial losses that we may suffer should a risk materialize. Further, there are many events that could cause significant damages to our operations, or expose us to third-party liabilities, whether or not known to us, for which we may not be adequately insured. If we were to incur a significant liability for which we were not fully insured, it could have a material adverse effect on our results of operations and financial position.

We have taken different insurance policies covering the following

Policy type	Workmen compensation (General)
Coverage	51,00,000
Policy no.	130700/36/08/01/00000093
Agency	The New India Assurance Co. Ltd.
Sum insured (Rs)	51,00,000
Total premium	55,955
Claim, if any	No
Remark	None
From	20/06/2008
Valid upto	Midnight of 19/06/2009

Policy Type	Standard Fire and Special Perils Policy
Property insured	Coal / coak/ charcoal ball & briquettes manufacturing
Coverage	74,05,76,177
Policy no.	130700/11/07/11/00001256
Agency	The New India Assurance Co. Ltd.
Sum insured (Rs)	74,05,76,177
Total premium	21,63,490
Claim, if any	No
Remark	None
From	18/03/2008
Valid upto	Midnight of 17/03/2009

Policy Type	Commercial vehicles package policy
Property insured	JCB Escorts Comm. Vehicle
Coverage	7,00,000
Policy no.	020100/46/07/39/00000223
Agency	United India Insurance Co. Ltd.
Sum insured (Rs)	7,00,000
Total premium	5282
Claim, if any	No
Remark	None

From	14/09/2007
Valid upto	13/09/2008

Policy type	Floater Declaration
Property insured	Material which are self ignitable
Coverage	5,50,00,000
Policy No.	120400/11/08/14/00000096
Agency	The New India Assurance Co. Ltd.
Sum Insured(Rs)	5,50,00,000
Total Premium	2,12,430
Claim, if any	No
Remark	None
From	17/05/2008
Valid upto	Midnight of 16/05/2009

Policy type	Floater Declaration Policy
Property insured	Stock in Godown
Coverage	15,00,00,000
Policy no.	120400/11/07/14/00000434
Agency	The New India Assurance Co. Ltd.
Sum insured (Rs)	15,00,00,000
Total premium	6,95,228
Claim, if any	No
Remark	None
From	19/03/2008
Valid upto	Midnight of 18/03/2009

Policy type	Miscellaneous and special type of vehicles policy & package
Property insured	JCB Excavator loader
Coverage	11,21,749
Policy no.	3008/54250745/00/000
Agency	ICICI Lombard
Sum insured (Rs)	11,21,749
Total premium	9,926
Claim, if any	No
Remark	None
From	17/06/2008
Valid upto	Midnight of 16/06/2009

Policy type	Storage cum Erection Insurance
Property insured	Ovens, coal bunker, coal crusher, coke screening plants, Tunnels, Chimneys
Coverage	25,00,00,000
Policy no.	120400/44/07/04/40000008
Agency	The New India Assurance Co. Ltd.
Sum insured (Rs)	25,00,00,000
Total premium	1,50,633
Claim, if any	No
Remark	None
From	17/03/2008
Valid upto	Midnight of 16/04/2009

Property insured	Other Miscellaneous Vehicle
Coverage	6,30,000.00
Policy no.	1105372343100042
Agency	Reliance General Insurance
Sum insured (Rs)	6,30,000.00
Total premium	8101.00
Claim, if any	No
Remark	None
From	18/10/2007
Valid upto	17/10/2008

Property insured	Other Miscellaneous Vehicle
Coverage	6,30,000.00
Policy no.	1105372343100043
Agency	Reliance General Insurance
Sum insured (Rs)	6,30,000.00
Total premium	8101.00
Claim, if any	No
Remark	None
From	18/10/2007
Valid upto	17/10/2008

Purchase of Property

Except as stated in the section titled “Objects of the Issue”, there is no property which our company has purchased or acquired or proposes to purchase or acquire which is to be paid for whole, or in part, from the net proceeds of the Issue or the purchase or acquisition of which has not been completed on the date of this Red Herring Prospectus other than property in respect of which:

The contracts for the purchase or acquisitions were entered into in the ordinary course of the business and the contracts were not entered into in contemplation of the issue nor in the issue contemplated in consequence of the contracts, or the amount of the purchase money is not material or the relevant disclosure in this Red Herring Prospectus have been made.

We have not purchased any property in which any of our promoter companies and/ or directors, have any direct or indirect interest in any payments made thereof

SAFETY

- We assign high importance to health & safety as an essential component in every sphere of our activities, in order to
- Give highest priority to safety in selection of plants & equipments, erection and commissioning.
- Provide and maintain plant, equipment, and systems of work that are safe and without risks to health.
- Develop operating manuals for each process, with safety provisions duly highlighted and to make arrangements for ensuring safety and absence of risks to health in connection with the use, handling, storage and transport of goods, materials and substances.
- Provide such information, instruction and supervision as is necessary to ensure the health and safety related laws, rules, and procedures applicable to us.
- Identify and eliminate risk related process by carrying out safety audits and to give priority to occupational health of our employees.
- Ensure, prepare and update on site emergency plan and organize mock drills to keep the concerned personnel in preparedness.
- Provide and maintain a working environment for employees that is safe and without risks to health and is adequate as regards to facilities and arrangements for their welfare.

KEY INDUSTRY REGULATIONS

The information detailed in this chapter has been obtained from publications available in the public domain. The regulations set out below are not exhaustive, and is only intended to provide general information to the investors and is neither designed nor intended to be a substitute for professional legal advice.

Although there are no key regulations and policies affecting our company directly, our Company shall be subject to the policies of the GOI and the State of Maharashtra and State of Gujarat in relation to the coke & power sector. Our Company shall also be required to adhere to pollution control and labour regulations.

However, being a manufacturing company, our company is governed by the provisions of the Factories Act, 1948. The Factories Act, 1948 is the principal legislation for regulating various aspects relating to safety, health and welfare of workers employed in factories. This act is enacted primarily with object to protect workers employed in factories against industrial and occupational hazards. This act requires that workers should work in healthy and sanitary conditions and for that purpose. It provides that precautions should be taken for safety of workers and prevention of accidents.

Besides above, our company is governed by various other statutes like the Companies Act, 1956, Industrial Disputes Act, 1947, The Minimum wages Act, 1948, The Payment of Wages Act, 1936, The Contract Labour (Regulation and Abolition) Act, 1970, Workmen's Compensation Act, 1923, The Payment of Gratuity Act, 1972, Employee's States Insurance Act, 1948, Employee's Provident Fund and Miscellaneous Provisions Act, 1952, Payment of Bonus Act, 1965, etc.

OUR HISTORY AND CORPORATE STRUCTURE

History & Background

We were originally incorporated as NRE Stocknet Limited vide Certificate of Incorporation No. 21-63008 on April 22, 1994 with Registrar of Companies, Kolkata, West Bengal. The name of our company was changed as Net Interactive Limited with effect from June 16, 1998 and there after the name of our company was changed as Austral Coke & Projects Limited with effect from September 14, 2005. The fresh certificate of incorporation consequent to the change of name was granted to our Company on September 14, 2005, by the Registrar of Companies, West Bengal at Kolkata.

Changes in our Registered Office

At the time of incorporation, the registered office of our Company was situated at Jagmohan Mullick Lane, Kolkata, 700 007, India. Subsequently, our Registered Office has been shifted twice, the details of which are provided below:

Previous Address	New Address	Reasons for Change in Office	Date of Change
Jagmohan Mullick Lane, Kolkata, 700 007	10, Old Post Office Street, Room No. 99A, 3 rd Floor, Kolkata 700 001	Shifting of our office due to inadequacy of space.	01.03.1995
10, Old Post Office Street, Room No. 99A, 3 rd Floor, Kolkata 700 001	Diamond Chambers, 4 Chowringhee Lane, Block No. 2, 7 th Floor, Unit No.-7-1, Kolkata: 700 016	Shifting of our office due to inadequacy of space.	12.04.2007

Milestones

Year	Particulars
1994	Incorporated as "NRE Stocknet Ltd." as Public Limited Company at Kolkata, West Bengal, on April 22, 1994 under the Companies Act, 1956, to carry on the business of hiring all kinds of plants, machinery and equipments.
1998	Our company changed its name to Net Interactive Limited vide fresh certification of incorporation dated on June 16, 1998
2000	Increase in Authorised Capital from Rs. 50 lac to Rs. 200 Lacs to facilitate expansion in activities.
2001	Further Increase in Authorised Capital from RS. 200 Lacs to Rs. 350 Lacs
2004	Conceived the project envisaging manufacture of Lam coke. considering the promoter's experience in the field of Coke manufacturing. LAM Coke plant of 50000 MTPA was set up at Gujarat. Our company obtained sanction limit of Rs.1570 Lacs from State Bank of Indore.
2005	By availing the fund as mentioned above set up its first plant in kutch Gujarat adopting new generation Bee-Hive Tata Type Technology. The plant commenced operations in Aug. 2005.
2005	Company obtained another sanction aggregating Rs. 6300 Lacs from State Bank of India for setting up of Refractory Unit and expanding Lamcoke capacity to 1,75,000 MTPA.
2005	Increase in Authorised Capital to Rs. 750 Lacs thereby further infusion of capital by promoters.

2005	Our company changed its name to Austral Coke and projects Limited so as to represent the nature of activity.
2006	Austral successfully implemented both the above mentioned projects in 2006 and, become the reputed supplier of LAM coke in the Industry.
2007	Increase in Authorised Capital to Rs. 5000 Lacs
2007	In September 2007, ACPL signed a contract with its group company M/s Gremach Infrastructure Equipments & Projects Ltd. For mining, prospecting and exploration of coal at Maputo Mozambique.
2007	ACPL emerged as profit making entity with satisfactory track record with lenders and regular dividend payouts.
2008	ACPL has increased the capacity to 3,75,000 MTPA by adding another expansion of 2,00,000 MTPA

Our Main Objects

The main objects as contained in our Memorandum of Association are:

1. To carry on and undertake the business of rental purchase, leasing and to finance lease operations of all kinds, and/ or rental or letting on rental all kinds of plants, machinery and equipment and to deal in full, all forms of movable immovable property including land and building estates and plantations, plants, machinery and equipment, ships, aircrafts, automobile, office or household equipments, furniture or fixture consumer or industrial goods and to lease or otherwise and deal with them in any manner whatsoever including purchase or sale thereof whether new or used.
2. To carry on the business as an investment company and to underwrite sub underwrite, to invest in and acquire by gift or otherwise and hold , sell, buy or otherwise deal in shares debentures, debenture stock, bonds Units, obligations and securities issued or guaranteed by Indian or Foreign Governments states, dominions, Sovereigns Municipalities or Public Authorities or bodies and shares, stocks debentures, debenture stock, bonds, obligations and securities issued and guaranteed by any company corporation, firm or person whether incorporated or established in India or elsewhere and to manage investment pools, mutual funds syndicates in shares, stocks securities, finance subject to the necessary for Government approval, however our company shall not carry on any chit fund activates.
3. To carry on business as exports, imports, traders, Dealers, distributors, buyers, sellers, agents, brokers, processors, manufactures and laminators of jute, jute goods, bag, laminated jute clothes, corrugated products packaging materials and of plants, machineries and to carry on business of distributors of tea, coffee and textiles, cotton, cellulose or synthetic fiber silk, yarn, wool and woollen goods, handicrafts marble and other stones, steel, plastic, rubber, rubber, chemicals, engineering goods, metals minerals, electronic, cloth, dresses, garments, transport vehicles, food products, books, reading and educative materials, paper and paper products, tobacco products, coke and coal products.
4. To carry on the business as manufacturer, traders, exporters, importers, builders, dealers, buyers, seller, agents, processors and any business activity related to saw pipes and any other types of pipes, iron and steel, Pig iron, and any metal and it's any variation.
5. To carry on the business as manufacturer, traders, exporters, importers, builders, dealers, buyers, seller, agents, processors and any business activity related to power generation, power distribution and any business activity related to power generation.
6. To carry on the business as manufacturer, traders, exporters, importers, builders, dealers, buyers, seller, agents, processors, process and any business activities related to setting up medical tourism

centres, hospitals, medical cities, health cities, financial cities, industrial parks, shopping complex, malls, special economic zones, entertainment centers and any activity related to the same.

7. To carry on the business as manufacturer, traders, exporters, importers, builders, dealers, buyers, sellers, agents, processors, process and any business activities related to any activities of mines and any business related to mines.

The main objects clause and the objects incidental or ancillary to the main objects of our Memorandum of Association enable us to undertake our existing activities and the activities for which the funds are being raised through this Issue.

Changes in the Memorandum of Association

Since incorporation of our Company, the following changes have been made in the Memorandum of Association:

Date	Amendment
16.06.1998	Name Changed from NRE Stocknet Limited to Net Interactive Limited
18.08.2000	From Rs.50 Lacs to Rs. 200 Lacs - -Increase in Authorised Capital
05.03.2001	From Rs.200 Lacs to Rs. 350 Lacs- -Increase in Authorised Capital
05.03.2001	Commencement of New Business
15.02.2005	From Rs.350 Lacs to Rs 750 Lacs - Increase in Authorised Capital
14.09.2005	Name Changed From Net interactive Limited to Austral Coke & Projects Limited
28.01.2007	From Rs. 750 Lacs to Rs 1050 Lacs - Increase in Authorised Capital
31.03.2007	From Rs. 1050 Lacs to Rs 1700 Lacs - Increase in Authorised Capital
11.06.2007	From Rs. 1700 Lacs to Rs 3000 Lacs - Increase in Authorised Capital
30.06.2007	From Rs. 3000 Lacs to Rs 5000 Lacs - Increase in Authorised Capital
06.09.2007	Adoption of new object clause covering the activities such as manufacturer, trader, exporter, importer, builder, dealer, buyer, seller, agent, processor and any business activity related to saw pipes, iron and steel, steel pig iron, and any metal and it's any variation, power generation, power distribution and any business activity related to power generation. And also activities related to setting up medical tourism centres, hospitals, medical cities, health cities, financial cities, industrial parks, shopping complex, malls, special economic zones, entertainment centers and activities related to any activities of mines.

Shareholders Agreements

Our company has not entered into any shareholders agreements.

Other Agreements

Our company has not entered into any other agreements, other than disclosed in the Red Herring Prospectus

Strategic Partners

At present, our company does not have any strategic partners.

Financial Partners

At present, our company does not have any financial partners.

Our Subsidiaries

Astra Mining, Limitada, Mozambique

Astra Mining Limitada was incorporated in Republic of Mozambique on May 29, 2008. The company was incorporated with the following objects:

1. Prospecting, exploration and mining activities in regard to coal, uranium, metals, bauxite and other associates Ore.
2. Commercialization & exportation of mineral resources.
3. Import, Export and Other commercial related activities

The registered office of the company is situated at urbane district 1 Central Office, Street of the cathedral, n °114, 4' floor. Maputo, Mozambique.

Financial Performance:

Since, our company was incorporated on 29th May 2008; no financial statement has been prepared.

Board of Directors: -

1. Mr. Ratan Lal Tamakhuwala
2. Mr. Rishi Raj Agarwal
3. Mr. Alok Bansal
4. Mr. Rajendra Khaitan
5. Mr. Engunio Willim Telfer
6. Mr. Ana Paula Jorge Victor
7. Mr. Rajendra Chaubey
8. Mr. Aashish Choudhary

Shareholding Pattern: -

The initial capital of the company is 500,000 MTn and the same is held as under:

Sr. No.	Name of the Shareholder	% of Shareholding
1	Austral Coke & Projects Ltd	95.00
2	William Telfer	4.00
3	An Paula Victor	1.00
	Total	100.00

Listing data:

Our company is an unlisted Company. Our company is neither a sick company within the meaning of the Sick Industrial Companies (Special Provisions) Act, 1985 nor is under winding up.

Litigation/ Defaults:

There are no defaults in meeting any statutory dues and/or other dues to banks and institutions.

Proposed Activities:

The company, as on date, obtained six licences located in Tete (1), Cabo Delgado(4) and Niassa (1) provinces on Republic of Mozambique encompassing an area of 100,000 hectares (approx). as per the estimates and in house study carried out by the management, the area is expected to have good occurrence of coal, Tentalite (Tio2) as area is covered by Karoo, Pyroxenites, Gabbro, Anorthorite & Synite rocks of Lurio Supergroup.

The study also reveals that the coal occurs almost everywhere in these areas. Besides coal, as per preliminary study carried out by the management, the licensed location as above is having good potential for other minerals such as Manganese ore, Uranite Samarskite, Granite, Pegmatite & Dolerite.

OUR MANAGEMENT

Board of Directors

Under our Articles of Association, our Company is required to have not less than three directors and not more than twelve directors. Our Company currently has five (5) directors on our Board. The following table sets forth current details regarding our Board of Directors:

Name, Father's name, Address & Occupation, Date of Birth & DIN	Age	Nature of Directorship	Date of Appointment	Other Directorships
Mr. Ratan Lal Tamakhuwala S/o Mr. Brij Lal Tamakhuwala 703/04, A Wing, Shiv Parvati CHS, S.V.P. Rd., Andheri (W), Mumbai - 400 053 Industrialist DOB - 09-12-1944 DIN - 01063925	63 Yrs	Executive Chairman	13-05-2005	<ol style="list-style-type: none"> 1. Anarcon Resources Pvt. Ltd 2. Gremach Infrastructure Equipments & Projects Ltd. 3. Armstrong Infrastructure & Projects Ltd. 4. Austral Infrastructure Private Ltd. 5. Gremach Infrastructure Private Limited 6. Wallford India Infrastructure Reality (P) Limited 7. Gremach Projects Private Limited 8. Austral Projects Private Limited 9. Astra Mining Limitada 10. Astra Energy Limited SARL 11. Gremach Infra Development (Mauritius) Limited 12. Osho Gremach Mining Limitada
Mr. Rishi Raj Agarwal S/o Mr. Ratan Lal Tamakhuwala 703/04, A Wing, Shiv Parvati CHS, S.V.P. Rd., Andheri (W), Mumbai - 400 053 Business DOB - 02-12-1969 DIN - 00141561	38 Yrs	Executive Managing Director	22-04-1994	<ol style="list-style-type: none"> 1. Anarcon Resources Pvt Limited 2. Gremach Infrastructure Equipments & Projects Ltd. 3. Armstrong Infrastructure & Projects Ltd. 4. Austral Infrastructure Private Ltd. 5. Gremach Infrastructure Pvt. Ltd. 6. Shri Hanuman Investments Pvt. Limited 7. Wallford India Infrastructure Reality (P) Limited 8. Gremach Projects Private Limited 9. Austral Projects Private Limited 10. Astra Mining Limitada 11. Astra energy Limited SARL 12. Petrogrema Overseas Pte. Ltd 13. Gremach Infra Development (Mauritius) Limited 14. Osho Gremach Mining Limitada 15. Petrogrema Energy Pte. Ltd

Dr. M. K. Sinha S/o Late Mundrika Prasad Sinha 1604, Orchid, Vasant Valley Complex, Film City Rd., Mumbai - 400 097 Retired Banker DOB - 02.09.1935 DIN - 00011506	72 Yrs	Independent, Non - executive	13-05-2005	1. The Prag Bosimi Synthetics Limited 2. Amines & Plasticizers Limited 3. Jhaveri Flexo India Limited 4. Radaan Media works (I) Limited 5. Bang Overseas Ltd 6. First Winner industries Limited
Mr. S. K. Chowdhary S/o Late J. Bhadra Chowdhary 7, Paschimi Marg, Vasant Vihar, New Delhi- 110 057 Self Employed DOB - 01-01-1937 DIN - 00946168	70 Yrs	Independent, Non - executive	20-03-2006	1. International Consultants Pvt. Ltd. 2. Himgiri Financial Services Pvt. Ltd. 3. PNS Enclave & Finco Pvt. Ltd.
Mr. Rajendra Kumar Khaitan s/o Shri Jiw Raj Khaitan 43, Bondel Road, Flat No. -4A, 4 th Floor, Kolkata - 700019 Service DOB - 13-07-1967 DIN - 01463659	40 Yrs	Independent, Non - executive	12-04-2007	1. Industrial Lamcoke Projects Limited

Details of Directors

MR. RATAN LAL TAMAKHUWALA

Mr. Ratanlal Tamakhuwala, aged 63 years, is the Executive Chairman and promoter of our Company. An Arts graduate, he started his career in 1960 as a dealer in coke and coal. Having worked over 10 years as a trader he acquired thorough knowledge of the domestic and international market. In 1972 he joined M/s. Sanjay Udyog and took charge of their associate concern, M/s. Nirsa Coke Ovens - Dhanbad as executive officer. During his tenure with the company, he became well versed in Coke oven technology and all the operational aspects of Coke manufacturing, and has provided consultancy to various units, (including Ganesh Hard Coke and Nirsa Coke Ovens - Dhanbad) for setting up Coke ovens.

He has visited various Coke oven units across the globe and particularly in countries like China and Australia to gain more knowledge and insight. He subsequently associated himself as one of the promoters of Gujarat NRE Coke Limited, one of the leading manufacturers of Coke in India. However due to family dispute he has disassociated himself from Gujarat NRE Coke Limited effective from 1997. Mr. Tamakhuwala is equally conscious of social objectives to be pursued by the entrepreneurs and shouldered social responsibility by his active participation in programmes for social cause. He is currently a Director of Lions Club and is also a member of the committee of Confederation of Indian Industries (CII) for community development.

MR. RISHI RAJ AGARWAL

Mr. Rishi Raj Agarwal aged 38 years is a commerce graduate (B.Com.) from Kolkata University and has over 17 years of experience in the field of Coke, coal and in the renting of heavy Equipments for carrying out construction and infrastructure activities. He was in coal & coke trading since early age particularly with Coal India Ltd. He is promoter and Managing Director of M/s Gremach Infrastructure Equipments & Projects Limited, which

under his leadership has grown to become one of the leading construction equipments rental companies in India.

He was involved in the execution and implementation of LAM Coke & Refractory Project set up at Village Lunva (Kutch). It was under his leadership both Refractory and Coke oven plant got financial closure enabling timely implementation of project. He has been instrumental in acquisition of controlling stake in Coal Mines at Mozambique, which will provide, on continuous basis, major raw material i.e. coking coal for captive consumption to AC & PL as well as for trading in international market.

He has been associated with bodies like CII and FICCI. He is also actively involved, as Committee Member, in various programmes initiated by agencies such as Indian Merchants' Chamber and Indian Road Congress.

The Corporate office of M/s. Gremach Infrastructure Equipments & Projects Limited and the Issuer Company is located at the same office premises at Killedar Estate, Building No. 1, 1st & 2nd Floor, Opp. MTNL office, S.V. Road, Jogeshwari (West), Mumbai - 400 102, hence day to day management of both the Companies is looked after from the same office. Moreover, Chairman of our Company is in an executive director and overlooks the business. There is no conflict of interest amongst the companies since these entities are into different businesses. Mr. Rishi Raj Agarwal is Managing Director of both the Companies and the same is in compliance with Company Law Requirements under sections viz, section 269 read with conditions specified in part I and II of schedule XIII and section 316.

DR. M. K. SINHA

Mr. M. K. Sinha, aged 72 years is a Non Executive and Independent Director of our Company. He is a M.Sc (Mathematics) from Patna University and has done his Ph.D. in Operations Research. Mr. Sinha has about 40 years experience in the field of banking and finance. He retired as the Chairman of State Bank of India in the year 1995. Since then he has been associated as a director with many listed and unlisted companies. Being in the Banking sector for nearly 4 decades, he guides our Company on critical financial matters.

MR. S. K. CHOWDHARY

Mr.S.K.Chowdhary is a graduate from Indian School of Mines in 1957 he went to UK for 3 years where he completed his Post Graduate studies and Management Training with National Coal Board, UK. In 1961, Mr. Chowdhary was appointed as Project Manager of the largest Indo-Polish collaboration Projects in India Sudamidih, Dhanbad. Mr. Chowdhary has worked in the Coal Industry of India for more than 35 years and after working at various levels of management, he was appointed as Chairman, Coal India Ltd. in 1991. In recognition of his meritorious performance both at academic and professional levels, he has received various Awards and Medals. He was awarded the Lawrence Holland Gold Medal from Institution of Engineers (London), National Mineral Award from Govt. of India, Diwan Bahadur Thacker Gold Medal Geological & Metallurgical Institute of India (MGMI) and National Mining Engineering Design Award from Institution of Engineers (India). Mr. Chowdhary is a Life Fellow of Institution of Mining Engineers, UK, Institution of Engineers, (India), MGMI and World Academy of Productivity Sciences, Sweden. He has been a member of the Indo-Polish Joint Commission of Govt. of India for several years. He has been a Council Member of Institution of Mining Engineers (London). Currently he is Council Member of the Institution of Engineers (India). Currently Mr. Chowdhary is Executive President of India Coal Forum and Chairman of International Consultants (P) Ltd. He is a Member of Supreme Court Bar Association and is practicing as advocate in Supreme Court of India.

MR. RAJENDRA KUMAR KHAITAN

Mr. Rajendra Kumar Khaitan aged 40 years, has more than a decade's experience in coke and power. He has under various capacities, established various Coke oven plants all over India. He started his career as a coal trader later on gained expertise in coke oven technology and waste heat power generation.

Borrowing Powers of the Board

Vide a resolution passed at the Annual General Meeting of our company held on 6TH August , 2007 consent of the members of our company was accorded to the Board of Directors of our company pursuant to Section 293(1)(d) of the Companies Act, 1956 for borrowing from time to time any sum or sums of money on such security and on such terms and conditions as the Board may deem fit, notwithstanding that the money to be borrowed together with the money already borrowed by our company (apart from temporary loans obtained from our company's Bankers in the ordinary course of business) may exceed in the aggregate, the paid-up capital of our company and its free reserves, provided however, the total amount so borrowed in excess of the aggregate of the paid-up capital of our company and its free reserves shall not at any time exceed Rs.1000,00,00,000 (Rupees One lac lacs Only)".

Remuneration to Directors:-

Shri Ratan Lal Tamakhuwala is appointed as Executive Chairman of our company for a period of 5 years commencing from 5th April, 2006 on the following terms of remuneration:

(a) Salary: Rs.10,000/- including dearness and all other allowances, per month with increments in the scale of Rs.10,000 - 20,000 - 1,40,000 amount not exceeding 10% of the salary and allowances.

(b) Perquisites as follows:

- Leave Travel Concession : For Mr. Ratan Lal Tamakhuwala and his family, once in a year incurred in accordance with the rules specified by our company for the Executives.
- Club Fees: Fees of clubs subject to a maximum of two clubs. This will not include admission and life membership fees.
- Personal Accident Insurance: Personal accident policy as per the policy of our company.
- Company's contribution to Provident Fund at the rate of 12% of the salary.
- Company's contribution towards superannuation fund as per the rules of our company's superannuation scheme as may be applicable from time to time; provided, however, that our company's contribution to the superannuation fund together with its contribution to the Provident Fund shall not exceed 27% of the salary.
- Gratuity in accordance with the rules of our company as applicable to the Senior Executives of our company.
- Car for use on our company's business and telephone at Mr. Ratan Lal Tamakhuwala's residence. Personal long distance calls on telephone to be billed by our company to Mr. Ratan Lal Tamakhuwala.
- Un-availed leave to be allowed to be en-cashed as per Company Rules.

Shri Rishi Raj Agarwal is appointed as Managing Director of Company for a period of 5 years commencing from 5th April, 2006 on the following terms of remuneration:

(a) Salary: Rs. 10000 including dearness and all other allowances, per month with increments will be scale of Rs.10000-20000-140000 amount not exceeding 10% of the salary and allowances.

(b) Perquisites as follows:

- Leave Travel Concession : For Mr. Rishi Raj Agarwal and his family once in a year incurred in accordance with the rules specified by our company for the Executives.
- Club Fees: Fees of clubs subject to a maximum of two clubs. This will not include admission and life membership fees.
- Personal Accident Insurance: Personal accident insurance policy in accordance with our company policy.
- Company's contribution to Provident Fund at the rate of 12% of the salary.
- Company's contribution towards superannuation fund as per rules of our company's superannuation scheme as may be applicable from time to time; provided, however, that our company's contribution to the superannuation fund together with its contribution to the Provident Fund shall not exceed 27% of the salary.
- Gratuity in accordance with the rules of our company as applicable to the Senior Executives of our company.
- Car for use on our company's business and telephone at Mr. Rishi Raj Agarwal's residence. Personal long distance calls on telephone to be billed by our company to Mr. Rishi Raj Agarwal.
- Leave unavailed of to be allowed to be encashed as per rules of our company.

Corporate Governance

The provisions of the listing agreement to be entered into with the Stock Exchanges with respect to corporate governance become applicable to us at time of seeking in-principal approval of the Stock Exchanges. Our company has complied with such provisions, including with respect to the appointment of independent Directors to the Board and the constitution of the following committees of the Board: the Audit Committee, the Remuneration Committee and the Investors Grievances Committee. Our company undertakes to take all necessary steps to comply with all the requirements of the guidelines on corporate governance and adopt the Corporate Governance Code as per Clause 49 of the listing agreement to be entered into with the Stock Exchanges, as would be applicable to our company upon listing its Equity Shares.

Composition of Board of Directors

The Board of Directors of our Company has an optimum combination of executive and non-executive Directors as envisaged in Clause 49 of the Listing Agreement. Our Board has six Directors out of which four are independent directors in accordance with the requirement of clause 49 of the listing agreement of the stock exchanges. The Board of Directors of our company comprises of five (5) directors, of which two are Executive director and three (3) are independent directors. Our company has also constituted the various committees viz. Audit Committee, Share Transfer & Investor Grievance Committee and Remuneration Committee.

Board of Directors:

Our Board of Directors comprise of the following members:

Name	Designation	Status
Mr. Ratan Lal Tamakhuwala	Chairman	Executive Chairman
Mr. Rishi Raj Agarwal	Managing Director	Managing Director
Mr. Rajendra Kumar Khaitan	Directors	Independent Non-Executive Director
Mr. S. K. Chowdhary	Directors	Independent Non-Executive Director
Dr. M. K. Sinha	Directors	Independent Non-Executive Director

The following committees have been formed in compliance with the Corporate Governance norms:

Audit Committee

Audit committee of the Board has been constituted in compliance with the provisions of Section 292A of the Companies Act, 1956 and Clause 49 of the Listing Agreement relating to the composition and terms of reference of the Audit Committee. Audit Committee is, inter alia, responsible for the financial reporting and ensuring compliance with the Accounting Standard and reviewing the financial policies of our company and to recommend the appointment of statutory auditors and internal auditors and to fix their remuneration. The Committee is responsible for reviewing the reports from internal auditors as well as the group companies. The Committee will review all quarterly reports before submission of the same to the Board. Name of the directors who are members of the Committee are as under:-

Sr. No.	Name of the Director	Status	Nature of Directorship
1.	Dr. M.K. Sinha	Chairman	Independent Non-Executive Director
2.	Mr. Rajendra Kumar Khaitan	Member	Independent Non-Executive Director
3.	Mr. S.K. Chowdhary	Member	Independent Non-Executive Director

Chief Accounts Officer of our Company attends the Committee Meetings, Representatives of Statutory Auditors and Internal Auditors are invited to attend the meetings. Company Secretary acts as the Secretary of the Committee.

Share/Debenture Transfer & Investors' Grievance Committee

Our Company has constituted an investors relations committee comprising of 3 directors for speedy disposal of the share transfer requests received by our company. The committee along with overseeing share transfer work looks into the complaints received from investors. The constitution of the Committee is as under:-

Sr. No.	Name of the Director	Status	Nature of Directorship
1.	Mr. S. K. Chowdhary	Chairman	Independent Non-Executive Director
2.	Mr. Rajendra Kumar Khaitan	Member	Independent Non-Executive Director
3.	Dr. M. K. Sinha	Member	Independent Non-Executive Director

Remuneration Committee

A Remuneration Committee has been constituted as required under the Schedule XIII of the Companies Act, 1956 to consider and approve the remuneration package payable to the Executive Directors of our company. The Committee comprises of the following directors of our company

Sr. No.	Name of the Director	Status	Nature of Directorship
1.	Mr. Rajendra Kumar Khaitan	Chairman	Independent Non-Executive Director
2.	Mr. S.K. Chowdhary	Member	Independent Non-Executive Director
3.	Dr. M. K. Sinha	Member	Independent Non-Executive Director

Compliance with Listing Agreement

Our company in terms of this Red Herring Prospectus intends to list its equity shares on BSE and NSE and has complied with the requirements under the respective Listing Agreement of the above-mentioned stock exchanges. Further, we are in compliance with clause 49 of the listing agreement to the extent applicable to a company seeking listing for the first time.

Shareholding of the Directors in our company

The Articles of Association do not require the directors to hold any qualification shares. The present shareholding of Directors is detailed below:

Name of the Director	Designation	No. of Shares held	% of pre issue paid-up share capital
Mr. Ratan Lal Tamakhuwala	Executive Chairman	8,50,000	4.47
Mr. Rishi Raj Agarwal	Executive Managing Director	37,13,400	19.51
Mr. Rajendra Kumar Khaitan	Independent Non-Executive Director	Nil	Nil
Mr. S. K. Chowdhary	Independent Non-Executive Director	Nil	Nil
Dr. M. K. Sinha	Independent Non-Executive Director	Nil	Nil

Interest of Directors

All Directors of our company may be deemed to be interested to the extent of fees, if any, payable to them for attending meetings of the Board or a Committee thereof as well as to the extent of other remuneration, reimbursement of expenses payable to them under the Articles of Association of our company. All our Directors may also be deemed to be interested to the extent of Equity Shares, if any, already held by them or their relatives in our company or that may be subscribed for and allotted to them, out of present issue in terms of the Red Herring Prospectus and also to the extent of any dividend payable to them and other distributions in respect of the said Equity Shares.

The Directors may also be regarded as interested in the Equity Shares, if any, held by or that may be subscribed by and allotted to the Companies, firms and trust, in which they are interested as Directors, members, partners or trustees.

Directors Remuneration for the year ended March 31, 2008

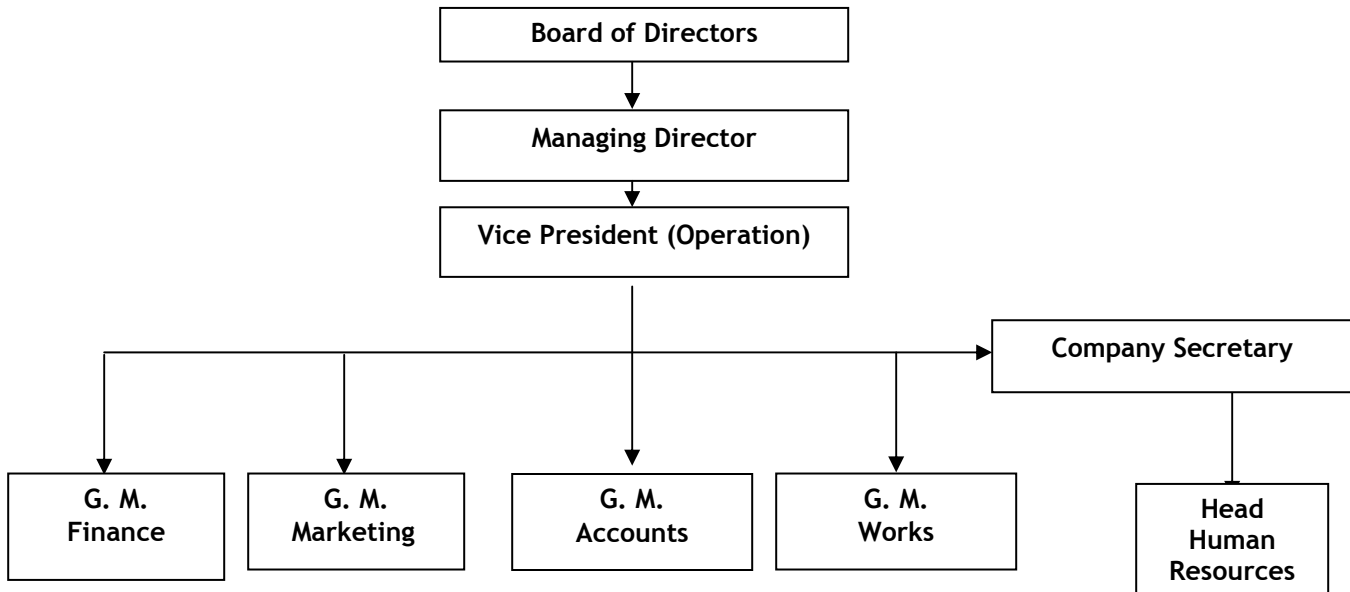
Sr. No	Name of Director	Sitting Fees	Salaries/ Perquisites	Total
1.	Mr. Ratan Lal Tamakhuwala	-	2,40,000	2,40,000
2.	Mr. Rishi Raj Agarwal	-	2,40,000	2,40,000
3.	Mr. Rajendra Kumar Khaitan	1,28,000	-	1,28,000
4.	Mr. S. K. Chowdhary	1,34,000	-	1,34,000
5.	Dr. M. K. Sinha	48,000	-	48,000
6.	Mr. H.S.Kohina	10,000	-	10,000
7.	Dr. B. Samal	46,000	-	46,000
	Total	3,66,000	4,80,000	8,46,000

Changes in our Board of Directors during the last three years

The changes in the directors during last three years are as follows:

Name	Date of Appointment	Date of cessation	Reason
Dr. M. K. Sinha	13-05-2005	-	Appointment
Ratan Lal Tamakhuwala	13-05-2005	-	Appointment
Tapodhir Bhattacharjee	09-12-2005	12-04-2007	Appointment
S. K. Chowdhary	20-03-2006	-	Appointment
H. S. Kohina	20-03-2006	23-07-2007	Appointment and resigned
R. R. Kumar	05-04-2006	23-07-2007	Appointment and resigned
Dr. B. Samal	26-09-2006	14-01-2008	Appointment and resigned
Rajendra Kumar Khaitan	12-04-2007	-	Appointment
M. K. Fitkariwala	-	09-07-2005	Resignation
Lalita Agarwal	-	09-07-2005	Resignation
S. K. Fitkariwala	-	28-03-2007	Resignation

MANAGEMENT ORGANISATION STRUCTURE



Key Managerial Persons:

At present our company has a total workforce of 151 people out of which 32 are permanent employees of our company. The details of the key managerial personnel of our company are as follows:

Name & Age	Date of Joining	Designation	Functional Responsibilities	Qualification	Previous Employment	Compensation Paid during F.Y2007-08
Alok Bansal 35 yrs	21.05.2007	Vice President (Operation)	Operation	BE, MBA	Kaushik Orthopedic Corp.	580,005
Puneet Agarwal 38 yrs	21.06.2004	General Manager (Marketing)	Marketing	B.Com, CA Inter	Keso Ram Reyon (B.K. Birla Group)	384,000
Gopal Prasad Tamakhuwala 38 yrs	08.06.2007	General Manager (Works)	Head of Plant Handling Day to Day Work	B.Com (Hons)	Nil	296,054
Vivek Bharuka 25 yrs	09.02.2007	General Manager (Finance)	Finance	M. Com, ACA	Gremach Infrastructure Equipments & Projects Limited	510,720
M. Damani 45 yrs	01.03.2005	Head (Human Resource)	Human Resources	B.Com	Infrastructure Leasing & Financial Services Limited	236,000
Navin Choudhary 42 years	06.12.2007	Company Secretary	Secretarial & Compliance	B.Com, FCA, ACS	Mid-East Portfolio Management Limited	40,000

Brief Profile of Key Managerial Personnel

Mr. Alok Bansal

Mr. Alok Bansal, Vice President (Operation), aged 35 years, holds a Master in Business Administration and has done his BE. He looks after the all operation for our company. He has a total of 17 years experience.

Mr. Puneet Agarwal

Mr. Puneet Agarwal, aged 38 years. He is the Dept. General Manager (Marketing). He is a B.Com and also has done his CA Inter. He looks after the marketing for our company. Earlier he was working with Keso Ram Reyon (B.K. Birla Group)

Mr. Gopal Tamakhuwala

Mr. Gopal Tamakhuwala, General Manager (Operation), aged 38 years, is holding Bachelor Degree in Commerce. He looks after the Operation of the refractory Division of our company.

Mr. Vivek Bharuka

Mr. Vivek Bharuka, aged 25 years. He is the General Manager (Finance). He is a Chartered Accountant and he has also done his M.Com. He looks after the project and the financial Planning of our company.

Mr. M. Damani

M. Damani, Head (Human Resource), aged 45 years, is holding Bachelor degree in Commerce. He looks after the Human Resources of our company.

Mr. Navin Choudhary

Mr. Navin Choudhary aged 42 years; has completed his B.Com from University of Rajasthan. He is a Chartered Accountant and an Associate member of the Institute of Company Secretaries of India. He has experience in handling corporate and secretarial matters and is overall incharge of secretarial and legal matters of the company.

None of the Key Managerial Personnel are related to each other. All the above-mentioned key managerial personnel are permanent employees of our Company. There is no arrangement or understanding with major shareholders, customers, suppliers or others pursuant to which any person was selected as director or member of senior management.

Relationship between the Promoter, Directors and Key Managerial Personnel

None of the Promoter or Directors are related to the Key Managerial Personnel. There is no arrangement or understanding between the major shareholders, customers, suppliers and other pursuant to which any of the personnel / director were selected as a Director or Key Managerial Personnel. The Key Management Personnel mentioned above are not related parties as per the Accounting Standard 18.

Shareholding of Key Managerial Personnel

None of the Key Managerial Personnel hold any shares of our company as on the date of this Red Herring Prospectus.

Bonus and/or profit sharing plan for Key Managerial Personnel

Except the payment of salaries and perquisites, our company provides other benefits to the employees that are uniform to all the employees of our company and performance based ex-gratia payments. Our company does not have any profit sharing or stock option plans for any of its employees.

Shareholding of the Key Managerial Personnel

As on date, none of the key managerial persons are holding any equity shares of our company.

Bonus or Profit Sharing Plan for the Key Managerial Personnel

There is no Profit sharing plan for the Key Managerial Personnel. Company makes bonus payments to the employees based on their performances, which is as per their terms of appointment.

Loans to Key Managerial Personnel

There are no loans outstanding against key managerial personnel as on March 31, 2008.

Changes in Key Managerial Personnel during last one year

Name	Date of Appointment	Date of Cessation	Reasons
Mr. Vivek Bharuka	09.02.2007	N.A.	Appointed
Mr. Alok Bansal	21.05.2007	N.A.	Appointed
Mr. G.P. Tamakhuwala	01.05.2007	N.A.	Appointed
Mr. Rajesh Mittal	12.05.2007	20.09.2007	Appointed & Resigned
Mr. Sanjive Arora	21.09.2007	06.11.2007	Appointed & Resigned
Mr Navin Choudhary	06.12.2007		Appointed

Employees Stock Option Scheme

Till date, our company has not introduced any Employees Stock Option Scheme/ Employees Stock Purchase Scheme, as required by the guidelines or regulations of SEBI relating to Employee Stock Option Scheme and Employee Stock Purchase Scheme.


PROMOTERS

The following are the Promoters of our company:

1. Mr. Ratan Lal Tamakhuwala - *Individual*
2. Mr. Rishi Raj Agarwal - *Individual*
3. M/s. Shri Hanuman Investments Private Limited. - *Body Corporate*
4. M/s. Anarcon Resources Private Limited - *Body Corporate*

The details of our Promoters - *Individual* are as follows:

Mr. Ratan Lal Tamakhuwala

	Permanent Account Number	ACUPT7280P
	Passport Number	F3362759
	Voter ID Number	DZZ0538843
	DIN	01063925
	Driving License Number	WB - 01- 125905
	Bank A/c Number	Saving A/c 0191000027289, HDFC Bank Limited, Versova, Andheri - West, Mumbai


Mr. Ratanlal Tamakhuwala, aged 63 years, is the Executive Chairman and promoter of our Company. An Arts graduate, he started his career in 1960 as a dealer in coke and coal. Having worked over 10 years as a trader he acquired thorough knowledge of the domestic and international market. In 1972 he joined M/s. Sanjay Udyog and took charge of their associate concern, M/s. Nirsa Coke Ovens - Dhanbad as executive officer. During his tenure with the company, he became well versed in Coke oven technology and all the operational aspects of Coke manufacturing, and has provided consultancy to various units, (including Ganesh Hard Coke and Nirsa Coke Ovens - Dhanbad) for setting up Coke ovens.

He has visited various Coke oven units across the globe and particularly in countries like China and Australia to gain more knowledge and insight. He subsequently associated himself as one of the promoters of Gujarat NRE Coke Limited, one of the leading manufacturers of Coke in India. However due to family dispute he has disassociated himself from Gujarat NRE Coke Limited effective from 1997. Mr. Tamakhuwala is equally conscious of social objectives to be pursued by the entrepreneurs and shouldered social responsibility by his active participation in programmes for social cause. He is currently a Director of Lions Club and is also a member of the committee of Confederation of Indian Industries (CII) for community development.

To summarise, his achievements in the past are as under:

Period	Achievements
1960 - 1971	Attained status of leading trader in Coking Coal and acquired sound knowledge of the market.
1972 -1980	Acquired insight to Coke manufacturing technology and hands on experience of running coke oven units and provided consultancy in the field.
1980 - 1992	Being one of largest Coke handling agent, closely associated with govt. organisations of repute such as Bharat Coaking Coal Ltd.
1992 - 1997	Assumed the role of Joint promoter in Gujarat NRE Coke, one of the leading manufacturers of the LAM Coke in India. Successfully executed the project and instrumental in growth of the company by associating himself with the unit since inception.
1997 till Date	Disassociated from Gujarat NRE coke due to family dispute and commenced new venture by floating companies vis. Gremach Infrastructure Equipments & Projects Ltd. and Austral Coke & Projects Ltd.

Mr. Rishi Raj Agarwal

	Permanent Account Number	AEQPA0755E
	Passport Number	F3697196
	Voter ID Number	DZZ0538827
	DIN	01152550
	Driving License Number	MH-02-2002-14502
	Bank A/c Number	Saving A/c 0191000021329, HDFC Bank Limited, Versova, Andheri - West, Mumbai

Mr. Rishi Raj Agarwal (38 years) is a commerce graduate (B.Com.) from Kolkata University and has over 17 years of experience in the field of Coke, coal and in the renting of heavy Equipments for carrying out construction and infrastructure activities. He was in coal & coke trading since early age particularly with Coal India Ltd. He is promoter and Managing Director of M/s Gremach Infrastructure Equipments & Projects Limited, which under his leadership has grown to become one of the leading construction equipments rental companies in India.

He was involved in the execution and implementation of LAM Coke & Refractory Project set up at Village Lunva (Kutch). It was under his leadership both Refractory and Coke oven plant got financial closure enabling timely implementation of project. He has been instrumental in acquisition of controlling stake in Coal Mines at Mozambique, which will provide, on continuous basis, major raw material i.e. coking coal for captive consumption to AC & PL as well as for trading in international market.

He has been associated with bodies like CII and FICCI. He is also actively involved, as Committee Member, in various programmes initiated by agencies such as Indian Merchants' Chamber and Indian Road Congress.

Period	Achievements
1988 - 1994	Assisted his father Mr. R.L. Tamakhuwala in the Trading activities of coal and coke.
Mid 1994	Actively involved in day to day management of Gujarat NRE Coke Ltd. and played a key role in handling operations of the company thereby optimizing plant capacity and overall improvement of the unit.
1994 - 1997	Represented Gujarat NRE Coke Ltd. as a Key Management personnel and instrumental in taking the company in growth trajectory.
1998- Till Date	Disassociated from Gujarat NRE Coke Ltd. due to family dispute and started new venture along with his father, under the name of M/s Gremach Infrastructure Equipments & Projects Limited, which under his leadership has grown to become one of the leading construction equipments rental company in India. Austral Coke & Projects Limited promoted by Mr. Rishi Raj Agarwal set up its first plant in Kutch (Gujarat), and became operational in phased manner. First phase completed in August 2005 by adopting the new generation Bee-Hive Tata Type Technology with capacity of 50,000 MTPA. Successfully implemented second phase of Coke thereby enhancing capacity further to 1,75,000 MTPA and setting up its first unit of Refractory at Kutch (Gujarat) in 2007. Creating brand image for Austral Coke & Projects Ltd. as one reputed units in LAM Coke manufacturing.
2007	Taking the group to new heights by acquiring controlling interest in Coal mine in Mozambique, South Africa thereby getting 11 nos. prospecting rights for coal mining.

We confirm that the Permanent Account Number, Bank Account Number and Passport Number of Promoter Individuals were submitted to the Stock Exchanges at the time of filing the Draft Red Herring Prospectus. There are no defaults in meeting any statutory/bank/institutional dues and no proceedings have been initiated for economic offences. Litigation/ Defaults:

There are no defaults in meeting any statutory/bank/institutional dues. For details relating to legal proceedings involving our Promoters and members of the Promoter Group, see the section titled "Outstanding Litigation and Material Developments" beginning on page 165. For the profile of the Promoter, please refer to page 123.

OUR CORPORATE PROMOTERS (BODY CORPORATE):

The details of our Corporate Promoters (*Body Corporate*) are as follows:

1. SHRI HANUMAN INVESTMENTS PRIVATE LIMITED.

Date of Incorporation	November 8, 1996
Nature of Activities	Investment activities & equipment leasing, hire purchase.
Registered Office	12-C, Lord Sinha Road, Kolkata-71
Registration Number	U67120WB1996PTC081997
PAN No.	AAGCS5378C
Bank Account No	C.A. 243468 ABN Amro Bank, Nariman Point Mumbai
Address of RoC	Registrar of Companies West Bengal, Nizam Palace, 2 nd NSO Building, 2 nd Floor, 2, 3, 4/4, Acharya Jagdish Chandra Bose Road, Kolkata - 700 020.

(Rs. in lacs except per share data)

Financial Performance	31-Mar-07	31-Mar-06	31-Mar-05
Authorized Capital	200.00	100.00	10.00
Paid up Capital	119.68	84.23	10.00
Share application money	-	-	-
Reserves (excluding revaluation reserves)	4201.10	1677.35	0.85
Net worth	4320.78	1761.58	10.85
Total income	5.23	0.62	31.76
Profit After Tax	4.20	-0.77	0.23
Face Value Per Share (Rs.)	10.00	10.00	10.00
EPS (Rs.)	0.35	-	0.23
NAV (Rs.)	361.03	209.14	10.85

Source: Audited Balance Sheet

Shri Hanuman Investments Private Limited have invested in our Company during the last three years. Fund flow statement from the promoter company covering a period of 2004 - 2007 is reproduced herein below, which is certified by M/s Prodip Sarkar & Company, Chartered Accountants, vide their letter dated April 19, 2008.

(Rs. lacs)

Sources of Funds :	F.Y. 2004	F.Y. 2005	F.Y. 2006	F.Y. 2007
a. Funds generated from Operations	0.23	0.24	-0.76	4.21
b. Issue of equity shares @ premium	0.00	0.00	1751.50	2555.00
c. Changes in working capital	0.00	0.00	0.00	99.83
Total :	0.23	0.24	1750.74	2659.04

	Application of Funds :				
a.	Investment in shares of ACPL	0.00	0.00	801.50	1657.26
b.	Investment in shares of other companies	0.00	0.00	764.50	1001.78
c.	Changes in working capital	0.23	0.24	184.74	0.00
	Total :	0.23	0.24	1750.74	2659.04

Shareholding Pattern

Sr. No.	Name of the Shareholder	% of Shareholding	No. of equity shares held
1	Rishi Raj Agarwal	49.21	900,000
2	Tirupati Niket Pvt. Ltd.	6.94	127,000
3	Sangeeta Agarwal	5.46	99,900
4	Mahasakti Vyapaar Pvt. Ltd.	3.85	70,500
5	Season Trading & Investments Pvt. Ltd	2.87	52,500
6	Maradona Holdings Pvt. Ltd.	2.62	48,000
7	Kamal Kunj Commodities Pvt. Ltd.	2.46	45,000
8	Hanurang Vinimay P Ltd	2.46	45,000
9	VNG Mercantile Pvt. Ltd.	2.38	43,500
10	Swarnsathi Advisory Services Pvt. Ltd.	2.13	39,000
11	Sreedeb Commercial Pvt. Ltd.	2.09	38,300
12	Shree Panchami Consultants Pvt. Ltd.	2.05	37,500
13	Pitamber commercial company Pvt. Ltd.	1.64	30,000
14	Kashiraj Supply Pvt. Ltd.	1.50	27,500
15	Pingle suppliers Pvt. Ltd.	1.45	26,500
16	Pushpdant Commerce Pvt. Ltd.	1.34	24,500
17	Nairit Tie - Up Pvt. Ltd.	1.09	20,000
18	Nilay Finance & Leasing Pvt. Ltd.	0.85	15,500
19	Bhaily Sales & Services Pvt. Ltd.	0.82	15,000
20	Crawford Plantations Pvt. Ltd.	0.82	15,000
21	Parrot Agencies And Credit Pvt. Ltd.	0.66	12,000
22	Fidelity Marketing Pvt. Ltd.	0.55	10,000
23	Graffco Sales Pvt. Ltd.	0.55	10,000
24	Mgb Commercial Pvt. Ltd.	0.55	10,000
25	Apkesha Tours & Travels Pvt Ltd	0.55	10,000
26	Green Field Techno Services Pvt. Ltd.	0.49	9,000
27	Nairit Tie-Up Pvt Ltd	0.44	8,000
28	Spoxy Vyapaar Pvt Ltd	0.41	7,500
29	Oswal Services Pvt Ltd	0.41	7,500
30	Nilkanth Fincon Pvt. Ltd.	0.38	7,000
31	Rainey Trading P Ltd	0.27	5,000
32	Parrot Agencies & Credit Pvt Ltd	0.25	4,500
33	Orbital Contractors and Financiers P. Ltd.	0.22	4,000
34	Agarwal Iron And Steel Co. Pvt. Ltd	0.11	2,000
35	Sivog Marketing Pvt. Ltd.	0.11	2,000
36	Santosh Kumar Fitkariwala	0.01	100
	Total	100.00	1,828,800

Board of Directors

Sr. No	Name of the Director	DIN No
1	Mrs. Sangeeta Agarwal	01486750
2	Mr. Rishi Raj Agarwal	01152550
3	Mr. Ashok Agarwal	00770844

The company is an unlisted Company and it has not made any public issue in the preceding three years. The company is neither a sick company within the meaning of the Sick Industrial Companies (Special Provisions) Act, 1985 nor is under winding up.

Litigation/ Defaults:

There are no defaults in meeting any statutory/bank/institutional dues. For details relating to legal proceedings involving our Promoters and members of the Promoter Group, see the section titled "Outstanding Litigation and Material Developments" beginning on page 165.

2. ANARCON RESOURCES PRIVATE LIMITED

Date of Incorporation	Company was incorporated on 13 th March 1997
Nature of Activities	Business of equipment rental
Registered Office	4, Chowringhee Block No 2, 7 th Floor Unit-7I Kolkata-700016.
Registration Number	U23209WB1997PTC083327
PAN No.	AADCA7352D
BANK Account No	Current A/c No. 001105000917 (ICICI Bank)
Address of RoC	Registrar of Companies West Bengal, Nizam Palace, 2 nd NSO Building, 2 nd Floor, 2, 3, 4/4, Acharya Jagdish Chandra Bose Road, Kolkata - 700 020.

(Rs. in lacs except per share data)

Financial Performance	31-Mar-07	31-Mar-06	31-Mar-05
Authorized Capital	250.00	150.00	60.00
Equity Share Capital	167.92	98.03	5.03
Share application money	-	-	123.97
Reserves (excluding revaluation reserves)	5587.27	2601.96	7.72
Net Worth	5755.19	2699.99	136.72
Total Income	36.58	9.23	39.01
Profit After Tax	26.20	-2.77	0.83
Face Value Per Share (Rs.)	10.00	10.00	10.00
EPS (Rs.)	1.56	-	1.65
NAV (Rs.)	342.73	275.42	271.81

Source: Audited Balance Sheet

Anarcon Resources Private Limited have invested in our Company during the last three years. Fund flow statement from the promoter company covering a period of 2004 - 2007 is reproduced herein below, which is certified by M/s Prodip Sarkar & Company, Chartered Accountants, vide their letter dated April 19, 2008

Sources of Funds :	F.Y. 2004	F.Y. 2005	F.Y. 2006	F.Y. 2007
a. Funds generated from Operations	5.98	0.84	-2.76	26.21
b. Issue of equity shares @ premium	0.00	75.00	2566.03	3029.00
c. Unsecured loan from promoters	116.07	0.00	0.00	0.00
d. Changes in working capital	7.07	0.00	0.00	54.15
e. Disposal of assets	0.00	17.04	10.26	7.83
Total :	129.12	92.88	2573.53	3117.19

	Application of Funds :				
a.	Investment in shares of Issuer company	45.71	0.00	1115.00	2078.69
b.	Investment in shares of other companies	62.00	0.00	1184.95	1038.50
c.	Repayment of unsecured loan - promoters	0.00	85.86	30.21	0.00
d.	Changes in working capital	0.00	7.02	243.37	0.00
e.	Purchase of assets	21.41	0.00	0.00	0.00
	Total	129.12	92.88	2573.53	3117.19

Shareholding Pattern

Sr. No.	Name of the Shareholder	% of shareholding	No. of equity share held
1.	Rishi Raj Agarwal	46.03	920,000
2.	Shri Durga Finvest Pvt. Ltd.	8.11	162,000
3.	Mahasakti Vyapaar Pvt. Ltd.	4.40	88,000
4.	Kamal Kunj Commodities Pvt. Ltd.	3.95	79,000
5.	Spoxy Vyapaar Pvt. Ltd.	3.65	73,000
6.	Sreedeb Commercial Pvt. Ltd.	2.75	55,000
7.	Nairit Tie - Up Pvt. Ltd.	2.60	52,000
8.	VNG Mercantile Pvt. Ltd.	2.13	42,500
9.	Maradona Holdings Pvt. Ltd.	1.93	38,500
10.	Pushpdant Commerce Pvt. Ltd.	1.93	38,500
11.	Swarnsathi Advisory Services Pvt. Ltd.	1.75	35,000
12.	Orbital Contractors and Financiers P Ltd.	1.70	34,000
13.	Tysom Agencies Pvt. Ltd.	1.67	33,400
14.	Campbell Advertising Pvt. Ltd.	1.50	30,000
15.	Turf Advertising & Marketing Co. Pvt. Ltd.	1.40	28,000
16.	Kashiraj Supply Pvt. Ltd.	1.30	26,000
17.	Agarwal Iron & Steel Co. Pvt. Ltd.	1.25	25,000
18.	Parrot Agencies & Credit Pvt. Ltd.	1.23	24,500
19.	Pingle suppliers Pvt. Ltd.	1.20	24,000
20.	Hanurang Vinimay P Ltd	1.15	23,000
21.	Seasons Trading & Investments Pvt Ltd	0.93	18,500
22.	Nilay Finance & Leasing Pvt. Ltd.	0.83	16,500
23.	Oswal Services Pvt Ltd	0.75	15,000
24.	Green Field Techno Services Pvt. Ltd.	0.60	12,000
25.	Nilkanth Fincon Pvt. Ltd.	0.60	12,000
26.	Orbital Contractors And Financiers Pvt. Ltd.	0.60	12,000
27.	Rajnil Sales Pvt. Ltd.	0.55	11,000
28.	Gagan Suppliers Pvt. Ltd.	0.50	10,000
29.	Graffco Sales Pvt. Ltd.	0.50	10,000
30.	Nawneet Marketing Pvt. Ltd.	0.50	10,000
31.	Fidelity Marketing Pvt. Ltd.	0.45	9,000
32.	Vishakha Tradecom Pvt. Ltd.	0.40	8,000

33	Mrigiya electronics Industries Pvt. Ltd.	0.30	6,000
34	Rainey Trading P Ltd	0.25	5,000
35	Mgy Properties Pvt Ltd	0.25	5,000
36	Mgb Commercial Pvt. Ltd.	0.15	3,000
37	Sivog Marketing Pvt. Ltd.	0.10	2,000
38	Neena Commercial Pvt Ltd	0.10	2,000
39	Pradeep Sen	0.01	100
40	Sarita Saraogi	0.01	100
41	Shiv Kumar Rungta	0.01	100
	Total	100.00	1,998,700

Board of Directors

Sr. No	Name of the Director	DIN No
1	Mr. Ratan Lal Tamakhuwala	01063925
2	Mr. Rishi Raj Agarwal	01152550

The company is an unlisted Company and it has not made any public issue in the preceding three years, the company is neither a sick company within the meaning of the Sick Industrial Companies (Special Provisions) Act, 1985 nor is under winding up.

Litigation/ Defaults:

There are no defaults in meeting any statutory/bank/institutional dues. For details relating to legal proceedings involving our Promoters and members of the Promoter Group, see the section titled "Outstanding Litigation and Material Developments" beginning on page 165.

We hereby confirm that the Permanent Account Number, Bank Account Number, Company Registration Number and the addresses of the Registrar of Companies where the companies are registered of have been submitted to BSE and NSE at the time of filing the Draft Red Herring Prospectus with them.

OUR PROMOTER GROUP COMPANIES:

1. Gremach Infrastructure Equipments & Projects Limited (GIE&PL)
2. Armstrong Infrastructure and Projects Limited
3. Austral Infrastructure Private Limited
4. Gremach Infrastructure Private Limited
5. Wallford India Infrastructure Reality (P) Limited
6. Astra Energy Limited SARL (Guinea)

1. GREMACH INFRASTRUCTURE EQUIPMENTS & PROJECTS LIMITED (GIE&PL)

Date of Incorporation	June 12, 1991
Nature of Activities	Deals in equipment rental & investment business
Registered Office	Diamond Chambers,4, Chowringhee Block no.2,7th Floor Unit7-1 Kolkata-700016. Tel No: 033-22521799
Registration Number / CIN	U65921WB1991PLC082557
PAN No.	AEQPA0755E
BANK Account No	SBI/CC/10271668350
Address of Roc	Registrar of Companies West Bengal, Nizam Palace, 2 nd NSO Building, 2 nd Floor, 2, 3, 4/4, Acharya Jagdish Chandra Bose Road, Kolkata - 700 020.

FINANCIAL PERFORMANCE

(Rs. in lacs except per share data)

Particulars	31 Mar- 08	31-Mar-07	31-Mar-06	31-Mar-05
Authorised Capital	3230.00	2230.00	2230.00	730.00
Equity Share Capital	1521.78	835.73	835.73	730.00
Share application money	-	6134.22	-	-
Reserves (excluding revaluation reserves)	11207.48	2634.97	1802.78	512.35
Net Worth	12729.26	9604.92	2638.51	1242.35
Total income	26225.35	11493.13	7664.68	4804.69
Profit After Tax	3717.46	1010.24	401.17	186.73
E.P.S. (Rs.)	24.43	12.09	4.80	2.56
N.A.V. (Rs.)	83.65	114.93	31.57	17.02

Board of Directors

- Mr. Ratan Lal Tamakhuwala - Chairman (DIN - 01063925)
- Mr. Rishi Raj Agarwal - Managing Director (DIN - 01152550)
- Mr. Anand Agarwal - Director (DIN - 00605748)
- Mr. Jiw Raj Khaitan - Director(DIN - 01570231)

AGREEMENTS:

Austral Coke and Projects Ltd has entered into an MOU with Gremach Infrastructure Equipment & Projects Limited (one of the Group Company) for Prospecting/exploration, mining and commercial activities in Mozambique, Africa. Gremach has recently acquired 75% stake in 11 prospecting licenses in Mozambique covering an area of 13520 hector (appx. 13,52,00,000 sq.mts). These licenses will be transferred in the SPV within 12 months. Gremach has renamed out of above two license no. 1165L as GRE Mine no 1 and 1100L as

GRE Mine no. 2. Gremach has started prospecting of the area and will be complete by mid 2009 as some clearances is still awaited from the local authorities . Expected reserves in the above mines are more than 200 million Tons.

The Gremach Infrastructure Equipment & Projects Ltd has signed an agreement with Osho Mozambique Coal Mining Limitada, a company incorporated in Mozambique under the laws of Mozambique with limited liabilities and having its registered office at Av.Eduarda Mondlane No. 3152, P O Box No. 4294, Maputo, Mozambique. A special Purpose vehicle (SPV) has been formed in the name of Osho Gremach Mining Limitada incorporated in Mozambique having its registered office at Maputo, Mozambique. Mozambique a small African country is rich in mineral resources including gold, marble, heavy minerals from coastal sands, pegmatite, iron ores, diatomite, bentonite, tantalite, graphite, precious and semi-precious stones, bauxite, granite, phosphates, clays, asbestos, beryllium and mica. Over the past three years, there has been an increase in private sector interest in the mining sector. The Government of Mozambique has friendly investment policies of attracting investment into Mozambique's mineral industry, having set out a number of objectives for mineral resource development over the next five years. These encompass increasing mineral production and exports, creating an updated, reliable geological database, and improving the industry's administrative, health and safety structure. To achieve this, the government guarantees private-sector investors a stable legal and fiscal framework within which to operate. The Government of Mozambique has given particular attention to national and foreign investment giving those guarantees in the form of licenses, and a stable legal framework on mineral rights, fiscal benefits and foreign exchange incentives set in the mining legislation. The Government promotes the building of infrastructure by mining investors; these will be guaranteed a fair return in their investment through fiscal incentives. With purpose of increasing mining production the Government promotes the rehabilitation of old and obsolete mines, as well as promoting the development of new mines.

The Government of India has short listed Mozambique, Zimbabwe, Indonesia and Bangladesh for acquiring coalmines to bridge the domestic shortage, The Government is also promoting the acquisition of coal mines abroad to meet the huge domestic requirement. The scarcity of coal can be estimated from the fact where the minister said in the seminar, “a total of 35 million tones of coal was likely to be imported in the financial year ending March 2007 to meet the domestic shortage”

Austral Coke & Projects Ltd. is into manufacturing of Low Ash Met Coke and this acquisition will give raw material security, which is a normal practice in Australia where Japanese and Chinese have invested for in-house captive consumption.

The agreement between Austral Coke & Projects Ltd and Gremach Infrastructure & Projects Ltd will have the following understanding:

- The Mining activities i.e. Prospecting/exploration, estimation of reserves, geo physical studies, bore/hole drilling, geological studies etc. will be the responsibility of Gremach Infrastructure equipments & Projects Limited
- The investments/financing incurred for attainment of the mining licenses will be borne by Gremach Infrastructure Equipments & Projects Ltd
- The Marketing and the Logistics will be the responsibility of Austral Coke & Projects Ltd.

Listed data:

Company came out with Initial Public Offer (IPO) in the March 2007 and shares are listed in Bombay Stock exchange. The shareholding pattern as on March 31, 2008 is as under.

Description as on	No of Shares	% of Holding	Share Holders
Indian (Promoter & Group)			
Bodies Corporate	3395300	22.31	8
Individuals / Hindu Undivided Family	4962000	32.61	9
Total of Promoter (A)	8357300	54.92	17
Mutual Funds / UTI	1320482	8.68	2
Financial Institutions / Banks	208363	1.37	2
Insurance Companies	1250	0.01	1
Foreign Institutional Investors	2673153	17.57	10
Non Promoter (Institution) (B)	4203248	27.62	15
Bodies Corporate	613636	4.03	349
Clearing Members	121982	0.8	93
Employees	0	0	0
NRIs/Foreign Individuals/Foreign Nationals	120134	0.79	158
Individuals holding nominal share capital in excess of Rs. 1 lakh	158780	1.04	8
Individuals holding nominal share capital up to Rs. 1 lakh	1642686	10.79	10149
Non Promoter (Non-Institution) (C)	2657218	17.46	10757
Total Non Promoter (B + C)	6860466	45.08	10772
Grand Total (A+B+C)	15217766	100.00	10789

The company shares are listed in Bombay Stock Exchange w.e.f. 11 April 2007. The stock market data of our company for the past 6 months is as under:

Month	High (Rs.)	Low (Rs.)	Average	No. of Shares	Average volume
			(Rs.)	Traded	
May	166.00	132.10	146.94	2,491,396	124,570
April	171.90	111.00	135.22	3,846,231	192,312
March	230.50	110.30	159.31	1,203,334	66,852
Feb	328.75	232.00	276.40	734,125	34,958
Jan	504.00	314.90	393.90	4,451,583	193,547
Dec.	365.00	316.05	342.87	3,531,700	185,879

Current Market Price Rs. 83.40 as on July 8, 2008
(Source: BSE website www.bseindia.com)

The company is a listed Company and the company is neither a sick company within the meaning of the Sick Industrial Companies (Special Provisions) Act, 1985 nor is under winding up.

Investors Grievances Mechanism:

The company follows investment grievance mechanism as per the listing agreement. The below details of the Investor complaints / requests, received and redressed at our end between the period (April 01, 2007 till March 31, 2008)

Investors Complaints / Requests	No. of Complaints
Total complaints received through Correspondence between the periods	18
Total complaints received for Mutilated / Cheque Correction during the period	03
Total complaints received from B.S.E during the period	Nil
Total complaints received from SEBI during the period	Nil
Total complaints resolved / replied during the period.	21
Total Investors complaints pending at the ending of the period	Nil

Litigation/ Defaults:

There are no defaults in meeting any statutory/bank/institutional dues. For details relating to legal proceedings involving The Promoters and members of the Promoter Group, see the section titled "Outstanding Litigation and Material Developments" beginning on page 165

2. ARMSTRONG INFRASTRUCTURE AND PROJECTS LIMITED

Date of Incorporation	August 12, 1994.
Nature of Activities	Presently manufacturing of saw pipe and deals into Equipment rental, Textile Trading .
Registered Office	Diamond Chambers, 4, Chowringhee Block no.2,7th Floor Unit7-1 Kolkata-700016.
Registration Number	U24110WB1994PLC125613
PAN No.	AACCS9882P
BANK Account No	CC/30033423378, State Bank of India, Worli Branch, Mumbai.
Address of Roc	Registrar of Companies West Bengal, Nizam Palace, 2 nd NSO Building, 2 nd Floor, 2, 3, 4/4, Acharya Jagdish Chandra Bose Road, Kolkata - 700 020.

FINANCIAL PERFORMANCE*(Rs. in lacs except per share data)*

Financial Performance	31-Mar-07	31-Mar-06	31-Mar-05
Authorized Capital	550.00	550.00	400.00
Equity Share Capital	550.00	487.50	250.00
Share application money	0.00	0.00	175.00
Reserves (excluding revaluation reserves)	3258.75	1375.83	57.93
Net Worth	3808.75	1863.33	482.93
Total income	1379.62	1319.91	849.87
Profit After Tax	11.78	5.69	9.16
Face Value / Share	10.00	10.00	10.00
E.P.S. (Rs.)	0.21	0.12	0.37
N.A.V. (Rs.)	69.25	38.22	19.32

Board of Directors : -

1. Ratan Lal Tamakhuwala (DIN - 01063925)
2. Manoj Tamakhuwala (DIN - 01683126)
3. Rishi Raj Agarwal (DIN - 01152550)

Shareholding Pattern: -

Sr. No.	Name of the Shareholder	% of Shareholding	No. of Equity shares held
1	Rishi Raj Agarwal	27.00	1,485,000
2	Shri Hanuman Investment P. Ltd.	25.73	1,415,000
3	Anarcon Resources P. Limited.	18.64	1,025,000
4	Shri Durga Finvest P. Limited.	8.00	440,000
5	Shri Balaji Enclave P. Limited.	7.82	430,000
6	Ratan Lal Tamakhuwala	5.00	275,000
7	Lexi Export P Ltd.	0.91	50,000
8	Merrill Financial & Mgt. Consultants P. Ltd.	0.55	30,000
9	Santosh Kumar Fitkariwala	0.55	30,000
10	Adroit Commercial P. Limited.	0.45	25,000
11	Gangotri Commodities Invt. P. Ltd.	0.45	25,000
12	Lalita Agarwal	0.45	25,000
13	Kusum Fitkariwala	0.41	22,500
14	Adonis Niryat P. Limited.	0.36	20,000
15	Alpha Impex P. Ltd.	0.36	20,000
16	Cosmo Management Services P. Ltd.	0.36	20,000
17	Santosh Kumar Fitkariwala (HUF)	0.36	20,000
18	Vaishnavi Vyapar P. Ltd.	0.36	20,000
19	Bluepex Vyapar P. Ltd.	0.27	15,000
20	Gauravrose Real Estate P. Ltd.	0.27	15,000
21	Ocean Cassette Business P. Ltd.	0.27	15,000
22	Bina Fitkariwala	0.25	14,000
23	Nordflex Textiles Private Limited	0.22	12,000
24	Hopewell Trexim P. Limited.	0.18	10,000
25	Jet Air Properties P. Ltd.	0.18	10,000
26	Krishna D. Kariya	0.15	8,000
27	Sangeeta Agarwal	0.12	6,500
28	Manish Agarwal	0.09	5,000
29	Ravindra Kumar Jain	0.09	5,000
30	Saroj Rungta	0.09	5,000
31	Pankaj K Jain	0.04	2,000
	Total	100.00	5,500,000

The company is an unlisted Company The company is neither a sick company within the meaning of the Sick Industrial Companies (Special Provisions) Act, 1985 nor is under winding up.

Litigation/ Defaults:

There are no defaults in meeting any statutory/bank/institutional dues. For details relating to legal proceedings involving The Promoters and members of the Promoter Group, see the section titled "Outstanding Litigation and Material Developments" beginning on page 165.

3. AUSTRAL INFRASTRUCTURE PRIVATE LIMITED

Date of Incorporation	October 23, 2006
Nature of Activities	To undertake infrastructure projects including power, shopping mall, hospital, special economic zone, hotel and entertainment projects.
Registration Number	U70101WB2006PTC125616
Registered Office	Diamond Chambers,4, Chowringhee Block no.2,7th Floor Unit7-1 Kolkata-700016.
PAN No.	AAGCA5118G
Bank Account No	ABN Amro Bank, Nariman Point Branch, Mumbai. Current A/c No: 1286660
Address of Roc	Registrar of Companies West Bengal, Nizam Palace, 2 nd NSO Building, 2 nd Floor, 2, 3, 4/4, Acharya Jagdish Chandra Bose Road, Kolkata - 700 020.

FINANCIAL PERFORMANCE

(Rs. in lacs except per share data)

Financial Performance	31-Mar-07
Authorized Capital	400.00
Equity Share Capital	22.15
Share application money	-
Reserves (excluding revaluation reserves)	613.35
Net Worth	644.50
Total Income	-
Profit After Tax	-
Face Value / Share (Rs)	10.00
E.P.S. (Rs.)	-
N.A.V. (Rs.)	290.97

Board of Directors

1. Mr. Ratan Lal Tamakhuwala (DIN - 01063925)
2. Mr. Rishi Raj Agarwal (DIN - 01152550)

The company is an unlisted Company and it has not made any public issue in the preceding three years.

Capital Structure of the Company

The details of share capital of AIPL as on March 31, 2008 are as under:

Particulars	Amount (in Lacs)
Authorized Share Capital 40,00,000 equity shares of Rs. 10 each	400.00
Issued, Subscribed and Paid up Capital 2,21,500 Equity shares of Rs. 10 each	22.15

Shareholding Pattern

Sr. No.	Name of the Shareholder	No. of share	%
1.	Armstrong Infrastructure & Projects Ltd.	2,11,500	95.48
2.	Mr. Ratan Lal Tamakhuwala	5,000	2.26
3.	Mr. Rishi Raj Agarwal	5,000	2.26
	Total	2,21,500	100.00%

AGREEMENT:

Austral Coke & Projects Limited (AC&PL) is entered into an agreement dated 24th September 2007 for a period of 3 years with Austral Infrastructure (P) Limited (AIPL). The salient contents of the agreement is as follows: -

- AC&PL is engaged in the Business of Manufacturing of Low Ash Metallurgical Coke, Refractory, Textile Trading and Rental of Construction Equipments and AIPL is newly formed company will be venturing into the field of LAM Coke, Pig Iron & Captive Power Plant.
- AC&PL will do all the transactions related with purchase of raw coking coal & sale of LAM Coke on behalf of AIPL.
- AC&PL on account of doing the purchase and sale transactions on behalf of AIPL will be paid management fees to be decided mutually after production of AIPL.
- AC&PL will do the necessary efforts & diligence to get the most competitive and profitable deals for AIPL in the course of its business transactions
- AIPL agrees that it will not pursue and approach the Business parties associated with the business of AC&PL for its own business interest or profits and not participate or compete for the business in the same market, geography or product niche for which it has historically participated for AC&PL till the time they are doing the transactions for AIPL.

The company is an unlisted Company The company is neither a sick company within the meaning of the Sick Industrial Companies (Special Provisions) Act, 1985 nor is under winding up.

Litigation/ Defaults:

There are no defaults in meeting any statutory/bank/institutional dues. For details relating to legal proceedings involving The Promoters and members of the Promoter Group, see the section titled "Outstanding Litigation and Material Developments" beginning on page 165.

4. Gremach Infrastructure Private Limited

Date of Incorporation	August 20, 2007
Nature of Activities	Deals into Equipment rental, Textiles Trading and Proposes to undertake Manufacturing of saw pipe business.
Registered Office	Diamond Chambers,4, Chowringhee Block no.2,7th Floor Unit7-1 Kolkata-700016
Registration Number	U45201WB2007PTC125620
PAN No	AACCG9254B
Bank Account details	ABN Amro Bank, Juhu Branch, Mumbai. Current A/c No: 1421807
Address of Roc	Registrar of Companies West Bengal, Nizam Palace, 2 nd NSO Building, 2 nd Floor, 2, 3, 4/4, Acharya Jagdish Chandra Bose Road, Kolkata - 700 020.

Since, The company was incorporated on August 20, 2007, no financial statement has been prepared.

Board of Directors

1. Mr. Ratan Lal Tamakhuwala (DIN - 01063925)
2. Mr. Rishi Raj Agarwal (DIN - 01152550)

The company is an unlisted Company and it has not made any public issue in the preceding three years.

Capital Structure of The company

The details of share capital of GIPL as on March 31, 2008 are as under:

Particulars	Amount (in Lacs)
Authorized Share Capital 50,00,000 equity shares of Rs. 10 each	500.00
Issued, Subscribed and Paid up Capital 19,60,000 Equity shares of Rs. 10 each	196.00

Shareholding Pattern

Sr. No.	Name of the Shareholder	No. of share	%
1.	Gremach Infrastructure Equipments & Projects Ltd.*	19,60,000	100.00
	Total	19,60,000	100.00%

* This includes 10,000 equity shares of GIPL held by the registered holder of GIE&PL.

Litigation/ Defaults:

There are no defaults in meeting any statutory/bank/institutional dues. For details relating to legal proceedings involving The Promoters and members of the Promoter Group, see the section titled "Outstanding Litigation and Material Developments" beginning on page 165.

5. Wallford India Infrastructure Reality (P) Limited

Date of Incorporation	company was incorporated on 4 th December 2006
Nature of Activities	Venture Capital activities
Registered Office	Diamond Chambers,4, Chowringhee Block no.2,7th Floor Unit 7-1 Kolkata-700016.
Registration Number	U93090WB2006PTC125621
PAN No	AAACW7956Q
Bank Account details	ABN AMRO Bank 1486015
Address of Roc	Registrar of Companies West Bengal, Nizam Palace, 2 nd NSO Building, 2 nd Floor, 2, 3, 4/4, Acharya Jagdish Chandra Bose Road, Kolkata - 700 020.

(Rs. in lacs except per share data)

Financial Performance	31-Mar-08
Authorized Capital	5.00
Equity Share Capital	1.00
Share application money	0.00
Reserves (excluding revaluation reserves)	(0.15)
Net Worth	0.85
Total income	0.00
Profit After Tax	(0.15)
Face Value / Share	10.00
E.P.S. (Rs.)	-
N.A.V. (Rs.)	8.5

Board of Directors : -

1. Ratan Lal Tamakhuwala (DIN - 01063925)
2. Rishi Raj Agarwal (DIN - 01152550)

Shareholding Pattern: -

Sr. No.	Name of the Shareholder	% of Shareholding	No. of Equity shares held
1	Rishi Raj Agarwal	50.00	5,000
2	Ratan Lal Tamakhuwala	50.00	5,000
	Total	100.00	10,000

The company is an unlisted Company and The company is neither a sick company within the meaning of the Sick Industrial Companies (Special Provisions) Act, 1985 nor is under winding up.

Litigation/ Defaults:

There are no defaults in meeting any statutory/bank/institutional dues. For details relating to legal proceedings involving The Promoters and members of the Promoter Group, see the section titled "Outstanding Litigation and Material Developments" beginning on page 165.

6. Astra Energy Limited . SARL (Guinea)

Astra Energy Ltd. SARL was incorporated in Republic of Guinea on May 21, 2008. the object for which the company is established are to

1. Research, exploitation, exploration of resources and minerals
2. Commercialization & exportation of mineral resources
3. Exploration, exploitation, import & distribution of product petroleum, pharmaceutical, equipments divers,
4. Commerce general, import export, agriculture.

The registered office of the company is situated at Almamy, C/de kaloum, Conakry, Republic of Guinea, BP.

Since, our company was incorporated on May 21, 2008, no financial statement has been prepared.

Board of Directors: -

1. Rishi Raj Agarwal
2. Ratan Lal Tamakhuwala
3. Ashok soni

Shareholding Pattern: -

The initial capital of the company is 5.000.000 GNF and the same is held as under:

Sr. No.	Name of the Shareholder	% of Shareholding
1.	Rishiraj Agarwal	45.00
2.	Ratanlal Tamakhuwala	45.00
3.	Ashok soni	10.00
	Total	100.00

Astra Energy limited SARL, has acquired 24 Reconnaissance licences of Iron blocks, Bauxite, Lead and Uranium admeasuring 2402.5 Km.

Details about Companies/Firms from which promoters have disassociated during the last three years

1. Shri Hanuman Investment Pvt. Ltd.

Shri Hanuman Investment Pvt. Ltd. (SHIPL) was incorporated originally as a private limited company on November 8, 1996, with the Registrar of Companies, Kolkata, West Bengal, certificate of incorporation no 21-81997.

The main objects of SHIPL was to carry on business of trading in the share & securities and to subscribe, business of merchant banking in all its aspects, business of equipments leasing, hiring, hire purchase etc.

The other object for which our company is established are to set up, incorporate, manage, provide and/or participate in providing venture capital, technology fund, or any other fund for seed capital, risk capital foundation, to carry of the business of manufacturing and sale of patient, medicines and preparation etc.

Mr. Ratan Lal Tamakhuwala one of the promoter of our company has resigned from the directorship of the Shri Hanuman Investment Pvt. Ltd., though the relatives of Mr. Ratan Lal Tamakhuwala hold controlling interest in the said company.

2. Tirupati Niket Pvt.Ltd.

Tirupati Niket Pvt.Ltd.(TNPL) was incorporated originally as a private limited company on march 25,1997, with the Registrar of Companies, Kolkata, West Bengal, certificate of incorporation no 21-83630.

The main objects of TNPL was to carry on business of purchase or otherwise acquire lands, houses, buildings, sheds and other fixtures on land & buildings and to let them out on lease, rent, contract or any agreement as may be demand fit by Company.

The Objects incidental or ancillary to the undertake promote and sponsor or assist directly or indirectly the social and economic welfare of or uplift of the public rural area as defined by the income tax act,1961 or by any other law, make advance deposit, guarantee payments, negotiable instrument, invest surplus fund, deal with trade bodies, patents etc.

The other object for which our company is established are carry on the business of an investment Company ad for that purpose to invest in, electronic, computer, cement, containers, textile, garments, rubber, plastics, paper, chemicals, agency business, advertise agent, tea, coffee, agricultures, brewery, eatable, traders, timbers, transport, consultants, travels and tour operators etc.

Mr. Ratan Lal Tamakhuwala one of the promoter of our company has resigned from the directorship of the Tirupati Niket Pvt. Ltd. to concentrate on the activity of our company.

3. Shri Durga Finvest Pvt. Ltd.

Shri Durga Finvest Pvt. Ltd.(SDFPL) was incorporated originally as a private limited company on October 16, 1996 with the Registrar of Companies, Kolkata, West Bengal, certificate of incorporation no 21-81794.

The main objects of SDFPL was to carry on business of trading in share & securities and to Subscribe, business of merchant banking in all its aspects, business of equipments leasing, hiring, hire purchase etc

The Objects incidental or ancillary to advance, deposit or land money, securities & property, to or which such persons, firms, or body corporate as our company think fit in particular to customers and other having dealing with our company and on such terms as may seem expedient, and discount, buy, sell and deal in bills, notes, warrant, coupons and other negotiable or transferable securities or guarantee the performance of any contract by any such persons.

The other object for which our company is established are to set up, incorporate, manage, provide and/or participate in providing venture capital, technology fund, or any other fund for seed capital, risk capital foundation, to carry of the business of manufacturing and sale of patient, medicines and preparation etc.

Mr. Rishi Raj Agarwal one of the promoter of our company has resigned from the directorship of the Shri Durga Finvest Pvt. Ltd. to concentrate on the activity of our company.

4. Gujarat Free Flow Salts Refinery Pvt. Ltd.

Gujarat Free Flow Salts Refinery Pvt. Ltd.(GFFSRPL) was incorporated originally as a private limited company on January 9,1997, with the Registrar of Companies, Kolkata, West Bengal, certificate of incorporation no 21-08796.

The main objects of GFFSRPL was to manufacture, process, prepare, refine, can, repack, bottle, buy, sell and deal whether as manufactures, wholesalers, retailers, exporters and importers of saltiodised or otherwise and to purchase, take on lease any lands, sites, estates in India or elsewhere for the purpose of salt pans and to establish works, factories, refineries for making them suitable for human consumption and also suitable for industrial use.

The Objects incidental or ancillary to advance, deposit or lend money, securities and property as defined the under banking regulation act, 1949, to guarantee the payable money secured by or in respect of bonds, debenture stock contracts, mortgages, charges, obligation and other securities of any authority, central state, municipal local otherwise or of any person howsoever, to purchase or otherwise acquire, and to sell, exchange, surrender etc.

The other object for which our company is established are to set up, incorporate, manage, provide and/or participate in providing venture capital, technology fund, or any other fund for seed capital, risk capital foundation, to carry of the business of manufacturing and sale of patient, medicines and preparation etc.

Mr. Rishi Raj Agarwal one of the promoter of our company has resigned from the directorship of the Gujarat Free Flow Salts Refinery Pvt. Ltd. to concentrate on the activity of our company.

5. Shri Balaji Enclave Pvt. Ltd.

Shri Balaji Enclave Pvt. Ltd.(SBEPL) was incorporated originally as a private limited company on February 21,1997, with the Registrar of Companies, Kolkata, West Bengal, certificate of incorporation no 21-9284.

The main objects of SBEPL was to carry on business of purchase or otherwise acquire lands, houses, buildings, sheds and other fixtures on land & buildings and to let them out on lease, rent, contract or any agreement as may be demand fit by Company.

The Objects incidental or ancillary to the undertake promote and sponsor or assist directly or indirectly the social and economic welfare of or uplift of the public rural area as defined by the income tax act,1961 or by any other law, make advance deposit, guarantee payments, negotiable instrument, invest surplus fund, deal with trade bodies, patents etc.

The other object for which our company is established are carry on the business of an investment Company ad for that purpose to invest in, electronic, computer, cement, containers, textile, garments, rubber, plastics, paper, chemicals, agency business, advertise agent, tea, coffee, agricultures, brewery, eatable, traders, timbers, transport, consultants, travels and tour operators etc.

Our Promoters are not involved in any litigation involving the above companies from which they have disassociated.

Mr. Ratan Lal Tamakhuwala one of the promoter of our company has resigned from the directorship to concentrate on the activity of our company.

Companies for which an application have been made for striking off name

There are no companies associated with Austral Coke & Projects Limited, and its directors, for which an application have been made with the Registrar of Companies for striking off the names of those companies.

Changes in Accounting Policies during preceding three years

There has not been any change in accounting policies, during preceding three years.

Interest of Promoters

Our promoters may be deemed to be interested to the extent of fees, if any, payable to them for attending meetings of the Board or a Committee thereof as well as to the extent of other remuneration, reimbursement of expenses payable to them under the Articles of Association of our company. Our promoters may also be deemed interested to the extent of Equity Shares, if any, already held by them or their relatives in our company.

RELATED PARTY TRANSACTIONS

For details on Related Party Transactions of our Company, see Annexure 14 of restated financial statement under the section titled “Financial Statements” beginning on page 144.

Currency Presentation

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

In this Red Herring Prospectus, throughout all figures have been expressed in Lacs. The word “Lacs” or “Lakh” or “Lacs” means “One hundred thousand”.

Any percentage amounts, as set forth in “Risk Factors”, “Business”, “Management’s Discussion and Analysis of Financial Conditions and Results of Operation” and elsewhere in this Red Herring Prospectus, unless otherwise indicated, have been calculated based on our financial statement prepared in accordance with Indian GAAP.

DIVIDEND POLICY

The declaration and payment of dividends will be recommended by the Board of Directors and approved by the shareholders of our company, at their discretion, and will depend on a number of factors, including but not limited to the profits, capital requirements and overall financial condition. The Board may also from time to time pay interim dividend.

The Summary of dividends declared by our company during the last five financial years is as follows:-

Particulars	31.03.07	31.03.06	31.03.05	31.03.04	31.03.2003
Face value Per Share (Rs).	10.00	10.00	10.00	10.00	10.00
Dividend (Rs. Lacs)	41.51	0.30	0.30	0.30	0.30
Share Capital (Rs. lacs)	1660.35	696.96	434.00	300.00	300.00
Dividend(%)	2.50	0.043	0.069	0.100	0.100
Dividend / share (Rs)	0.25	0.004	0.007	0.010	0.010

SECTION V: FINANCIAL INFORMATION

AUDITOR'S REPORT

The Board of Directors
Austral Coke & Projects Limited
Diamond Chambers, 4, Chowringhee Lane,
Block No. 2, 7th Floor, Unit Ni, 7-I,
Kolkata - 700 016.

Re: Public Issue of Austral Coke & Projects Limited

Dear Sirs,

1. We have examined the financial information of Austral Coke & Projects Limited (herein after referred to as 'the Company'), as attached to this report stamped and initialed by us for identification and as approved by the Board of Directors of the Company, which has been prepared in accordance with Part II of Schedule II of the Companies Act, 1956 (herein after referred to as 'the Act') and the Securities and Exchange Board of India (Disclosure and Investor Protection) Guidelines, 2000 as amended from time to time (herein after referred to as 'the SEBI Guidelines') issued by the Securities and Exchange Board of India (herein after referred to as 'SEBI') on January 19, 2000 in pursuance to Section 11 of the Securities and Exchange Board of India Act, 1992 and related amendments from time to time, and our terms of reference received from the company requesting us to carry out work in connection with the Offer Document being issued by the Company in connection with its Initial Public Issue of equity shares of the Company (herein after referred to as 'the Issue').
2. We have examined and found correct the accounts of the Company for the five financial years and 11 months period ended February 29, 2008 being the last date to which the accounts of the Company have been made up, audited and approved by the Board of Directors.
3. In accordance with the requirements of Paragraph B (1) of Part II of Schedule II to the Act, the SEBI Guidelines and our terms of reference with the Company requesting us to make this report for the purpose of the Offer Document as aforesaid, we report that:
 - a. The restated assets and liabilities of the Company as at March 31 2003, March 31 2004, March 31 2005, March 31, 2006, March 31, 2007 and February 29, 2008 are as set out in Annexure 1 to this report after making such adjustments and regrouping as in our opinion are appropriate and more fully described in the notes appearing in Annexure 3 to this report.
 - b. The restated profits of the Company for the year on March 31 2003, March 31 2004, March 31 2005, March 31, 2006, March 31, 2007 and February 29, 2008 are as set out in Annexure 2 to this report. These profits have been arrived at after charging all expenses including depreciation and after making such adjustments and regrouping as in our opinion are appropriate and more fully described in the notes appearing in Annexure 3 to this report.
 - c. The restated cash flows of the Company for the year on March 31 2003, March 31 2004, March 31 2005, March 31, 2006, March 31, 2007 and February 29, 2008 are as set out in Annexure 4 to this report. These cash flows have been arrived at after making such adjustments and regrouping as in our opinion are appropriate and more fully described in the notes appearing in Annexure 3 to this report.

d. We have examined the following financial information relating to the Company and as approved by the Board of Directors for the purpose of inclusion in the Offer Document:

- (i) Statement of details of Dividend as appearing in Annexure 5 to this report
- (ii) Accounting ratios as appearing in Annexure 6 to this report
- (iii) Capitalization statement as appearing in Annexure 7 to this report
- (iv) Statement of tax shelters as appearing in Annexure 8 to this report
- (v) Statement of details of secured loans as appearing in Annexure 9 to this report
- (vi) Statement of details of unsecured loans as appearing in Annexure 10 to this report
- (vii) Statement of details of investments as appearing in Annexure 11 to this report
- (viii) Statement of details of sundry debtors as appearing in Annexure 12 to this report
- (ix) Statement of details of other income as appearing in Annexure 13 to this report
- (x) Statement of details of related party transactions in Annexure 14 to this report

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

For T. N. Datta & Associates
Chartered Accountants

T. N. Datta
Proprietor

Membership No. : 056676

Date: 16/06/2008

Place: Kolkata

Encl: As above.

Annexure-01

STATEMENT OF ASSETS AND LIABILITIES, AS RESTATED

As at	29.02.08	31.03.07	31.03.06	31.03.05	31.03.04	31.03.03
Assets						
Fixed Assets-Gross block	27546.99	9733.67	7318.09	1956.10	837.50	596.50
Less: Depreciation	3336.50	1778.18	870.01	437.76	345.27	179.59
Net Block	24210.49	7955.48	6448.08	1518.34	492.23	416.91
Less: Revaluation Reserve	-	-	-	-	-	-
Net Block after adjustment for Revaluation Reserve (A)	24210.49	7955.48	6448.08	1518.34	492.23	416.91
Investments (B)	139.45	136.40	-	-	-	53.00
Current assets, loans and advances						
Inventories	5930.76	1706.12	732.31	106.87	34.29	31.44
Receivables	8602.66	5081.55	3411.72	1349.87	531.68	619.14
Cash & bank balances	2729.27	3253.65	309.70	473.44	10.25	2.85
Loans and advances	1949.68	2569.15	1209.31	617.7	305.85	275.03
Total Current Assets (C)	19212.38	12610.47	5663.04	2547.88	882.07	928.46
Total Assets D = (A) + (B) + (C)	43562.31	20702.35	12111.12	4066.22	1374.30	1398.37
Liabilities & Provisions						
Loan funds	-	-	-	-	-	-
Secured loans	8140.63	5298.46	3985.85	1134.79	248.33	367.27
Unsecured loans	6919.45	382.62	1689.74	395.28	145.44	-
Current liabilities & provisions						
Sundry liabilities	7481.58	5890.62	2256.93	1439.65	551.87	635.08
Provisions	661.50	234.04	47.16	22.82	6.17	3.74
Deferred Tax Liability	1944.86	462.11	164.81	68.94	-	-
Total Liabilities & provisions (E)	25148.03	12267.85	8144.49	3061.48	951.81	1006.09
Net worth (D) - (E)	18414.28	8434.5	3966.63	1004.74	422.49	392.28
Represented by:						
Share Capital	1902.96	1660.35	696.96	434.00	300.00	300.00
Reserves & surplus	16643.05	6817.9	3318.28	591.51	72.49	42.31
Less: Revaluation Reserve	-	-	-	-	-	-
Reserves (Net of Revaluation Reserve)	16643.05	6817.9	3318.28	591.51	72.49	42.31
Less: Misc. expenditure not written off	131.73	43.75	48.61	20.77	-	0.03
Share Application Money Recd	-	-	-	-	50.00	50.00
Total Net Worth	18414.28	8434.5	3966.63	1004.74	422.49	392.28

Annexure- 02

STATEMENT OF PROFIT AND LOSS ACCOUNT, AS RESTATE

(Rs. in lacs)

For the year/period ended	29.02.08	31.03.07	31.03.06	31.03.05	31.03.04	31.03.03
Sales :						
Of products manufactured by the Company	12481.72	6026.71	3514.39	-	-	-
Of products traded by the Company	10184.43	11611.33	8670.84	4248.85	2024.4	1636.92
Other income	504.25	389.63	26.94	0.54	4.71	6.31
Increase (decrease) in inventory	4224.64	1003.02	598.94	72.58	2.85	3.08
Total Income	27395.04	19030.69	12811.11	4321.97	2031.96	1646.31
Raw Materials & goods consumed	12843.24	10532.72	7012.99	93.15	-	-
Vehicle Operating Expenses	4125.69	3653.92	3972.29	3230.37	1200.96	991.95
Staff costs	172.18	85.56	53.38	11.89	10.11	7.08
Other direct expenses	1931.27	1721.82	727.86	477.47	504.28	413.42
Selling & distribution expenses	367.29	189.74	126.12	183.91	69.78	51.88
Interest	747.78	547.21	152.63	31.23	48.21	61.85
Depreciation	1558.32	921.96	432.25	92.5	165.68	90.35
Miscellaneous expenditure written off	8.75	4.86	7.06	-	0.03	0.03
Total Expenditure	21754.53	17657.79	12484.58	4120.52	1999.05	1616.56
Net Profit before tax and extraordinary items	5640.51	1372.9	326.53	201.45	32.91	29.75
Current Tax	640.50	160.82	28.58	15.16	2.40	2.35
Deferred Tax	1482.76	297.29	95.88	58.55	-	-
Net profit after tax & before extraordinary items	3517.25	914.79	202.07	127.74	30.51	27.40
Extraordinary items (net of tax)	0.00	-	-	-	-	-
Net profit after extraordinary items	3517.25	914.79	202.07	127.74	30.51	27.4
Profit brought forward from previous year	1267.84	401.62	199.89	72.49	42.32	15.26
Earlier year adjustments	-	-	-	-	-	-
Appropriations	-	-	-	-	-	-
Proposed dividend	0.00	41.51	0.30	0.30	0.30	0.30
Tax on proposed dividend	0.00	7.06	0.04	0.04	0.04	0.04
Balance carried to Balance sheet	4785.10	1267.84	401.62	199.89	72.49	42.32

ANNEXURE- 03

SIGNIFICANT ACCOUNTING POLICIES AND NOTES ON ACCOUNT FOR PREPARATION OF RESTATED FINANCIAL STATEMENT

Overview:

The Company was Originally Incorporated as a Public Limited Company at West Bengal, Kolkata on April 22, 1994 as “NRE Stocknet Ltd.” The name of the company was converted into the name of “NET Interactive Ltd” on June 16, 1998 and subsequently renamed as “Austral Coke & Projects Limited” effective from September 14, 2005. The main activity of the Company is to manufacture the LAM coke and refractory, textile trading and to provide rental of construction /earthmoving machineries to medium / large construction companies who are engaged in the business of constructing/building of roads, airports, power projects, institutional & industrial complexes, multiplexes and residential buildings and other related infrastructural activities chiefly catering to Public Sector undertakings, private sector, CPWD and various national & international government aided projects.

A. Significant Accounting Policies:

1. Basis of preparation of Financial Statements

The financial statements have been prepared under the historical cost convention in accordance with the generally accepted accounting principles in India and the provision of the Companies Act, 1956.

2. Use of Estimate

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

3. Revenue Recognition

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

(i) Sale of goods

Revenue is recognized when the significant risks and rewards of ownership of the goods have passed to the buyer. Sales revenue is net of sales return, discounts and rebates.

(ii) Interest

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

(iii) Dividends

Revenue is recognized as and when received.

4. Fixed Assets & Depreciation

Fixed Assets are stated at cost less accumulated depreciation and impairment loss, if any. The cost of an asset comprises of purchase price and any directly attributable cost of bringing the assets to its present condition for intended use

Depreciation on the fixed assets has been provided on written down value method at the rates prescribed and in the manner specified in Schedule XIV to the Companies Act, 1956.

5. Inventories

Inventories are measured at lower of cost or net realizable value. Stores and Spares parts valued as cost.

6. Investment:

Current Investments are measured at the lower of cost or market value. Long Term Investments are measured at Cost.

7. Foreign Exchange Transaction

- (a) Transaction denominated in foreign currencies is normally recorded at the exchange rate prevailing at the time of the transaction.
- (b) Monetary items denominated in foreign currency as at the balance sheet date are translated at the year end exchange rate.
- (c) Premium on forward cover contracts in respect of import of raw material is charged to profit & loss account over the period of contracts. In case of Liabilities for acquiring fixed assets, the difference are debited or credited as the case may be in the profit & loss account.

8. Employee Retirement Benefits

The company provides for gratuity, a defined benefit plan in accordance with the rules of the company based on valuation carried out by the management at the balance sheet date. Contribution payable to the Employees benefits is charged to Profit & Loss Account on as incurred.

9. Borrowing Costs:

Borrowing cost which are directly attributable to the acquisition/construction of Qualifying Assets are capitalized as part of the cost of such assets. A qualifying assets is one that necessarily takes substantial period of time to get ready for intended use. All other borrowing costs are charged to revenue.

10. Leases:

Assets acquired under leases where a significant portion of the risks and rewards of ownership are retained by the lessor are classified as operating leases. Lease rentals are charged to the Profit & Loss account on accrual basis.

11. Earning per share

Basic EPS is computed using the weighted average number of equity shares outstanding during the year. Diluted EPS is computed using the weighted average number of equity and diluted equity equivalent shares outstanding during the year except where the results would be anti-dilutive.

12. Taxes on Income

Income Tax are accounted for in accordance with Accounting standard 22 on "Accounting for taxes on Income" Taxes comprises both Current and Deferred Tax.

Current tax is measured at the amount expected to be paid/ recovered from the revenue authorities, using the applicable tax rates and laws.

The tax effect of the timing differences that result between taxable income and accounting income and are capable of reversal in one or more subsequent periods are recorded as a deferred tax assets or deferred tax liability. Deferred tax assets and liabilities are recognized for future tax consequences attributable to timing differences. They are measured using the substantively enacted tax rates and tax regulations. The carrying amount of deferred tax assets at each balance sheet date is reduced to the extent that it is no longer reasonably certain that sufficient future taxable will be available against which the deferred tax assets can be realized.

Fringe Benefit Tax. (FBT) payable under the provisions of section 115WC of the income tax act, 1961 is in accordance with the guidance note on "Accounting for Fringe Benefit Taxes" issued by the ICAI regarded as an additional income tax and considered in determination of profits for the year. Tax on distributed profits payable in accordance with the provisions of section 115 O of the income tax act, 1961 is in accordance with

the guidance note on “Accounting for Corporate Dividend Tax” regarded as a tax on distribution of profits and is not considered in determination of profit for the year.

13. Intangible Assets

Intangible assets are capitalized if specific criteria are met and are amortised over their useful life, generally not exceeding 5 years. The recoverable amount of an intangible asset that is not available for use or is being amortized over a period exceeding 5 years should be reviewed at least at each financial year end even if there is no indication that the asset is impaired.

14. Impairment of Assets

The company assesses at each balance sheet date whether there is any indication that an assets may be impaired. If any such indication exists, the company estimates the recoverable amount of the assets. If such recoverable amount of the assets or the recoverable amount of the cash generating unit to which the asset belong is less than its carrying amount, the carrying amount is reduced to its recoverable amount. If at the balance sheet date there is an indication that if a previously assessed impairment loss no longer exists, the recoverable amount is reassessed and the asset is reflected at the recoverable amount subject to a maximum of depreciated historical cost.

15. Provision, Contingent Liabilities and contingent assets

Provision involving substantial degree of estimation in measurement is recognized when there is a present obligation as a result of past events and it is probable that there will be an outflow of resources. Contingent liabilities are not recognized but are disclosed in the notes. Contingent assets are neither recognized nor disclosed in the financial statements.

16. Miscellaneous expenditure

Miscellaneous expenditure is written off to the profit and loss account over a period of up to five years, depending upon the nature and expected future benefits of such expenditure. The management reviews the amortization period on a regular basis and if expected future benefits from such expenditure are significantly lower from previous estimates, the amortization period is accordingly changed.

(B) Significant notes on restated Profit & Loss and Assets and Liabilities

1. The Disclosure as required by the Accounting Standard -18 (Related Party Disclosure) are given in the Annexure 14 of the Restated Financial Statement.
2. The calculation of Earning Per Share (EPS) has been made in accordance with Accounting Standard (AS) 20 issued by the ICAI. A statement on calculation of Basic and Diluted EPS is given in Annexure 6 of the Restated Financial Statement.
3. Details of Deferred Tax assets and liabilities:
In view of the Accounting Standard 22 issued by Institute of Chartered Accountants of India, the significant component and classification of deferred tax liability/asset because of timing difference comprises of the following:

(Rs. in lakhs)

Particulars	29.02.08	31.03.07	31.03.06	31.03.05
Deferred Tax Liabilities:				
On account of Difference between book and Tax Depreciation	1944.86	462.11	164.81	68.94
Deferred Tax Assets	-	-	-	-
Deferred Tax Liabilities (Net)	1944.86	462.11	164.81	68.94

The deferred tax has been provided from the financial year started from 01.04.2004.

4. In the opinion of the Board, sundry debtors, loans and advances and other current assets are approximately of the value stated if realized in the ordinary course of business. The provisions for all known liabilities is adequate and not in excess of the amount reasonably necessary. Some of balances are subject to confirmation and reconciliations.

5. **Contingent Liabilities**

Following are the contingent liabilities as on February 29, 2008:

(Rs in lacs)

Sr. No.	Particulars	Amount
1.	Corporate Guarantee given to bankers on behalf of - Gremach Infrastructure Equipments & Projects Ltd.	4890.00
	-Armstrong Infrastructure & Projects Ltd	5425.00
2	Letter of credit	5801.95
	Total	16116.95

6. **S
e
g
m
e
n
t
R
e
p
o
r
t
i
n
g**

nt Reporting

The company has four primary reporting segment i.e. "LAM Coke", Refractory", "Textile" and Equipment division.

	Segment	Revenue	Profit before Tax & Interest	Capital Employed
1	Lam coke	12397.46	5155.43	31780.36
2	Refractory	84.25	270.58	1657.73
3	Textile	4225.59	16.77	65.20
4	Equipment	5958.84	945.53	1915.94

7. **Changes in accounting policies:**

There was no change in accounting policy during the reported period.

8. There was no auditor qualifications included in audited reports in last five years.

ANNEXURE -04

STATEMENT OF CASH FLOW, AS RESTATED

(Rs. In Lacs)

PARTICULARS	29.02.08	31.03.07	31.03.06	31.03.05	31.03.04	31.03.03
CASH FROM OPERATING ACTIVITIES						
Net Profit before extra ordinary items & Tax	5640.51	1372.90	326.53	201.45	32.91	29.76
Adjustment For:						
Add: Depreciation	1558.32	921.96	432.25	92.5	165.68	90.35
Less: Interest/Dividend Received	-406.53	-100.48	-26.94	-0.54	0.00	-0.05
Add: Preliminary Exp. W/off	8.75	4.86	7.06	0	0.03	0.03
Add: Interest Paid	747.78	547.21	152.63	31.23	48.21	61.85
Other Non-operating (incomes) /expenses	0.00	0.00	0.00	0.00	0.00	0.00
Operating profit before working capital changes	7548.84	2746.45	891.53	324.64	246.83	181.94
Adjustments for :						
Decrease (Increase) in Trade & Other receivables	-3521.11	-1669.83	-2061.86	-818.19	87.46	-44.53
Decrease (Increase) in Inventories	-4224.64	-973.81	-625.45	-72.58	-2.84	-3.08
Decrease (Increase) in Other Current Loan & Adv.	619.47	-1359.84	-591.61	-311.85	-30.82	-49.37
Increase (Decrease) in Current Trade liabilities	1590.94	3633.72	817.28	887.78	-83.2	86.47
Increase (Decrease) in Current liabilities	-3.68	0.03	-0.05	3.65	0.05	0.00
Cash generated from operations						
Income Taxes paid	-160.79	-22.20	-4.18	-2.15	-0.03	-0.4
Net cash flow from operating activities	1849.02	2354.52	-1574.34	11.30	217.45	171.03
CASH FROM INVESTING ACTIVITIES						
Purchase of fixed assets	-17813.32	-3346.83	-5361.98	-1118.60	-241.00	-91.74
Sale of fixed assets	0.00	917.46	0.00	0.00	0.00	0.00
Investments Purchases	-3.05	-136.40	0.00	0.00	0.00	-28.00
Investments sold	0.00	0.00	0.00	0.00	53.00	0.00
Preliminary Exp. Incurred	-96.73	0.00	-34.91	-20.77	0.00	0.00
Net cash flow for investing activities	-17913.10	-2565.77	-5396.89	-1139.37	-188.00	-119.74
CASH FROM FINANCING ACTIVITIES						
Issue of Equity	242.61	133.21	262.96	134.00	0.00	0.00
Share Premium	6307.89	3463.58	2525.04	402.00	0.00	0.00
Borrowings (Secured Loan+Sh.App.money Recd.)	2842.18	1312.6	2851.06	836.46	-118.95	11.37
Unsecured Loan	6536.84	-1307.12	1294.46	249.83	145.45	0.00
Interest/dividend received	406.53	100.48	26.94	0.54	0.00	0.05
Interest paid	-747.78	-547.21	-152.63	-31.23	-48.21	-61.85
Dividend paid and tax thereon	-48.57	-0.34	-0.34	-0.34	-0.34	-0.34
Net Cash Flow From Financing Activities	15539.70	3155.20	6807.49	1591.26	-22.05	-50.77
Net Cash Flow For the Year	-524.38	2943.95	-163.74	463.19	7.40	0.52
CASH & CASH EQUIVALENTS						
beginning of the year	3253.65	309.70	473.44	10.25	2.85	2.33
CASH & CASH EQUIVALENTS						
at the end of the year	2729.27	3253.65	309.70	473.44	10.25	2.85

ANNEXURE -05**STATEMENT OF DIVIDENDS****(Rs. In Lacs)**

Particulars	31.03.2007	31.03.2006	31.03.2005	31.03.2004	31.03.2003
Equity Share Capital (Face Value Rs. 10/-)	1660.35	696.96	434	300	300
Rate of Dividend	2.50%	0.04%	0.07%	0.10%	0.10%
Amount of Dividend	41.51	0.3	0.3	0.3	0.3
Corporate Dividend Tax	7.06	0.04	0.04	0.04	0.04

ANNEXURE -06**ACCOUNTING RATIOS****(Rs. In Lacs)**

Particulars	29.02.08	31.03.07	31.03.06	31.03.05	31.03.04	31.03.03
Networth (Rs.) (A)	18414.28	8434.50	3966.63	1004.74	422.49	392.28
Adjusted Profit after Tax (Rs.) (B)	3517.25	914.79	202.07	127.74	30.51	27.40
No. of Shares outstanding at the end (C)	190,29,604	166,03,494	69,69,600	43,40,000	30,00,000	3,000,000
Weighted average number of shares outstanding (D)	185,15,414	152,74,997	126,48,951	113,05,418	113,01,747	113,01,747
Earnings per Share (EPS) (Rs.) (B/D) *11 months	19.00*	5.99	1.60	1.13	0.27	0.24
Return on Net worth (B/A) * 11 months	19.10%*	10.85%	5.09%	12.71%	7.22%	6.99%
Net Asset Value per Share (Rs.) (A/C)	96.77	50.80	56.91	23.15	14.08	13.08

Definitions of key ratios: (to be in conformity with the relevant accounting standards)

- I. Earnings per share (Rs.): Net profit attributable to equity shareholders/weighted average number of equity shares outstanding as at the end of the year/period. Earnings per share are calculated in accordance with Accounting Standard 20 "Earnings per Share", issued by the Institute of Chartered Accountants of India. The E.P.S. is calculated after adjustment for 8301747 bonus shares issued vide resolution passed at the extra-ordinary general meeting held on 31.03.2007 with retrospective effect as provided in Accounting Standard (AS -20) - Earning Per Share.
- II. Return on Net Worth (%): Net profit after tax/Net worth as at the end of the year/period.
- III. Net Asset Value (Rs.): Net worth at the end of the year/Number of equity Shares outstanding at the end of the year/ period.
- IV. Net Profit, as appearing in the statement of restated profits and losses, has been considered for the purpose of computing the above ratios.

ANNEXURE -07

CAPITALISATION STATEMENT

(Rs. in lacs)

	Pre-issue as at 29.02.2008	Post Issue*
Borrowing		
Short - Term debt	2529.72	[•]
Long-term debt	5610.90	[•]
Total Debt	8140.62	[•]
Shareholders' funds		
Share Capital		
- Equity	1902.96	
Less: Calls- in- arrears	0.00	
- Preference	0.00	
Share premium	11868.33	*
Reserves & surplus	4774.71	*
Less: Miscellaneous Expenditure not written off	131.73	*
Total Shareholders Funds	18414.27	*
Long-term Debt/ Shareholders fund	0.30	*

*The post Issue Capitalization will be determined only after the completion of the book building Process and allotment of equity shares.

ANNEXURE -08

STATEMENT OF TAX SHELTERS

(Rs. In Lacs)

Particulars	31.03.07	31.03.06	31.03.05	31.03.04	31.03.03
Tax Rate	33.66%	33.66%	36.59%	35.88%	36.75%
Tax at Notional Rate	462.12	109.91	73.72	11.81	10.94
Adjustments:	-	-	-	-	-
Export Profits	-	-	-	-	-
Difference Between Tax Depreciation and Book Depreciation	883.22	284.85	160.02	28.37	40.51
Other adjustments	38.98	-	-	-	-
Net adjustments	922.20	284.85	160.2	28.37	40.51
Tax saving thereon	(310.41)	(95.88)	(58.55)	(10.17)	(14.89)
Total taxation	151.70	14.02	15.15	1.62	-
Taxation on extraordinary items	8.85	-	-	-	-
Tax on profits before extraordinary items	160.55	14.02	15.15	1.62	-

ANNEXURE - 09

SECURED LOANS

(Rs. In lacs)

Sr. No.	Particulars of Loan	29.02.08	31.03.07	31.03.06	31.03.05	31.03.04	31.03.03
1.	Term Loan	5606.94	2959.27	3593.88	751.33	189.62	312.95
2.	Cash Credit Account	2529.72	2339.19	391.97	383.47	49.67	42.84
3.	Vehicle Loan	3.96	-	-	-	9.04	11.49
	Total Secured Loan (1+2+3)	8140.62	5298.46	3977.35	1134.80	248.33	367.28

Principal Terms of Secured Loans & Assets Charged As Security, as on 29.02.2008

(Rs. in Lacs)

Lender	Type of Facility	Sanctioned Amount	Outstanding As on 29.02.2008	Rate of Interest	Repayment Terms	Details of Security
State Bank of Indore	Term Loan	750.00	337.71	13.25%	Quarterly	First and exclusive charge on all fixed assets of the company.
State Bank of Indore	Cash Credit	1000.00	1010.74	12.75%	Monthly	Hypothecation of entire stock of raw material, stock in process, finished goods & stores & spares, book debts & goods in transit covered by document of title on pari passu basis SBI
State Bank of Indore	Letter of Credit	2500.00	2483.79	-	-	(1) Bills under the credit will be accompanied by BL/RRs/MTRs /AWBs covering inward consignment of raw materials/stores made out to order of bank OR endorsed in favour of Bank. (2) Extension of charge over the current assets (3) Application cum indemnity letter
State Bank of India	Term Loan	5450.00	4314.33	11.75%	Monthly	First charge on assets created out of bank finance
State Bank of India	Cash Credit	1500.00	1518.98	11%	Monthly	Hypothecation on Current assets present & future
State Bank of India	Letter of Credit	2875.00	3318.16*	-	-	Hypothecation on Current assets present & future
Bank of India	Tem loan	2500.00	954.89			Primarily secured by entire assets created out of bank finance. Pari passu charge on land at Mauje Lunva, Taluka - Bachau (Kutch), Gujarat with SBI & State Bank of Indore. And second pari passu charge on current assets on reciprocal basis with State bank of India and State bank of Indore.

Excess limit is set on the basis of 100% margin

Annexure- 10

STATEMENT OF UNSECURED LOANS

(Rs. in lacs)

Particulars	29.02.08	31.03.07	31.03.06	31.03.05	31.03.04	31.03.03
Unsecured Loans	6919.45	382.62	1689.74	395.28	145.45	Nil
Total	6919.45	382.62	1689.74	395.28	145.45	Nil

Unsecured loans referred above are interest free and repayable on demand.

Annexure- 11

DETAILS OF INVESTMENTS

(Rs. in Lacs)

Particulars	29.02.08	31.03.07	31.03.06	31.03.05	31.03.04	31.03.03
Investment in group Companies	59.43	59.43	0.00	0.00	0.00	53.00
Investment in Mutual Fund	80.02	76.97	0.00	0.00	0.00	0.00
Total	139.45	136.40	0.00	0.00	0.00	53.00

Annexure- 12

DETAILS OF SUNDRY DEBTORS

(Rs. In lacs)

Age wise Break-up	29.02.08	31.03.07	31.03.06	31.03.05	31.03.04	31.03.03
(A) Less than six months						
Considered good	8571.43	5026.69	3359.02	1316.74	511.56	607.86
Others	-	-	-	-	-	-
(B) More than six months						
Considered good	31.23	54.86	52.70	33.13	20.12	11.28
Others	-	-	-	-	-	-
Total	8602.66	5081.55	3411.72	1349.87	531.68	619.14

Annexure 13

DETAILS OF OTHER INCOME

(Rs. in Lacs)

Particulars	Nature	29.02.08	31.03.07	31.03.06	31.03.05	31.03.04	31.03.03
Misc. Income	Non-Recurring	97.72	262.87	-	-	4.71	6.26
Dividend	Non-recurring	12.09	12.7	-	-	-	0.05
Supervision Charges	Non-recurring	-	-	26.94	0.54	-	-
Profit on sale of Fixed Assets	Non-recurring	-	26.28	-	-	-	-
Interest on Fixed Deposits	Recurring	394.43	87.78	-	-	-	-
Total		504.24	389.63	26.94	0.54	4.71	6.31

Annexure 14

STATEMENT OF RELATED PARTY TRANSACTIONS

Transaction with related party as identified by the management in accordance with Accounting Standard 18 “Related party disclosures” issued by The Institute of Chartered Accountants of India, are as follows:

(I) List of Related Parties

Sr. No.	Name of Related Party
	Key Management personnel
1.	Mr. Ratanlal Tamakhuwala
2.	Mr. Rishi Raj Agarwal
	Enterprise controlled or managed by key management personnel
1.	Gremach Infrastructure Equipments & Projects Limited
2.	Armstrong Infrastructure and Projects Limited
3.	Shri Hanuman Investment Pvt. Ltd
4.	Anarcon Resources Private Limited
5.	Austral Infrastructure Private Ltd.
6.	Gremach Infrastructure Private Ltd.
7.	Wallford IndiaInfrastructure Reality (P) Ltd.

II. Details of Transactions with Related party:

(Rs. in lacs)

Nature of Transaction	Relationship	29.02.08	31.03.07	31.03.06	31.03.05	31.03.04	31.03.03
Corporate Guarantee taken	Enterprise controlled by key management personnel	12584.00	7825.00	1181.00	-	-	-
Corporate Guarantee given	Enterprise controlled by key management personnel	10315.00	4890.00	4890.00	-	-	-
Directors' Remuneration	Key Management personnel	4.40	0.72	2.01	-	-	-
Advance received	Enterprise controlled by key management personnel	6919.45	-	-	68.67	-	-
Advance repaid	Enterprise controlled by key management personnel	-	-	-	3.64	-	-
Shares allotted	Enterprise controlled by key management personnel	6550.49	-	-	-	-	-

The company has outstanding Loans and advances of Rs. 6919.45 from associates & group companies as on February 29th 2008.

MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

The investors should read the following discussion of our financial condition and results of operations together with our audited financial statements for the financial years 2003, 2004, 2005, 2006 and 2007 and period of Eleven months ended February 29th, 2008 including the notes thereto and the reports thereon which appear in the section titled "Financial Information of our company" beginning on page no 144 of this Red Herring Prospectus.

The Financial statements have been prepared in accordance with Indian GAAP, the Companies Act and the SEBI Guidelines and restated as described in the report of our statutory Auditor viz. M/s. T.N. Datta & Associates, Chartered Accountants, dated June 16, 2008 in the section titled "Financial Information of our company" beginning on page no. 144 of this Red Herring Prospectus.

The fiscal year of our company ends on March 31 of each year, so all references to a particular fiscal year are to the twelve-month period ended 31st day of that year.

OVERVIEW OF THE BUSINESS

Our Company Originally Incorporated as a Public Limited Company at West Bengal, Kolkata on April 22, 1994 as "NRE Stocknet Ltd." Under the Companies Act, 1956, converted into the name of "NET Interactive Ltd" on June 16, 1998 and subsequently renamed as "Austral Coke & Projects Limited" effective from September 14, 2005.

Our main activity is to manufacture the LAM coke and refractory, textile sector and to provide rental of construction /earthmoving machineries to medium / large construction companies who are engaged in the business of constructing/building of roads, airports, power projects, institutional & industrial complexes, multiplexes and residential buildings and other related infrastructural activities chiefly catering to Public Sector undertakings, private sector, CPWD and various national & international government aided projects.

We have experienced growth in last 11 years of existence in the coke manufacturing industry. We have pursued a strategy of diversifying the manufacturing of coke with different quality and specification and in terms of equipment rental activities, we have diversified in regard to selection of machineries and equipments to be used in different segments of infrastructure and construction activities.

We have over the years, thoroughly studied the aspects of geographical and environmental conditions of the country . We have clear idea and perfect information regarding the demand and supply of the coke in the domestic as well as in global market. In addition to renting our owned equipments, we also hire equipments owned by other parties and rent to our own clients. In the past over 65% of our total rental incomes are derived from equipments, which are exclusively owned by third parties. We have established a network so as to have a geographical reach as well as a diversified industrial and project segment. It is necessary for us to invest in deploying technology machines in all projects. Each of these projects are time bound and of short to medium term duration and our timely servicing of necessary equipments built our reputation in the industry..

Significant developments:

After the date of last balance sheet i.e. February 29th, 2008, our Company has made progress in the implementation of the Project, which has been detailed under section titled "Objects of the Issue" beginning on page 61 of this Red Herring Prospectus. Except as stated, the Directors of the Company confirm that in their opinion, there have not been any significant developments.

Industry Overview

Coke, a derivative of metallurgical coking coal, plays a very significant role in metallurgical processes. Coke is the main source of heat and is the reducing agent required to facilitate the conversion of metallurgical ores into metal in the smelting process. The world coke consumption was estimated to be 328 million tones in 1999 and 337 million tones in 2000. The overall worldwide trade in coke was 24.6 million tonnes in 1999

and 30.6 million tonnes in 2000. The forecast for consumption and trade for 2005 is 368 and 30 million tones respectively.

While there have not been any significant coke capacity addition in recent years, there have been several closures of coke plants due to various technological/pollution issues. Further, the Olympics in China in 2008 have fuelled a major construction activity resulting in significant demand for steel and concomitant met coke.

Power is a critical infrastructure for economic development and for improving the quality of life. The total energy shortage, during 2004-2005, was 43,258 million units, amounting to 7.3 % and the peak shortage was 11.7% per cent of peak demand. (Source: Key World Energy Statistics)

With increasing urbanization, industrial growth and per capita consumption, the gap between the actual demand and supply is likely to increase. In this scenario, the GOI expects that alternative/renewable sources of energy, such as wind energy, biomass energy and energy generated through waste heat recovery process are likely to play an increasingly important role in bridging the demand supply gap and conservation of fossil fuels. (Source: Ministry of Power Annual Report 2003-04: CEA Executive Summary- March 2007)

Company is involved in rental of construction /earthmoving machineries to medium / large construction companies who are engaged in the business of constructing/building of roads, airports, power projects, institutional & industrial complexes, multiplexes and residential buildings and other various national & international government aided projects.

It makes business sense for the firms implementing these numerous infrastructure projects to take these costly construction equipments on a rental basis as they would not like to block their money in procuring construction equipments which can be used for executing other projects as well. The other advantage of taking the equipment on rental basis is the availability of quality equipments without the hassle of their maintenance.

Some key factors that may influence company's current business are as follows:-

- Company's ability to sustain and perseverance towards successful implementation of its strategy and its growth and expansion plans;
- Increase in labour costs, prices of raw material to be purchased and other input costs including cost of insurance;
- Manufacturers' defects or mechanical problems with Company's plant & machineries or incidents caused by human error;
- Changes in laws and regulations that apply to the Construction industry;
- Social or civil unrest or hostilities with neighboring countries or acts of international terrorism;
- Changes in the foreign exchange control regulations, interest rates and tax laws in India.
- Ability to attract and retain skilled personnel.
- Mismatch of cash flows and maintaining the profit margins.
- Internal or external factors which may affect the working of the company.
- Legal complexities, which may hamper receipt of our rental income and/or effective redeployment of our equipments.
- Inability to pay statutory dues, which may be a state or central government subject and its implications thereto.

Discussion on Results of Operation:

The following discussion on results of operations should be read in conjunction with the audited Financial results of the Company for the years ended 31 March, 2003, 2004, 2005, 2006, 2007 & period of Eleven months ended February 29th, 2008 .

For the eleven months ended 29th February 2008

Results of Operation as a % of Income

(Rs. in Lacs)

Period (in months)	11 Months	% of Turnover
Turnover	22666.15	100.00%
Expenditure excl. Depreciation and Interest	19448.42	85.80%
Depreciation	1558.32	6.88%
Interest	747.78	3.30%
Profit before tax	5640.51	24.89%
Taxes	2123.26	9.37%
Profit after Tax	3517.25	15.52%
Particulars	Amount	% of Income
Raw Materials & Goods consumed	12843.24	56.66%
Manufacturing Expenses and Selling Expenses	4492.98	19.82%
Administrative and Staff Cost	2112.20	9.32%
Total	19448.42	85.80%

We recorded turnover of Rs. 22666.15 Lacs and total expenditure Rs. 19448.42 Lacs for the eleven months period ended February 29, 2008. Cost of Material constituted 56.66% of the turnover. The Manufacturing and Selling Expenses and Administrative and Staff Cost constituted 19.82% and 9.32% respectively of the turnover for the period ended February 29, 2008.

Turnover

The Gross Turnover for the period ended February 29, 2008 was Rs. 22666.15 Lacs.

Interest and Financial charges: We incurred interest cost of Rs. 747.78 Lacs for the period ended February 29, 2008.

Depreciation: We incurred depreciation cost of Rs. 1558.32 Lacs.

Taxes: Taxes for the period ended February 29, 2008 is Rs. 2123.26 Lacs, which include current tax of Rs. 639.07 Lacs, Deferred tax of Rs. 1482.76 Lacs and Fringe Benefit tax of Rs. 1.43 Lacs.

Net Profit: Our Profit before Taxes were Rs. 5640.51 Lacs for the period ended February 29, 2008. We recorded Net Profit of Rs. 3517.25 Lacs. Our net Profit Margin stood at 15.52%.

Loans and Advances:

Loans and Advances for the 11 months period ended February 29, 2008 has decrease to 1949.68 Lacs from 2569.15 Lacs for the year ended March 31, 2007.

Investments

Investments for the 11 months period ended February 29, 2008 has decrease to 1949.68 Lacs from 2569.15 Lacs for the year ended March 31, 2007.

Secured Loans:

Secured Loans on February 29, 2008 has increase to 8140.63 Lacs from 5060.92 Lacs March 31, 2007, showing an increase of 60.85%. This increase was mainly due to term loans taken from banks to part finance of the enhancement in the capacity of LAM Coke by 2 Lac MT per annum.

Unsecured Loans:

Unsecured Loans for the 11 months period ended February 29, 2008 has increase to 6919.45 Lacs from 382.61 Lacs for the year ended March 31, 2007. This increase is mainly due to unsecured loans taken from associate concern.

ANALYSIS ON RESULTS OF OPERATION

(Rs. In Lacs)

Particulars	31.03.2007	31.03.2006	31.03.2005	31.03.2004
Sales/Rental Charges Received	17638.04	12185.23	4248.85	2024.4
Increase/Decrease (%)	44.75%	186.79%	109.88%	23.67%
Other income	389.63	26.94	0.54	4.71
Increase / (decrease) of stock	1003.02	598.94	72.58	2.85
Total Income	19031.1	12813	4323.07	2032.2
Increase/Decrease (%)	48.53%	196.39%	112.73%	23.44%
Direct Expenses	15908.46	11713.14	3323.52	1200.96
Increase/Decrease (%)	35.82%	252.43%	176.74%	21.07%
% to Sales	90.19	96.13	78.22	59.32
Administrative expenses	275.3	179.5	673.27	584.17
Increase/Decrease (%)	53.37%	-73.34%	15.25%	23.67%
% to Sales	1.56	1.47	15.85	28.86
Financial expenses	547.21	152.63	31.23	48.21
Increase/Decrease (%)	258.52%	388.73%	-35.22%	-22.05%
% to Sales	3.1	1.25	0.74	2.38
Depreciation	921.96	432.25	92.5	165.68
Increase/Decrease (%)	113.29%	367.30%	-44.17%	83.38%
% to Sales	5.23	3.55	2.18	8.18
Profit before tax	1372.9	326.53	201.45	32.91
Increase/Decrease (%)	320.45%	62.09%	512.12%	10.58%
Current tax	160.82	28.58	15.16	2.4
Deferred tax	297.29	95.88	58.55	0
Profit for the year	914.79	202.07	127.74	30.51
Increase of PAT	712.72	74.33	97.23	3.1
% increase of PAT	352.71%	58.19%	318.68%	11.31%
% to Sales	5.19	1.66	3.01	1.51

COMPARISON OF FINANCIAL YEAR ENDED MARCH 31, 2007 WITH FINANCIAL YEAR ENDED MARCH 31, 2006**Sales/Rental Income**

Our total revenue for the year ended 31.03.2007 was 17638.04 lacs as against the total of Rs. 12185.23 lacs of the year ended 31.03.2006, registering an increase of 44.75%

Expenditure

The Direct expenses accounted for 90.19 % of sales during the period ended 31.03.2007 at Rs. 15908.46 lacs as compared to 96.13 % of sales at Rs. 11713.14 lacs for the year ended 31.03.2006, while the administrative expenditure increased in absolute terms accounted for Rs. 1.56 % of sales at Rs. 275.30 Lacs during the period as compared to 1.47 % of sales at Rs. 179.50 Lacs during the year, due to higher base of sales in the year 2006-07.

Finance Charges

Finance Charges during the period of 2006-2007 is Rs. 547.21 lacs as against Rs. 152.63 lacs for the period ended 31.03.2006. The increase is due to utilisation of additional working capital facilities, Company also availed Credit facility in the form of Cash Credit and Term Loan from State Bank of India

Depreciation

Depreciation increased from Rs.432.25 Lacs to Rs. 921.96 Lacs during the year, due to purchase of additional fixed assets.

Profit

PAT increased from Rs. 202.97 lacs for the FY 2006 to Rs. 914.79 lacs in FY 2007 showing a increase of 352.71%. During FY 2008, the Company recorded PAT of 5.19% of the total sales as against 1.66% during FY 2007. This increase was due to increase in the revenue from Coke Division. Overall profit margin improved due to the contribution from LAM coke activity during FY 2007, where as in the year 2006 major contribution to the revenue was by way of trading activity and textiles division. Since, the margins in trading activity is low, hence during FY 2006 we had low profitability.

Cash and Bank Balances

Cash and Bank Balance for the year ended 31.03.07 increased to Rs. 3253.65 lacs as compared to Rs. 309.70 lacs for the year ended 31.03.06. This increase was due to increase in cash generated from operating activities. Cash generated from operating activities for the FY 2007 was Rs. 2217.43 lacs. It was -620.87 lacs for the FY 2006. Further cash generated from financing activities was Rs. 3292.29 lacs mainly due to issue of shares at premium during FY 2007. There was negative cash flow from investing activities to the tune of -2565.77 lacs.

COMPARISON OF FINANCIAL YEAR ENDED MARCH 31, 2006 WITH FINANCIAL YEAR ENDED MARCH 31, 2005**Sales/Rental Income**

The Sales/ rental income recorded an increase of 186.79% with Rs. 12185.23 Lacs for the year ended on March 31, 2006 as against Rs. 4248.85 Lacs for the year ended March 31, 2005, showing an increase of 186.79%. This increase was mainly due to commencement of additional activities by way of Textile trading and Refractory Division operations. The commercial production of LAM Coke plant has full fledged started in this financial year.

Expenditure

The Direct expenses accounted for 96.13 % of sales/rental during the year at Rs. 11713.14 lacs as compared to 89.45 % of sales/ rental at Rs. 3800.99 lacs, while the administrative expenditure accounted for 1.47% of sales at Rs. 179.50 Lacs during the year as compared to 4.61% of sales at Rs. 195.80 Lacs during the last year. Decrease in direct expenses as percentage of sales is due to increase in sales.

Finance charges

Finance Charges increased during the year from Rs. 31.23 Lacs to Rs. 152.63 Lacs due to availment of additional loans during the year as well as additional Credit facility in the form of Cash Credit, Term Loan from SBI.

Depreciation

New Assets amounting to Rs. 5361.98 lacs were purchased during the year, which resulted in increase in depreciation from Rs 92.50 Lacs to Rs 432.25 Lacs.

Profit

Profit Margins, both profit before tax as well as profit after tax declined, this was partly due to higher direct cost and low margin textile trading activity contributing to revenues.

COMPARISON OF FINANCIAL YEAR ENDED MARCH 31, 2005 WITH FINANCIAL YEAR ENDED MARCH 31, 2004

Rental income

Our company achieved sales of Rs. 4248.85 Lacs during the year 2005, an increase of 109.88 % as against the previous year sales of Rs. 2024.40 Lacs. The increase in our sales account is due to healthy order book position and increasing number of orders under execution.

Expenditure

Direct expenses accounted for 89.45 % of sales during the year at Rs. 3800.99 Lacs as compared to 84.23 % of sales at Rs. 1705.24 Lacs during the last year, while the administrative expenditure accounted for 4.61% of sales at Rs. 195.80 Lacs during the year as compared to 3.95% of sales at Rs. 79.89 Lacs during the last year.

Finance Charges

Financial charges decreased during the year from Rs. 48.21 Lacs to Rs. 31.23 Lacs due to some repayment of loan during the year.

Depreciation

Depreciation decreased from Rs. 165.68 Lacs to Rs. 92.50 Lacs irrespective of the fact there was increase in fixed assets. However, there was less than proportionate depreciation charge as fixed assets acquired towards the end of the financial year.

Profit

Profitability during 2005 improved, this was mainly due to increase in revenues on one side and significant deduction in terms of depreciation and finance charges.

AN ANALYSIS OF REASONS FOR THE CHANGES IN SIGNIFICANT ITEMS OF INCOME AND EXPENDITURE IS GIVEN HERE UNDER:

a) Unusual or infrequent events or transactions:

There have not been any unusual or infrequent transactions that have taken place.

b) Significant Economic changes that materially affected or are likely to affect income from continuing operations:

Government's focus on import & Export transaction on the energy, steel products etc and due to it the coke business, is highly influenced by the government policies. Any major changes in policies of the Government would have significant impact on the profitability of our company.

Except for the above, there are no significant economics changes that may materially affect or likely to affect income from continuing operations.

c) Known trends or uncertainties that have had or are expected to have a material adverse impact on sales, revenue or income from continuing operations:

Apart from the risks as disclosed under heading "RISK FACTORS" in this Red Herring Prospectus, there are no other known trends or uncertainties that have had or are expected to have a material adverse impact on revenue or income from continuing operations.

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

Our company's Cost Revenue relationship reflects a direct correlation with each other. Our company expects the future relationship between costs and revenue to improve further. Direct Contract expenses as percentage to Receipts have remained in the range of Receipts in all the above financial years. Administrative Expenses are expected to decline further due to continuous increase in turnover. The expansion of the current operations would enable our company to procure high technology equipments in bulk. This may result in negotiations for competitive prices and help our company to achieve economies of scale.

- e) The extent to which material increases in net sales or revenue are due to increased sales/rental charges income, introduction of new machinery or services:**

The increase in turnover is mainly on account of increase in sales of coke/rental charges income.

- f) The nature of diversified business:**

Our company has not announced any new business or major diversification..

- g) Any significant dependence on a single or few suppliers or user-entities:**

Our company sources its Raw Material from a number of international reputed suppliers and is not under threat of dependence from any single supplier.

- h) Total turnover of each major industry segment in which the issuer company operated.**

Please refer to page 85 under the heading 'Industry Overview'.

- i) Status of any publicly announced new products or business segment.**

The Company has not announced any new product and segment.

- j) The extent to which business is seasonal.**

The Company's business is not seasonal in nature.

- k) Competitive conditions:**

Main activity of our company is to manufacture the coke and we also diversify our business into refractory, textile sector and to provide rental of construction /earthmoving machineries to medium / large construction companies who are engaged in the business of construction and has competition from few organized players in the market.

SECTION VI: LEGAL AND REGULATORY INFORMATION

OUTSTANDING LITIGATION

Except as stated below there are no outstanding litigation, suits, criminal or civil prosecutions, proceedings or tax liabilities against our Company, subsidiary, Directors, Group Company, Promoter and Promoter Group and there are no material defaults, non payment of statutory dues, over-dues to banks and financial institutions, defaults against banks and financial institutions, defaults in dues payable to holders of any debenture, bonds and fixed deposits and arrears of preference shares issued by our company, defaults in creation of full security as per terms of issue or other liabilities, proceedings initiated for economic or civil or any other offences (including past cases where penalties may or may not have been awarded and irrespective of whether they are specified under paragraph (I) of Part 1 of Schedule XIII of the Companies Act, 1956) other than unclaimed liabilities of our company (the subsidiaries of our company have no material litigation pending against them) and no disciplinary action has been taken by SEBI or any stock exchanges against our company, its Subsidiary, its Promoter or Directors and Promoter Group.

SUMMARY OF LITIGATIONS:

Cases/Notices	No. of cases	Amount involved where quantifiable (Rs. Lacs)
Cases filed against our company	1	353.04
Cases filed Against Promoters / Directors	6	5504.94
Cases filed by Promoters / Directors	2	Not Quantifiable
Cases filed against our group company *	1	Not Quantifiable
Cases filed by our group company	1	230.00

* Also included in the list of cases "Cases filed Against Promoters / Directors"

OUTSTANDING LITIGATIONS INVOLVING OUR COMPANY

A. FILED AGAINST OUR COMPANY

1. Litigation Involving Criminal Laws

There is no litigation pending against our company involving criminal offences.

2. Litigation Involving Securities and Economic Laws

There is no litigation pending against our company involving securities or economic offences.

3. Litigation Involving Statutory Laws

There is no litigation pending against our company involving statutory offences.

4. Litigation Involving Civil Laws

There is only one litigation as mentioned below, other than the mentioned litigation there are no other litigations.

1. Visa Steel Ltd. v. Austral Coke & Projects Ltd.

Parties	Court	Date of Institution	Present Status	Details of Case	Amount Involved
<i>Plaintiffs:</i> Visa Steels Ltd. <i>Respondents :</i> Austral Coke & Projects Ltd	District Judge, Alipore	March 04, 2006	Pending,	<p>The plaintiffs under Section 9 of the Arbitration and Conciliation Act 1996 have filed a civil suit. In this regard, Austral Coke had earlier served a notice on Visa Steel Dated February 2006 demanding payment of a sum of Rs.1291.25 lacs within 21 days of the receipt of the said notice, otherwise proceedings, including winding up proceeding against our company under Section 433 and 434 of the Companies Act may be initiated.</p> <p>The Plaintiff has disputed this claim and filed this suit counter claiming a sum of Rs.3.53 lacs. The Plaintiff has also prayed for an injunction against the respondent from alienating any properties or dealing with its bank accounts so as to always maintain a balance of Rs.3.53 lacs.</p>	Rs.353.04 lacs

5. Litigation Involving Labour Laws

There is no litigation pending against our company involving labour offences.

B. FILED BY OUR COMPANY

1. Litigation Involving Criminal Laws

There is no litigation filed by our company involving criminal offences.

2. Litigation Involving Securities and Economic Laws

There is no litigation filed by our company involving securities or economic offences.

3. Litigation Involving Statutory Laws

There is no litigation filed by our company involving statutory laws.

4. Litigation Involving Civil Laws

There is no litigation filed by our company involving civil laws.

5. Litigation Involving Labour Laws

There is no litigation filed by our company involving labour offences

OUTSTANDING LITIGATION INVOLVING DIRECTORS AND PROMOTERS

A. AGAINST THE DIRECTORS/PROMOTERS

1. Litigation Involving Criminal Laws

There is no litigation pending against the Directors/Promoters of our company involving criminal offences.

2. Litigation Involving Securities and Economic Laws

There is no litigation pending against the Directors/Promoters of our company involving securities and economic offences.

3. Litigation Involving Statutory Laws

There is no litigation pending against the Directors/Promoters of our company involving statutory offences.

4. Litigation Involving Civil Laws

There is no litigation pending against the Directors/Promoters of our company involving civil laws save as mentioned herein below.

1. Ratan Kumar Banka & Others versus Chandu Parekh & Others - Civil Suit No. 192 G of 1997					
Parties	Court	Date of Institution	Present Status	Details of Case	Amount Involved
<i>Plaintiffs:</i> 1. Ratan Kumar Banka 2. Pawan Kumar Ladia 3. Gujarat NRE Coke Ltd. 4. Girdhari Lal Jagatramka 5. Arun Kumar Jagatramka <i>Respondents:</i> 1. Chandu Parekh 2. Gulshanlal Tandon 3. Ratan Lal Tamakhuwala 4. Rishi Raj Agarwal 5. Smt. Lalita Agarwal 6. Shyamanand Jalan 7. NRE Projects Limited 8. Saurashtra Projects Pvt. Ltd.	Hon'ble High Court-Kolkata	7/4/1997	The Suit is pending adjudication	The plaintiffs have brought a suit for permanent injunction against Defendants 3-6 from interfering with the business of Plaintiff No. 3, restraining all defendants from disposing of properties of Plaintiff No. 3, enquiring into the wrongful acts of Defendants 3-6, restrain Defendant No. 8 from acting on transactions made between it and Plaintiff No. 3. Since 1997, the present promoters of our company	Rs. 500 lakhs

				have not been involved with the management of Gujarat NRE Coke limited. The said dispute does not affect the business and operations of our company.	
Ratan Kumar Banka & Others versus Chandu Parekh & Others - G.A. No. 1015 of 2006 in Suit No. 192G of 1997					
Plantiffs & Defendants same as Case 1	High Court of Calcutta	7/4/1997	Affidavits completed, pending before the Interlocutory Court for adjudication. Last date of hearing was on 30.08.2006 when the time to file affidavits was extended. Matter is appearing in daily list.	An interim application has been moved by the plaintiffs in the already pending Case 1 being G.A. 1015 of 2006 for injuncting the defendants from "proceeding further and/or from taking any further steps by accepting funds from the public against the equity shares of M/s. Gremach Infrastructure Equipments and Projects Limited in the terms of the prospectus without leave of the Hon'ble Court.	As on date, no injunction has been issued which could impact the public issue of the shares by our company.
Ratan Kumar Banka & Others versus Chandu Parekh & Others - G.A. No. 1219 of 2006 in Suit No. 192G of 1997G					
Plantiffs & Defendants same as Case 1	High Court of Calcutta	7/4/1997	Affidavits completed, pending before the Interlocutory Court for adjudication. Last date of hearing was on 30.08.2006 when the time to file affidavits was extended. Matter is appearing in daily list.	Another interim application has been moved by the defendants, in the already pending Case 1 being G.A. 1219 of 2006 for directing the plaintiffs in Civil Suit No. 192G of 1997 "to withdraw the letter dated 13 th March, 2006 and to intimate SEBI not to take any notice of the same	

				and / or not to act on the basis of the contents thereof, and “restraining the respondents from causing any disturbances, obstruction, or interference in the process of public issue of equity of Gremach Infrastructure Equipments & Projects Ltd. till the disposal of the suit”	
Ratan Kumar Banka V. Chandu Parekh & Others - G.A. No. 936 2006 in Suit No. 192G of 1997					
Plantiffs & Defendants same as Case 1	High Court of Calcutta	7/4/1997	Disposed off by the order dated 6.6.2006 passed by the Hon’ble Justice Ashim Kumar Banerjee.	Amendment application for striking out of the name of the defendant no. 1, 2 and 6 from the records.	

2. Gujarat NRE Coke Ltd. & others- Vs Ratan Lal Tamakhuwala & others civil suit No. 272 of 1997					
Parties	Court	Date of Institution	Present Status	Details of Case	Amount Involved
Plaintiff: Gujarat NRE Coke Ltd. Respondents: 1.Ratan Lal Tamakhuwala Plaintiff: Gujarat NRE Coke Ltd. Respondents: 1.Ratan lal Tamakhuwala 2. Rishi Raj Agarwal 3. Vivek Goenka 4. Indian Express Newspapers 5. T.N.Ninan 6. Business Standard 7. Aweeka Sarkar 8.Anand Bazar Patrika	Hon’ble High Court- Kolkata	04 April, 1997	Suit pending before the Hon’ble High Court at Calcutta for adjudication	Gujarat NRE Coke Limited has filed a defamation case against Mr. Ratan Lal Tamakhuwala and Mr. Rishi Raj Agarwal (Defendant No.1 and 2) along with other defendants which includes proprietors of various Newspaper. The case in relation to defendant no. 1 and 2 is related to wrongful acts and misconduct. Mr. Ratan Lal Tamakhuwala and Mr. Rishi Raj Agarwal, in this regard has filed an Affidavit denying	Rs.5000 Lacs for damage for defamation

				all the allegations before this Hon'ble Court.	
3. Gujarat NRE Coke Ltd. Vs Ashwin P. Shah & Others civil Suit No. 460 of 1998					
<p><i>Plaintiff:</i> 1. Gujarat NRE Coke Ltd.</p> <p><i>Respondents:</i> 1. Ashwin P. Shah 2. Ratan Lal Tamakhuwala</p> <p><i>Plaintiff:</i> 1. Gujarat NRE Coke Ltd.</p> <p><i>Respondents:</i> 1. Ashwin P. Shah 2. Ratan Lal Tamakhuwala 3. Rishi Raj Agarwal</p>	Hon'ble High Court-Kolkata	November 13 th , 1998	The suit is pending for adjudication under the heading for hearing the old matters.	An injunction has been filed restraining the respondent for enforcing demand or taking any active part in the management of our company, until disposal of the suit no. 1191 of 1998 (Nirali steel Vs Gujarat NRE Coke Limited) pending in city civil court at Ahemdabad	Rs. 4.94 lakhs
4. Arun Kumar Jagatramka v. Ratan Lal Tamakhuwala Contempt Application No. 213 of 1997					
<p>Petitioner: Arun Kumar Gataram</p> <p>Respondents: Ratan Lal Tamakhuwala</p>	Hon'ble High Court-Kolkata	August 16, 1997	Pending	The Petitioner has filed a contempt application against the Respondent on the grounds that he has by holding himself out to be the Managing Director of Gujarat NRE Coke and interfering with the management of the said company, violated the interim order passed by the High Court dated May 13, 1997.	N.A.
5. Girdharilal Jagatramka v. Ratan Lal Tamakhuwala Contempt Application no. 152 of 1997					
<p>Petitioner: Girdharilal Gagatramka</p> <p>Respondents: Ratan Lal Tamakhuwala</p>	Hon'ble High Court-Kolkata	June 19, 1997	pending	The Petitioner has filed a contempt application against the Respondent on the grounds that he has by issuing letters on behalf of the M/s. Gujarat NRE Coke violated the order passed by the High Court dated April 30, 1997.	N.A.

6. Kishore Kumar Shaw & Others-T No.157 of 2007- C.S. No.57 of 2007					
<p>Plaintiffs 1.Kishore Kumar Shaw 2.Anil Goenka 3. Mahendra Pratap Singh</p> <p>Defendants/ Respondents: 1. Gremach Infrastructure Equipments & Projects Ltd. 2.R.R. Financial Consultants Ltd. 3. Ratan Lal Tamakhuwala</p> <p>Plaintiffs 1.Kishore Kumar Shaw 2.Anil Goenka 3. Mahendra Pratap Singh</p> <p>Defendants/ Respondents: 1. Gremach Infrastructure Equipments & Projects Ltd. 2.R.R. Financial Consultants Ltd. 3. Ratan Lal Tamakhuwala 4. Rishi Raj Agarwal</p>	<p>Hon'ble High Court- Calcutta</p>	<p>17.02.2007</p>	<p>The matter came up before the Hon'ble Justice Indira Banerjee when the Hon'ble judge was pleased to extend the time to file the affidavit in opposition by two weeks, affidavit in reply by two weeks thereafter and directed the matter to appear after summer vacation. Matter is pending and not appearing in the list.</p>	<p>The petition has been filed seeking following relief's :</p> <p>a.Declaration that the prospectus dated 17.02.2007 issued by the defendant No. 1 is void, unlawful and is liable to cancelled.</p> <p>b. Decree directing the Defendant No.1 to produce all documents, permissions and observations to its public issue before this Hon'ble Court so that may be delivered up and/or cancelled.</p> <p>c. Perpetual injunction restraining the defendants and/or their servants, agents and assigns from making any allotment of the shares to any of the investors and to withhold and/or refund the application money in a separate account.</p> <p>d. Permanent injunction restraining the defendant No.2 from acting as lead managers in any public issue.</p>	<p>N. A.</p>

5. Litigation Involving Labour Laws

There is no litigation filed by the Directors/Promoters of our company involving labour offences.

B. FILED BY THE DIRECTORS/PROMOTERS

1. Litigation Involving Criminal Laws

There is no litigation filed by the Directors/Promoters involving criminal offences.

2. Litigation Involving Securities and Economic Laws

There is no litigation filed by the Directors/Promoters involving securities or economic offences.

3. Litigation Involving Statutory Laws

There is no litigation filed by the Directors/Promoters involving statutory laws.

4. Litigation Involving Civil Laws

There is no litigation filed by the Directors/Promoters involving civil laws, except as under: -

1. Ratan Lal Tamakhuwala v. Ratan Kumar Banka & Others Civil Appeal No. 185 of 2006					
Appellants : 1. Ratan Lal Tamakhuwala 2. Rishi Raj Agarwal	Hon'ble High Court-Calcutta	April, 2006	The appeal and the stay application was heard and disposed off by an order dated 03.05.2006 passed by the Hon'ble Division Bench	The Appellants have preferred an appeal against the order of single judge dated April 21, 2006 whereby the Learned Judge refuse to pass an interim order in terms of the following prayers : a. Mandatory injunction directing the plaintiffs, specially the Plaintiff nos, 3, 4 and 5 to forthwith withdraw the said letter dated 13 th March, 2006 and to intimate SEBI not to take any notice of the same and/or not to act on the basis of the contents thereof, and b. Temporary injunction restraining, the respondents, their men, agents, servants, and each one of them from issuing any further letter or	N. A.
Respondents: 1. Ratan Kumar Banka 2. Pawan Kumar Ladia 3. Gujarat NRE Coke Ltd. 4. Girdharilal Jagatramka 5. Arun Kumar Jagatramka					
Proforma Respondents: 1. Chandu Parekh 2. Gulshanlal Tandon 3. Smt. Lalita Agarawal 4. Shyamanand Jalan 5. NRE Projects Limited 6. Saurashtra Projects Pvt. Ltd.					

				<p>representation to the SEBI or any other person in continuation, reiteration or pursuance of the letter dated March 13, 2006 or in respect of any property of matter in issue in the instant suit without prior leave of the court.</p> <p>c. Injunction restraining the respondents, men, agents, and servants from causing any disturbances, obstruction, or interference in the process of public issue of equity of Gremach Infrastructure Equipments & Projects Ltd. Till the disposal of the suit.</p>	
--	--	--	--	--	--

2.	Ratan Lal Tamakhuwala v. Chandu Prekh & Others T. No.267 of 2006 C.S. No.192G of 1997				
			<p>The case is pending for hearing before the Hon'ble Division Bench for adjudication. The informal paper book is filed and the matter is not appearing in the list.</p>	<p>This is an appeal preferred against the order dated 6/6/06 passed by the Hon'ble Justice Ashim Kumar Banerjee.</p>	

5. Litigation Involving Labour Laws

There is no litigation filed by the Directors/Promoters involving labour laws.

OUTSTANDING LITIGATIONS INVOLVING THE GROUP COMPANIES

There is no outstanding litigation involving the Promoters of the Group Companies.

A. FILED AGAINST THE GROUP COMPANIES

1. Litigation Involving Criminal Laws

There is no litigation pending against the Directors/Promoters group companies involving criminal offences.

2. Litigation Involving Securities and Economic Laws

There is no litigation pending against the group companies involving securities or economic offences.

3. Litigation Involving Statutory Laws

There is no litigation pending against the group companies involving statutory laws.

4. Litigation Involving Civil Laws

There is only one litigation as mentioned below, other than the mentioned litigation there are no other litigation.

1. Ratan Kumar Banka & Others versus Chandu Parekh & Others - Civil Suit No. 192 G of 1997					
Parties	Court	Date of Institution	Present Status	Details of Case	Amount Involved
Plaintiffs: 1. Ratan Kumar Banka 2. Pawan Kumar Ladia 3. Gujarat NRE Coke Ltd. 4. Girdhari Lal Jagatramka 5. Arun Kumar Jagatramka Respondents: 1. Chandu Parekh 2. Gulshanlal Tandon 3. Ratan Lal Tamakhuwala 4. Rishi Raj Agarwal 5. Smt. Lalita Agarwal 6. Shyamanand Jalan 7. NRE Projects Limited 8. Saurashtra Projects Pvt. Ltd.	Hon'ble High Court-Kolkata	7/4/1997	The Suit is pending adjudication	The plaintiffs have brought a suit for permanent injunction against Defendants 3-6 from interfering with the business of Plaintiff No. 3, restraining all defendants from disposing of properties of Plaintiff No. 3, enquiring into the wrongful acts of Defendants 3-6, restrain Defendant No. 8 from acting on transactions made between it and Plaintiff No. 3. Since 1997, the present promoters of our company have not been involved with the management of Gujarat NRE Coke limited. The said dispute does not affect	Rs. 500 lakhs

				the business and operations of our company.	
Ratan Kumar Banka & Others versus Chandu Parekh & Others - G.A. No. 1015 of 2006 in Suit No. 192G of 1997					
Plantiffs & Defendants same as Case 1	High Court of Calcutta	7/4/1997	Affidavits completed, pending before the Interlocutory Court for adjudication. Last date of hearing was on 30.08.2006 when the time to file affidavits was extended. Matter is appearing in daily list.	An interim application has been moved by the plaintiffs in the already pending Case 1 being G.A. 1015 of 2006 for injuncting the defendants from "proceeding further and/or from taking any further steps by accepting funds from the public against the equity shares of M/s. Gremach Infrastructure Equipments and Projects Limited in the terms of the prospectus without leave of the Hon'ble Court.	As on date, no injunction has been issued which could impact the public issue of the shares by our company.
Ratan Kumar Banka & Others versus Chandu Parekh & Others - G.A. No. 1219 of 2006 in Suit No. 192G of 1997G					
Plantiffs & Defendants same as Case 1	High Court of Calcutta	7/4/1997	Affidavits completed, pending before the Interlocutory Court for adjudication. Last date of hearing was on 30.08.2006 when the time to file affidavits was extended. Matter is appearing in daily list.	Another interim application has been moved by the defendants, in the already pending Case 1 being G.A. 1219 of 2006 for directing the plaintiffs in Civil Suit No. 192G of 1997 "to withdraw the letter dated 13 th March, 2006 and to intimate SEBI not to take any notice of the same and / or not to act on the basis of the contents thereof, and "restraining the respondents from causing any disturbances, obstruction, or interference in the process of public issue of equity of Gremach Infrastructure Equipments & Projects	

				Ltd. till the disposal of the suit”	
Ratan Kumar Banka V. Chandu Parekh & Others - G.A. No. 936 2006 in Suit No. 192G of 1997					
Plantiffs & Defendants same as Case 1	High Court of Calcutta	7/4/1997	Disposed off by the order dated 6.6.2006 passed by the Hon’ble Justice Ashim Kumar Banerjee.	Amendment application for striking out of the name of the defendant no. 1, 2 and 6 from the records.	

5. Litigation Involving Labour Laws

There is no litigation pending against the group companies involving labour laws.

B. FILED BY THE GROUP COMPANIES

1. Litigation Involving Criminal Laws

There is no litigation pending against the Directors/Promoters group companies involving criminal offences.

2. Litigation Involving Securities and Economic Laws

There is no litigation pending against the group companies involving securities or economic offences.

3. Litigation Involving Statutory Laws

There is no litigation pending against the group companies involving statutory laws.

4. Litigation Involving Civil Laws

There is no litigation pending against the group companies involving civil laws.

Suarashtra Projects Ltd.V/s Gujarat NRE Coke Ltd Civil suit no. 40 of 1997

Sr. No.Parties	Court	Date of Institution	Present Status	Details of Case	Amount Involved
Plaintiffs: Suarashtra Projects Ltd. Respondents : Gujarat NRE Coke Ltd	Civil Judge Senior division, Jamnagar	April 15, 1997	Pending	The plaintiffs have filed a civil suit against the defendants relating to contractual disputes wherein it claimed that the defendants owe the plaintiffs a sum of Rs. 8 Million and a lein on coke stock of Gujarat NRE Coke limited amounting to Rs.150 Lacs relating to land situated at khambalia, Jamnagar.	Rs. 80 Lacs and a lein on coke stock of Gujarat NRE Coke limited amounting to Rs.150 Lacs.

5. Litigation Involving Labour Laws

There is no litigation pending against the group companies involving labour laws.

MATERIAL DEVELOPMENT

In the opinion of the Board of Directors of our company, there have not arisen, since the date of the last audited financial statements disclosed in this prospectus, any circumstances that materially or adversely affect or are likely to affect our profitability or value of assets or our ability to pay material liabilities within the next twelve months. In accordance with SEBI requirements, our Company and the BRLM will ensure that investors in India are informed of material developments until such time as the grant of listing and trading permission by the Stock Exchanges.

GOVERNMENT APPROVALS AND LICENSING

We have received all the necessary licenses, permissions and approvals from the Central and State Governments and other government agencies/certification bodies required for our business and no further approvals are required by us for carrying on the present business activities of the Company. It must, however, be distinctly understood that in granting the above approvals, the Government 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, we can undertake this Issue and our current business activities and no further major approvals from any governmental or regulatory authority or any other entity are required to undertake the Issue or continue our business activities except as mentioned below.

We have also received approvals from those of our lenders whose financing arrangements required us to obtain approvals in connection with the Issue.

Unless otherwise stated, these approvals are all valid as of the date of this Red Herring Prospectus

EXISTING UNIT (LAM COKE AND REFRACTORY UNIT AT KUTCH, GUJARAT)

Sr. No.	Issuing Authority	Registration No. / License No./ Ref. No. & Date	Validity
1.	Permanent Account Number (PAN)	AABCN1393B	Valid Till Cancellation
2.	Importer - Exporter Code Number	0304047732 dt.20/04/2006	Valid Till Cancellation
3.	Certificate of Incorporation Registrar of Companies	063008	Valid Till Cancellation
4.	Tax Deduction Account Number (TAN)	CALC08598C	Valid Till Cancellation
5.	Central Sales Tax Department (CST)	24510300299 w.e.f. 15.09.2004	Valid Till Cancellation
6.	Value Added Tax Registration Certificate (GVAT)	24510300299 w.e.f. 15.09.2004	Valid Till Cancellation
7.	Registration Number issued under Employees' Provident Funds and Miscellaneous Act, 1952	GJ/RJT/43277 dt. 30/04/2007	Valid Till Cancellation
8.	Gujarat Pollution Control Board (Coke Unit)	FT-154/30895 Dt.22.09.2004	5 Years w.e.f. 22.09.2004
9.	Gujarat Pollution Control Board (Refractory Unit)	9188 Dt.. 18/07/2007	Upto 16/05/2011
10.	SIA, Govt. of India, Ministry of Comm. & Ind.	2716/SIA/IMO/2004 dt.29/07/04	Valid Till Cancellation
11.	SIA, Govt. of India, Ministry of Comm. & Ind.	5806/SIA/IMO/2005 dt.13/12/05	Valid Till Cancellation
12.	Paschim Gujarat Vij Co. LTD. (Power Supply)	KC/TECH-2/HT/05/No. 4193 dt.26/04/2005	Valid Till Cancellation
13.	Gujarat Water Supply & Sewerage Board	GWSSB/ADB/Indu.Conn./Order/457 dt.25/05/2006	Valid Till Cancellation
14.	Govt. of India Ministry of Labour	ALC/ADP/R:11/2005	16.06.2009
15.	Govt. of India Petroleum & explosives Safety Org.(PESO)	A/P/HQ/GJ/15/4938(P178547)	

16.	Trade Mark Application to the Registrar of trade Mark.	1444903 on dated 20 April2006	Valid Till Cancellation
17.	Govt. of India Ministry of Labour	ACL/ADP/L:145/2007	Applied for renewal
18.	Registration under the Bombay Shops and Establishments Act	700273500 dt.13/07/07	Valid Till Cancellation
19.	Central Excise Registration	AABNC1393BXM001	Valid Till Cancellation
20.	ISO 9001:2000 from Transpacific Certifications Limited	3613	Upto December 19, 2010
21	ISO 14001:2004 from Transpacific Certifications Limited	E0068	Upto December 30, 2010

PENDING APPROVALS FOR THE EXISTING UNIT (LAM COKE AND REFRACTORY UNIT AT KUTCH, GUJARAT)

Sr. No.	Approval/ Consent	Authority	Status
1.	Registration of the Trademark monogram "AUSTRAL" in class 37 for various service providers.	Registrar of Trademark , Mumbai	Application No. 01444903 filed with Registrar of Trademark Mumbai on April 20 th 2006.

APPROVAL RECEIVED FOR PROPOSED NEW PROJECT (LAM COKE AND POWER PROJECT AT SINDHUDURG, MAHARASHTRA)

Sr. No.	Issuing Authority	Registration/ License No.
1.	SIA, Govt. of India, Ministry of Comm. & Ind.	2504/SIA/IMO/2007 dt.31/08/07
2.	SIA, Govt. of India, Ministry of Comm. & Ind.	2161/SIA/IMO/2007 dt.31/07/07
3.	Maharashtra Pollution Control Board, Maharashtra	BO/PCI-II/ROKP/ EIC NO.KP-0287-05/ E/CC-2
4.	Graam Panchayat, Tal. Sawantwadi, Dist.: Sindhudurg, Maharashtra	85/05/05 dt.01/07/07
5.	MSEB, Dist.: Sindhudurg, Maharashtra	2056 dt. 08/05/02006

PENDING APPROVALS FOR THE PROPOSED NEW PROJECT (LAM COKE AND POWER PROJECT) AT SINDHUDURG, MAHARASHTRA)

Sr. No.	Issuing Authority
1	Govt. of India Ministry of Labour
2	Govt. of India Petroleum & explosives Safety Org. (PESO)
3	Water Supply & Sewerage Board
4	Central Excise Registration

The Company is establishing a LAM Coke project and power project for which the Company shall require the various other licenses, registrations and approvals which will be applied by the company in due course.

OTHER REGULATORY AND STATUTORY DISCLOSURES

AUTHORITY FOR THE ISSUE

Our Board of Directors have, pursuant to resolution passed at its meeting held on August 10, 2007 authorised the Issue and the Green Shoe Option subject to the approval by the shareholders of our Company under Section 81(1A) of the Companies Act. The Shareholders of our company had approved the present Issue vide a resolution passed at the EGM held on September 4, 2007.

PROHIBITION BY SEBI

We, our Promoters, our company's directors, any of our Group Companies, and the companies or entities with which our directors are associated, as directors or promoters, have not been prohibited from accessing or operating in the capital market nor restrained from buying, selling or dealing in securities under any order or directions passed by SEBI.

None of our Promoters, their relatives, our Company or the Promoter Group Companies have not been detained as willful defaulters by RBI/ government authorities and there are no proceedings relating to violations of securities laws pending against them and there are no violations of securities laws committed by them in the past.

Prohibition by RBI

Our Company, our Promoters, promoting companies, their relatives, group concerns and associate companies have not been detained as willful defaulters by the RBI or any other government authorities and there are no violations of securities laws committed by them in the past or pending against them.

ELIGIBILITY FOR THE ISSUE

The Company is eligible for the Issue as per Clause 2.2.1 of the SEBI Guidelines, as confirmed by the Auditors of the Company:

- The Company has net tangible assets of atleast Rs. 300.00 lakhs in each of the 3 preceding full years (of 12 months each) of which not more than 50% is held in monetary assets.
- The Company has a pre-issue net worth of not less than Rs. 100.00 lakhs in each of the three preceding full years (of 12 months each).
- The Company has a track record of distributable profits as per Section 205 of the Companies Act, 1956, for atleast three out of the immediately preceding five years.
- The proposed issue size would not exceed five (5) times the pre-issue net worth of the Company as per the audited accounts for the year ended March 31, 2007.
- The Company has not changed its name within the last one year.

The net tangible assets, monetary assets, distributable profits and net worth as derived from the restated financial statements prepared in accordance with SEBI Guidelines, for the last five financial years ended March 31, 2007 is set forth below:

(Rs. Lacs)

Particulars	31.03.2007	31.03.2006	31.03.2005	31.03.2004	31.03.2003
Net Profit	914.79	202.07	127.74	30.51	27.40
Net Worth	8434.50	3966.63	1004.74	422.49	392.28
Net Tangible Assets (a)	14577.67	9807.03	2603.73	816.25	759.55
Monetary Assets (b)	3253.65	309.70	473.44	10.25	2.85

The monetary asset in each of the three years does not exceed 50% of the net tangible assets amount.

- a) Net Tangible assets is defined as the sum of fixed assets (including capital work in progress and excluding revaluation reserve), trade investments, current assets (excluding deferred tax assets) less current liabilities (excluding deferred tax liabilities and long term liabilities).
- b) Monetary assets include cash in hand and deposit with bank.
- c) The distributable profits of the company as per section 205 of the Companies Act have been calculated from the restated Financial Statements.
- d) Net Worth includes equity share capital and reserves (net off miscellaneous expenditure not written off, if any)

In addition, we shall ensure that number of allottees getting Equity Shares is not less than one thousand in number.

SEBI DISCLAIMER CLAUSE

“IT IS TO BE DISTINCTLY UNDERSTOOD THAT SUBMISSION OF OFFER DOCUMENT TO SEBI SHOULD NOT IN ANY WAY BE DEEMED OR CONSTRUED THAT THE SAME HAS BEEN CLEARED OR APPROVED BY SEBI. SEBI DOES NOT TAKE ANY RESPONSIBILITY EITHER FOR THE FINANCIAL SOUNDNESS OF ANY SCHEME OR THE PROJECT FOR WHICH THE ISSUE IS PROPOSED TO BE MADE OR FOR THE CORRECTNESS OF THE STATEMENTS MADE OR OPINIONS EXPRESSED IN THE OFFER DOCUMENT. THE LEAD MANAGERS i.e. ALLBANK FINANCE LIMITED HAVE CERTIFIED THAT THE DISCLOSURES MADE IN THE OFFER DOCUMENT ARE GENERALLY ADEQUATE AND ARE IN CONFORMITY WITH SEBI GUIDELINES FOR DISCLOSURE AND INVESTOR PROTECTION IN FORCE FOR THE TIME BEING. THIS REQUIREMENT IS TO FACILITATE INVESTORS TO TAKE AN INFORMED DECISION FOR MAKING INVESTMENT IN THE PROPOSED ISSUE.

IT SHOULD ALSO BE CLEARLY UNDERSTOOD THAT WHILE THE ISSUER COMPANY IS PRIMARILY RESPONSIBLE FOR THE CORRECTNESS, ADEQUACY AND DISCLOSURE OF ALL RELEVANT INFORMATION IN THE OFFER DOCUMENT DRAFT, THE LEAD MANAGER ALLBANK FINANCE LIMITED IS EXPECTED TO EXERCISE DUE DILIGENCE TO ENSURE THAT OUR COMPANY DISCHARGES ITS RESPONSIBILITY ADEQUATELY IN THIS BEHALF AND TOWARDS THIS PURPOSE, THE LEAD MANAGERS ALLBANK FINANCE LIMITED HAVE FURNISHED TO SEBI, DUE DILIGENCE CERTIFICATE DATED 1st NOVEMBER 2007 IN ACCORDANCE WITH SEBI (MERCHANT BANKERS) REGULATIONS, 1992, WHICH READS AS FOLLOWS:

i. WE HAVE EXAMINED VARIOUS DOCUMENTS INCLUDING THOSE RELATING TO LITIGATION LIKE COMMERCIAL DISPUTES, PATENT DISPUTES, DISPUTES WITH COLLABORATORS ETC. AND OTHER MATERIALS, MORE PARTICULARLY REFERRED TO IN THE ANNEXURE HERE TO IN CONNECTION WITH THE FINALISATION OF THE DRAFT PROSPECTUS PERTAINING TO THE SAID ISSUE;

ii. ON THE BASIS OF SUCH EXAMINATION AND THE DISCUSSIONS WITH OUR COMPANY, ITS DIRECTORS AND OTHER OFFICERS, OTHER AGENCIES, INDEPENDENT VERIFICATION OF THE STATEMENTS CONCERNING THE OBJECTS OF THE ISSUE, PROJECTED PROFITABILITY, PRICE JUSTIFICATION AND THE CONTENTS OF THE DOCUMENTS MENTIONED IN THE ANNEXURE AND OTHER PAPERS FURNISHED BY OUR COMPANY.

WE CONFIRM THAT

- ❖ THE DRAFT PROSPECTUS FORWARDED TO BOARD IS IN CONFORMITY WITH THE DOCUMENTS, MATERIALS AND PAPER 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;**
- ❖ DISCLOSURES MADE IN THE DRAFT PROSPECTUS ARE TRUE, FAIR AND ADEQUATE TO ENABLE THE INVESTORS TO MAKE A WELL INFORMED DECISION AS TO THE INVESTMENT IN THE PROPOSED ISSUE;**
- ❖ BESIDE OURSELVES, ALL THE INTERMEDIARIES NAMED IN THE DRAFT RED HERRING PROSPECTUS ARE REGISTERED WITH SEBI AND TILL DATE SUCH REGISTRATION IS VALID;**
- ❖ WE CERTIFY THAT WRITTEN CONSENT FROM SHAREHOLDERS HAS BEEN OBTAINED FOR INCLUSION OF THEIR SECURITIES AS A PART OF PROMOTERS' CONTRIBUTION SUBJECT TO LOCK-IN AND THE SECURITIES PROPOSED TO FORM PART OF PROMOTERS' CONTRIBUTION SUBJECT TO LOCK-IN, SHALL**

NOT BE DISPOSED / SOLD / TRANSFERRED BY THE PROMOTERS DURING THE PERIOD STARTING FROM THE DATE OF FILING THE DRAFT RED HERRING PROSPECTUS WITH THE BOARD TILL THE DATE OF COMMENCEMENT OF LOCK-IN PERIOD AS STATED IN THE DRAFT PROSPECTUS.

THE FILING OF THE DRAFT RED HERRING PROSPECTUS DOES NOT, HOWEVER, ABSOLVE OUR COMPANY FROM ANY LIABILITIES UNDER SECTION 63 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 LEAD MANAGER (S), (MERCHANT BANKERS) ANY IRREGULARITIES OR LAPSES IN OFFER DOCUMENT.

ALL PUBLICITY MATERIALS / ADVERTISEMENTS SHOULD NOT CONTAIN MATTERS EXTRANEOUS TO THE INFORMATION CONTAINED IN THE OFFER DOCUMENT. ATTENTION SPECIALLY DRAWN TO THE PROVISIONS OF SECTION 68 OF THE COMPANIES ACT, 1956

ALL LEGAL REQUIREMENTS PERTAINING TO THE ISSUE WILL BE COMPLIED WITH AT THE TIME OF FILING OF THE RED HERRING PROSPECTUS WITH THE ROC IN TERMS OF SECTION 60B OF THE COMPANIES ACT, 1956. ALL LEGAL REQUIREMENTS PERTAINING TO THE ISSUE WILL BE COMPLIED WITH AT THE TIME OF REGISTRATION OF THE RED HERRING PROSPECTUS WITH THE ROC IN TERMS OF SECTIONS 60 AND 60B OF THE COMPANIES ACT.

Disclaimer from the issuer and the Book Running Lead Manager

Austral Coke & Projects Limited, its Directors and the Book Running Lead Managers accept no responsibility for statements made otherwise than in this prospectus or in the advertisements or any other material issued by or at the instance of the Issuer and that anyone placing reliance on any other source of information, including Company's web site, www.australcoke.com, would be doing so at his or her own risk.

The Lead Manager accepts no responsibility, save to the limited extent as provided in the Memorandum of Understanding entered into between the Lead Manager and Austral Coke & Projects Limited and the Underwriting Agreement to be entered into between the Underwriters and Austral Coke & Projects Limited.

All information shall be made available by Austral Coke & Projects Limited, the Lead Manager to the public and investors at large and no selective or additional information would be available for a section of the investors in any manner whatsoever including at road show presentations, in research or sales reports, at collection 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 majors, Hindu Undivided Families, 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) or Trusts registered under the applicable Trust law and who are authorized under their constitution to hold and invest in shares, permitted insurance companies and pension funds and to permitted non residents including NRIs, FIIs and other eligible Foreign Investors (viz. Foreign Venture Capital Funds registered with SEBI, multilateral and bilateral Development Financial Institutions). The Red Herring Prospectus does not, however, constitute an invitation to subscribe to equity shares issued hereby in any other jurisdiction to any person to whom it is unlawful to make an invitation in such jurisdiction. Any person into whose possession this Red Herring Prospectus comes is required to inform him 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 Mumbai (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 filed with SEBI for observations and SEBI has given its observations. 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 our affairs from the date hereof or that the information contained herein is correct as of any time subsequent to this date.

Disclaimer Clause of CARE

CARE's IPO Grading is a one time assessment and the analysis draws heavily from the information provided by the issuer as well as information obtained from sources believed by CARE to be accurate and reliable. However, CARE, does not guarantee the accuracy, adequacy or completeness of any information and is not responsible for any errors or omissions or for the results obtained from the use of such information. CARE's IPO grading does not take cognizance of the price of the security and it is not a recommendation to buy, sell or hold shares/securities. It is also not a comment on the offer price or the listed price of the scrip. It does not imply that CARE performs an audit function or forensic exercise to detect fraud. It is also not a forecast of the future market performance and the earnings prospects of the issuer; also it does not indicate compliance/violation of various statutory requirements. CARE shall not be liable for any losses incurred by users from any use of the IPO grading.

Disclaimer Clause of Bombay Stock Exchange Limited (the Designated Stock Exchange)

Bombay Stock Exchange Limited has given vide its letter no. DCS/IPO/BP/IPO-IP/1386/2007-08 dated November 28, 2007, given 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 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:

1. warrant, certify or endorse the correctness or completeness of any of the contents of the Red Herring Prospectus; or
2. warrant that this Company's securities will be listed or will continue to be listed on BSE; or
3. 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 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 Clause of National Stock Exchange of India Limited

As required, a copy of the Red Herring Prospectus has been submitted to NSE. NSE has given *vide* its letter ref. NSE/LIST/62828-J dated December 18, 2007 permission to the Company to use the NSE's name in this Red Herring Prospectus as one of the stock exchanges on which this Company's securities are proposed to be listed. The NSE has scrutinized the Red Herring Prospectus for its limited internal purpose of deciding on the matter of granting the aforesaid permission to this Company. It is to be distinctly understood that the aforesaid permission given by NSE should not in any way be deemed or construed to mean that the Red Herring Prospectus has been cleared or approved by NSE; nor does it in any manner warrant, certify or endorse the correctness or completeness of any of the contents of the Red Herring Prospectus; nor does it warrant that this Company's securities will be listed or will continue to be listed on the NSE; nor does it take any responsibility for the financial or other soundness of this Company, its Promoters, its management or any scheme or project of this Company.

Every person who desires to apply for or otherwise acquires any securities of the Company may do so pursuant to independent inquiry, investigation and analysis and shall not have any claim against the NSE whatsoever by reason of any loss which may be suffered by such person consequent to or in connection with such subscription/acquisition whether by reason of anything stated or omitted to be stated herein or any other reason whatsoever.

Filing of Prospectus with the Board and the Registrar of Companies

1. A copy of this Red Herring Prospectus has been filed with SEBI at Corporation Finance Department, SEBI Bhavan, Plot No. C-4A, G Block, Bandra Kurla Complex, Bandra (East), Mumbai- 400 051.
2. A copy of this 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, Nizam Palace, AJC Bose Road, Kolkata atleast 3 (three) days before the issue opening date. The final Prospectus would be filed with the Corporate Finance Department of SEBI and the ROC at the respective aforesaid addresses upon closure of this issue and on finalization of this issue price. We will comply with all legal requirements applicable till the filing of Prospectus with RoC.

Listing

Initial listing applications have been made to Bombay Stock Exchange Limited, (Designated Stock Exchange) and the National Stock Exchange of India Ltd. (NSE) for permission to list equity shares and for an official Quotation of the equity shares of our company.

In case, the permission for listing and or dealing & official quotation of the Equity Shares is not granted by any of the above mentioned Stock Exchanges, the Company shall forthwith repay, without interest, all money received from the applicants in pursuance of this Prospectus. If such money is not repaid within 8 days after the day from which the Issuer becomes liable to repay it, then our company and every director of our company who is an officer in default shall, on and from expiry of 8 days, be jointly and severally liable to repay that money with interest as prescribed under Section 73 of the Companies Act, 1956.

Our company together with the Lead Manager shall ensure that all the steps for the completion of the necessary requirements for Listing and Commencement of trading at all the Stock Exchanges mentioned above are taken within 7 working days of finalisation and adoption of the Basis of Allotment for the Issue.

Impersonation

Attention of the applicants is specifically drawn to the provisions of sub-section (1) of Section 68A 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

The written consents of Directors, Company Secretary & Compliance Officer, Book Running Lead Manager to the Issue, Legal Advisor to the Issue, Registrar to the Issue, Auditors, Bankers to our company, Grading agency, Appraising agency, Bankers to the Issue, the Syndicate Members and Underwriters to act in their respective capacities.

The said consents would be filed along with a copy of the Red Herring Prospectus with the RoC, Kolkata, West Bengal. as required under Sections 60 and 60B of the Companies Act, 1956 and such consents have not been withdrawn up to the time of delivery of the Red Herring Prospectus, for registration with the RoC, Kolkata, West Bengal.

M/s T.N. Datta Associates, Statutory Auditors, have also given their consent to the inclusion of their report as appearing hereinafter in the form and context in which it appears in this Red Herring Prospectus and also tax benefits accruing to our company and to the members of our company and such consent and report have not been withdrawn up to the time of delivery of this Red Herring Prospectus for registration with the Registrar of Companies, West Bengal at Kolkata.

Expert Opinion

Our company has not obtained any expert opinions related to the present Issue, except the opinion of the Auditor T.N. Datta Associates, Chartered Accountants on the tax benefits available to the company & investors.

Public Issue Expenses

Public Issue expenses are estimated as follows:

S. No.	Particulars	Amount	% of Total Issue size	% of Issue Expenses
1	Issue Management Fee, Underwriting Commission, Brokerage and Selling Commission	[•]	[•]	[•]
2	Registrars fees	[•]	[•]	[•]
3	IPO Grading Expenses	7.86	[•]	[•]
3	Fee for Legal Counsel	2.00	[•]	[•]
4	Printing and Distribution of Issue Stationery	80.00	[•]	[•]
5	Advertising and Marketing expenses	142.10	[•]	[•]
6	Other expenses (stamp duty, initial listing fees, depository fees, charges for using the book building software of the exchanges and other related expenses)	[•]	[•]	[•]
	Total	[•]	[•]	[•]

Details of Fees Payable

Particulars	Amount (Rs. in Lacs)	% of Total Issue Expenses	% of Total Issue Size
Lead Manager/s to the Issue	[•]	[•]	[•]
Registrar to the Issue	[•]	[•]	[•]
Bankers to the issue	[•]	[•]	[•]
Others	[•]	[•]	[•]
Total	[•]	[•]	[•]

Fees Payable to Book Running Lead Manager/s to the Issue

The total fees payable to the Lead Manager will be as per the Engagement Letters from our Company to the BRLM and Memorandum of Understanding signed with the Lead Manager, copy of which is available for inspection at the Registered Office of our company.

Fees Payable to Registrar to the Issue

The total fees payable to the Registrar to the Issue will be as per the Memorandum of Understanding signed with the Registrar, copy of which is available for inspection at the Registered Office of our company.

Adequate funds will be provided to the Registrar to the Issue to enable them to send refund order(s) / letter(s) of allotment / share certificate(s) by registered post.

Commission and Brokerage paid on previous Equity Issues by us

Since this is the initial public offer of our company, no sum has been paid or has been payable as commission or brokerage for subscribing to or procuring or agreeing to procure subscription for any of our Equity Shares and Warrants since our inception.

Previous Public or Rights Issues (during the last five years)

Austral Coke & Projects Limited has not made any public or rights Issue during last five years. Since it is our first Initial Public Offering (IPO) of equity shares to Public

Previous Issue of Shares Otherwise than for Cash

Except as disclosed in the section titled "Capital Structure" on page 50 of this Red Herring Prospectus, we have not issued any Equity Shares and Warrants for consideration otherwise than for cash.

PARTICULARS REGARDING ISSUER COMPANY (LAST 3 ISSUES)/LISTED COMPANIES UNDER THE SAME MANAGEMENT WITHIN THE MEANING SECTION 370 (1)(B) OF THE COMPANIES ACT, 1956 WHICH MADE ANY CAPITAL ISSUE DURING THE LAST THREE YEARS

- ❖ Name of our group company: M/s. Gremach Infrastructure Equipments & Projects Ltd.
- ❖ Year of issue: 2007-08
- ❖ Type of issue: Initial Public Offering (IPO)
- ❖ Size of the issue: 5900 Lacs
- ❖ Date of closure of issue: 19th March, 2007
- ❖ Date of Completion of Dispatch of Certificates: 03.04.2007
- ❖ Date of completion of the project: The project has been completed in October, 2007
- ❖ Rate of dividend paid in the year 2007: 10%
- ❖ Current market price : Rs. 83.40 as on July 8, 2008

Except as mentioned above, There are no listed Companies under the same management within the meaning of Section 370 (1B) of the Companies Act, 1956.

- ❖ Objects of the previous issue
 - To Acquire Equipments used for Construction of Roads, Construction and Development of Ports and Equipments used in mining activities and provide them on rent thereof.
 - General corporate purposes
 - To meet the Issue expenses and
 - To get the Equity Shares listed on the Stock Exchange
- ❖ Schedule of Implementation

The Equipments proposed to be acquired is ready to use and can be put in operation at any of the working sites after the procurement. The proposed schedule for procurement of remaining Capital Equipment is as under:

Particulars	Schedule
Placement of Orders	Within 30 days from availability of the public issue proceeds
Procurement	Within 90 days of the placement of order

Our company is in the process of identifying the location, which is best suited to their requirements, and the acquisition will be made within 90 days from the availability of the funds.

- ❖ Status of implementation: Placement of Orders has already been done and project is completed in October 2007.
- ❖ Reasons for deviations : The project envisaged procurement of equipments. There is a deviation in terms of implementation due to late delivery of equipments / machineries.
- ❖ Expected completion : October, 2007 Confirmed as per the letter dated February 6, 2008 by Monitoring agency i.e. Centurian Bank of Punjab submitted to BSE, Designated Stock Exchange)

Listed Ventures of Promoters

Except Gremach Infrastructure Equipments & Projects Ltd., our Promoters do not have any Listed Ventures.

Promise vis-à-vis Performance - Last One Issue of Group Companies

Promise vis-à-vis Performance (in regards to Financials) : Not applicable.

Promise vis-à-vis Performance (in regards to implementation Schedule) : Deviation due to delay in actual delivery of Equipments.

Previous Rights and Public Issues

We have not made any public issue Equity Shares and Warrants and rights issue either in India or abroad in the five years Preceding the date of this Prospectus.

Outstanding Debentures or Bond Issues

As on date of filing of this Red Herring Prospectus with SEBI, our Company does not have any Outstanding Debentures or Bonds.

Outstanding Preference Shares

Our company since its Incorporation has not issued any Redeemable Preference shares or other Instruments.

Stock Market Data for our Equity Shares

This being the first Public Issue of our company, no Stock Market Data is available.

Mechanism for Redressal of Investor Grievances

Our company has appointed Intime Spectrum Registry Limited as the Registrar of the Issue, to handle the Investor grievances in co-ordination with Compliance Officer of our company. All grievances relating to the present issue may be addressed to the registrar with a copy to the Compliance Officer, giving full details such as name, address of the applicant, number of Equity Shares applied for, amount paid on application and Bank branch where the application was submitted. Our company will monitor the work of the Registrar to ensure that the grievances are settled expeditiously and satisfactorily.

Changes in Auditors during the Last Three Years and Reasons thereof

There has been the following change in the Statutory Auditors in the last three years as per following details:-

Sr. No	Name of Auditor	Date of change	Particulars of change
1.	M/s. A Toshniwal & Co., "Ganges Garden", 106, Kiran Chandra Singhee Roadblock C-I, 4 th floor, Flat No, "H", Shibpur, Howrah 711 102	19.08.2005	Resigned
2.	T.N. Datta & Associates 87/B, Cossipore Road, Block No.B, Flat no.8, Kolkata 700 002	14.06.2006	Resigned
3.	Prodip Sarkar & Associates 9D/1A, Northern Avenue Kolkata 700 037	25.04.2008	Resigned
4	T.N. Datta & Associates 87/B, Cossipore Road, Block No.B, Flat no.8, Kolkata 700 002	28.05.2008	Appointed

Capitalisation of Reserves or Profits (during last five years)

Our company has not capitalised any reserve during last five year except bonus issue made on 31st March 2007. For further detail please see chapter Capital Structure of the Red Herring Prospectus.

Revaluation of Assets, if any (during last five years)

None of the assets of our company have been revalued during last five years.

SECTION VII: ISSUE RELATED INFORMATION

TERMS OF THE ISSUE

The Equity Shares being offered are subject to the provisions of the Companies Act, Company's Memorandum and Articles of Association, the terms of this Red Herring Prospectus, Red Herring Prospectus, Prospectus, Bid cum Application Form, the Revision Form, the Confirmation of Allocation Note 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, Stock Exchanges, FIPB, 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 our Memorandum and Articles of Association and shall rank pari passu in all respects with the existing Equity Shares of our company including rights in respect of dividend.

Face Value and Issue Price

The Equity Shares with a face value of Rs. 10/- each are being offered at a total price of Rs. [●] per Equity Share. At any given point of time there shall be only one denomination for the Equity Shares.

Subject to applicable laws, the equity shareholders shall have the following rights:

- Right to receive dividend, if declared;
- Right to attend general meetings and exercise voting powers, unless prohibited by law;
- Right to vote on a poll either in person or by proxy;
- Right to receive offers for rights shares and be allotted bonus shares, if announced;
- Right to receive surplus on liquidation;
- 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 our Memorandum and Articles of Association.

For a detailed description of the main provisions of our Articles of Association dealing with voting rights, dividend, forfeiture and lien, transfer and transmission and/or consolidation/splitting, refer to the section on "Main Provisions of Articles of Association of our company" on page 223 of this Red Herring Prospectus.

Market Lot and Trading Lot

In terms of Section 68B of the Companies Act, the Equity Shares of our company shall be allotted only in dematerialised form. As per existing SEBI Guidelines, the trading of our Equity Shares shall only be in dematerialised form.

Since trading of our Equity Shares is compulsorily in dematerialized mode, the tradable lot is one Equity Share. Allotment through this Issue will be done only in electronic form in multiples of 1(one) Equity Shares subject to a minimum Allotment of 34 Equity Shares.

Nomination Facility to the Investor

In accordance with Section 109A of the Companies Act, the sole or first Bidder, along other joint Bidder, may nominate any one Person in whom, in the event of the death of sole Bidder or in case of joint Bidders, death of all the Bidders, as the case may be, the Equity Shares allotted, if any, shall vest. A Person, being a nominee, entitled to the Equity Shares by reason of the death of the original holder(s), shall in accordance with Section 109A of the Companies Act, be entitled to the same advantages to which he or she would be entitled if he or she were the registered holder of the Equity Share(s). Where the nominee is a minor, the holder(s) may make a nomination to appoint, in the prescribed manner, any Person to become entitled to

Equity Share(s) in the event of his or her death during the minority. A nomination shall stand rescinded upon a sale/ transfer/ alienation of Equity Share(s) by the Person nominating. A buyer will be entitled to make a fresh nomination in the manner prescribed. Fresh nomination can be made only on the prescribed form available on request at the registered office of our company or at the Registrar and Transfer Agents of our company.

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

- a. to register himself or herself as the holder of the Equity Shares; or
- b. to make such transfer of the Equity Shares, as the deceased holder could have made.

Further, the Board may at any time give notice requiring any nominee to choose either to be registered himself or herself or to transfer the Equity Shares, and if the notice is not complied with, within a period of ninety days, the Board may thereafter withhold payment of all dividends, bonuses or other money payable in respect of the Equity Shares, until the requirements of the notice have been complied with.

Since the allotment of Equity Shares in the Issue will be made only in dematerialised mode, there is no need to make a separate nomination with us. Nominations registered with the respective depository participant of the applicant would prevail. If an investor needs to change the nomination, they are requested to inform their respective depository participant.

Minimum Subscription

If we do not receive the minimum subscription of 90% of the Issue to the public to the extent of the amount payable on application, including devolvement on Underwriters, if any, within 60 days from the Bid Closing Date, we shall forthwith refund the entire subscription amount received. If there is a delay beyond eight days after we become liable to pay the amount (i.e., 60 days from the Bid Closing Date), we shall pay interest prescribed under Section 73 of the Companies Act.

Jurisdiction

Exclusive jurisdiction for the purpose of this Issue is with competent courts/authorities in Kolkata (West Bengal).

Withdrawal of the Issue

Our company, in consultation with the BRLM, reserves the right not to proceed with the Issue at anytime including after the Bid Closing Date, without assigning any reason thereof.

ISSUE STRUCTURE

The Present issue is a fresh issue of 72,60,000 Lacs Equity Shares of face Value Rs. 10 each, for cash at a price of Rs. [●] per Equity Share aggregating Rs. [●] Lacs. This Issue is being made through a 100% book building process and the details of the Issue Structure are as follows.

Particulars	QIBs ^	Non-Institutional Bidders ^	Retail individual Bidders^
Number of Equity Shares*	Upto 36,30,000 Equity Shares	Atleast 10,89,000 Equity Shares.	Atleast 25,41,000 Equity Shares.
Percentage of Issue Size Available for allocation	Upto 50% Issue to the Public or Issue less allocation to Non-Institutional Bidders and Retail Individual Bidders with 5% compulsory to mutual funds.	Minimum of 15% of Issue to the Public or Net Issue less allocation to QIB Bidders and Retails Individual Bidders	Minimum of 35% of Issue to the Public or Issue less allocation to QIB Bidders and Non-Institutional Bidders
Basis of Allocation if respective category is oversubscribed	Proportionate	Proportionate	Proportionate
Minimum Bid#	Such number of Equity Shares that the Bid Amount exceeds Rs. 1,00,000 and in multiples of 34 Equity Shares thereafter.	Such number of Equity Shares that the Bid Amount exceeds Rs. 1,00,000 and in multiples of 34 Equity Shares thereafter	34 Equity shares and in multiples of 34 Equity Share thereafter
Maximum Bid	Such number of Equity Shares not exceeding the Net Issue, subject to applicable limits.	Such number of Equity Shares not exceeding the Net Issue, subject to applicable limits.	Such number of Equity Shares whereby the Bid amount does not exceeds Rs. 1,00,000
Mode of Allotment	Compulsorily in dematerialised mode	Compulsorily in dematerialised mode	Compulsorily in dematerialised mode
Trading Lot	One	One	One
Who can apply**	Public financial institutions, as specified in Section 4A of the Companies Act, scheduled commercial banks, mutual funds, foreign institutional investors registered with SEBI, multilateral and bilateral development financial institutions, venture capital funds registered with SEBI, foreign venture capital investors registered with SEBI and state Industrial Development Corporations, permitted insurance companies registered with the	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 exceeds Rs. 1,00,000 in value.

	Insurance Regulatory and Development Authority, provident funds with minimum corpus of Rs. 250 million and pension funds with minimum corpus of Rs. 250 million in accordance with applicable laws.		
Terms of Payment	Margin Money applicable to QIBs at the time of submission of Bid cum Application Form to the Syndicate Members.	Margin Money applicable to Non-institutional Bidders at the time of submission of Bid cum Application Form to the Syndicate Members.	Margin Money applicable to Retail Individual Bidders at the time of submission of Bid cum Application Form to the Syndicate Members.
Margin Amount	10% of the Bid Amount on bidding.	Full Bid amount on Bidding	Full Bid amount on Bidding

^ - As per Chapter VIII - A of the SEBI Guidelines, we have availed of the Green Shoe Option for stabilising the post-listing price of the shares. We have appointed PL Capital Markets Private Limited as the Stabilising Agent. The Green Shoe Option consists of option to over allot up to 10,89,000 shares of Rs. 10/- each at a price of Rs. [●] per share aggregating Rs[●] Lacs representing 15% of the Issue, exercisable during the period commencing from the date of obtaining trading permission from the BSE for the Equity Shares under the Issue, and ending 30 days thereafter unless terminated earlier by the Stabilising Agent.

* Subject to valid bids being received at or above the Issue Price. Under-subscription, if any, in any portion, would be allowed to be met with spillover from any other portions at our company's discretion, in consultation with the BRLM.

*** 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.

The minimum number of Equity Shares for which Bids can be made by Bidders and the multiples of Equity Shares in which the Bids can be made, shall be advertised at least one day prior to the Bid Opening Date/Issue Opening Date, in [●], an English language newspaper, in [●], a Hindi language newspaper and in [●], a Regional newspaper, all with wide circulation; and also on the websites of the BRLM and our company, as appearing on the cover page.

ISSUE PROCEDURE

Book Building Procedure

The Issue is being made through the 100% book building method where in up to 50% of the Net Issue to Public shall be available for allocation on a proportionate basis to Qualified Institutional Buyers with 5 % of compulsory allocation to mutual funds only and the remainder of the Qualified Institutional Buyers portion shall be available for allocation on a proportionate basis to all Qualified Institutional Buyers, including Mutual Funds, subject to valid being received at or above the issue price. Further, not less than 15% of the Net Issue to Public shall be available for allocation on a proportionate basis to Non-Institutional Bidders and not less than 35% of the Net Issue to 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.

Bidders are required to submit their Bids through the members of the Syndicate. We, in consultation with the BRLM, reserve the right to reject any Bid procured by any or all members of the Syndicate without assigning any reasons therefore in case of QIBs. In case of Non-Institutional Bidders and Retail Individual Bidders, we would have a right to reject the Bids only on technical grounds.

We, in consultation with the BRLM would have proportionately allocate to QIBs based on a number of criteria, which will typically include, but would not be limited to, the following: prior commitment, investor quality, price, earliness of bid, existing and continued shareholding of QIBs during the period prior to the Bid Opening Date and until the date of pricing.

Investors should note that Equity Shares would be allotted to all successful Bidders only in 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 specified Bid-cum-Application Form bearing the stamp of a member of the Syndicate for the purpose of 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 allotment 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 Nationals or NRIs applying on a non-repatriation basis	White
NRIs or FIIs or Foreign Venture Capital Funds registered with SEBI, Multilateral and Bilateral Development Financial Institutions applying on a repatriation basis	Blue

Who Can Bid?

- Indian nationals resident in India who are majors, in single or joint names (not more than three);
- 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;

- Companies, corporate bodies and societies registered under the applicable laws in India and authorized to invest in Equity shares;
- Indian mutual funds registered with SEBI;
- Indian financial institutions, commercial banks, regional rural banks, co-operative banks (subject to RBI regulations and SEBI Guidelines and Regulations, as applicable);
- Venture capital funds registered with SEBI;
- Foreign venture capital investors registered with SEBI;
- State Industrial Development Corporations;
- Insurance companies registered with the Insurance Regulatory and Development Authority;
- Provident funds with minimum corpus of Rs. 2500 lacs and who are authorized under their constitution to invest in Equity Shares;
- Pension funds with minimum corpus of Rs. 2500 lacs and who are authorized under their constitution to invest in Equity Shares;
- Multilateral and bilateral development financial institutions;
- Trusts/Societies registered under the Societies Registration Act, 1860, as amended, or under any other law relating to Trusts/Societies and who are authorized under their constitution to hold and invest in equity shares;
- Eligible Non-residents including NRIs and FIIs on a repatriation basis or a non- repatriation basis subject to applicable local laws; and
- Scientific and/or industrial research organizations authorized under their constitution to invest in equity shares.
- Persons otherwise eligible to invest under all applicable laws, rules, regulations and guidelines.

As per existing regulations, OCBs cannot Bid in this Issue.

Note: Bidders are advised to ensure that any single Bid from them does not exceed the investment limits or maximum number of Equity Shares that can be held by them under the relevant laws, rules, regulations, guidelines and approvals.

Participation by Associates of the BRLM and Syndicate Members

The BRLM and Syndicate Members shall not be entitled to subscribe to this Issue in any manner except towards fulfilling their underwriting obligation. However, associates and affiliates of the BRLM, and Syndicate Members may subscribe for Equity Shares in the Issue, including in the QIB Portion and Non-Institutional Portion where the allocation is on a proportionate basis. Such holding or subscription maybe on their behalf or on behalf of their clients.

Bids by Mutual Funds

An eligible Bid by a Mutual Fund shall first be considered for allocation proportionately in the Mutual Funds Portion. In the event that the demand is greater than the 2,29,854 Equity Shares, allocation shall be made to Mutual Funds on a proportionate basis to the extent of Mutual Funds Portion. The remaining demand by Mutual Funds shall, as part of the aggregate demand by QIB Bidders, be made available for allocation proportionately out of the remainder of the QIB portion, after excluding the allocation in the Mutual Funds Portion. The Bids made by Asset Management Companies or Custodians of Mutual Funds should specifically state the name of concerned schemes for which Bids are made.

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..

Bids by Eligible NRIs

NRI Bidders to comply with the following:

Individual NRI Bidders can obtain the Bid cum Application Forms from our Registered Office, members of the Syndicate or the Registrar to the Issue.

NRI Bidders may please note that only such Bids as are accompanied by payment in free foreign exchange shall be considered for allotment. NRIs who intend to make payment through Non-Resident Ordinary (NRO) accounts shall use the Bid cum Application Form meant for resident Indians (White in color). All instruments accompanying bids shall be payable in Mumbai only.

Bids by FIIs

As per the current regulations, the following restrictions are applicable for investments by FIIs:

No single FII can hold more than 10% of our post-issue paid-up capital (i.e. 10% of 290,29,604 in case the Green Shoe Option is not exercised or 301,18,604 Equity Shares in case the Green Shoe Option is exercised in full).

In respect of an FII investing in our Equity Shares on behalf of its sub-accounts, the investment on behalf of each sub-account shall not exceed 10% of our total issued capital or 5% of our total issued capital in case such sub-account is a foreign corporate or an individual. Under the current foreign investment policy applicable to us foreign equity participation up to 100% is permissible under the automatic route.

Bids by non-residents including NRIs, FIIs and Foreign Venture capital Funds registered with SEBI on a repatriation basis.

Bids and Revision to Bids must be made:

- On the Bid-cum-Application Form or Revision Form, as applicable, and completed in full in **BLOCK LETTERS IN ENGLISH** in accordance with the instructions contained therein.
- In a single or joint names (not more than three).
- Bids by NRIs for a Bid amount of up to Rs. 1,00,000 would be considered under the Retail Individual Bidders Portion for the purpose of Allocation and Bids for a Bid amount of more than or equal to Rs. 1,00,000 would be considered under Non-Institutional Bidder Portion for the purposes of allocation; by FIIs or Foreign Venture Capital Fund, Multilateral and Bilateral Development Financial Institutions for a minimum of such number of Equity Shares and in multiples of 34 Equity Shares thereafter so that the Bid amount exceeds Rs. 1,00,000; for details, please refer the section titled “Issue Procedure - Maximum and Minimum Bid Size” beginning on page 196 of this Red Herring Prospectus.
- In the names of individuals or in the names of FIIs or in the names of Foreign Venture Capital Fund, Multilateral and Bilateral Development Financial Institutions but not in the names of minors, firms or partnerships, foreign nationals or their nominees or OCB’s.
- 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 payable upon submission of the Bid-

cum-Application Form or Revision Form through Indian Rupee drafts purchased abroad, such payments in Indian Rupees will be converted into US Dollars or any other freely convertible currency as may be permitted by the RBI at the rate of exchange prevailing at the time of remittance and will be dispatched by registered post/speed post or if the Bidders so desire, will be credited to their NRE accounts, details of which should be furnished in the space provided for this purpose in the Bid-cum-Application Form. Our Company will not be responsible for loss, if any, incurred by the Bidder on account of conversion of foreign currency.

There is no reservation for Non Residents, NRIs, FII 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.

APPLICATION BY SEBI REGISTERED VENTURE CAPITAL FUNDS AND FOREIGN VENTURE CAPITAL INVESTORS

As per the current regulations, the following restrictions are applicable for investments by SEBI registered Venture Capital Funds and Foreign Venture Capital Investors:

The SEBI (Venture Capital) Regulations, 1996 and the SEBI (Foreign Venture Capital Investor) Regulations, 2000 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 aggregate holdings of venture capital funds and foreign venture capital investors registered with SEBI could, however, go up to 100% of our Company's paid-up equity capital.

Pursuant to the SEBI Guidelines, the shareholding of SEBI registered Venture Capital Funds and Foreign Venture Capital Investors held in a company prior to making an Initial Public Offering would be exempt from Lock in requirements only if the shares have been held by them for at least one year prior to the time of filing the draft prospectus with SEBI.

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, and our Company and the BRLM shall on no grounds whatsoever be liable for or responsible for any breach of applicable regulations by any investor or category of investors.

Maximum and Minimum Bid size

For Retail Bidders: The Bid must be for minimum 34 number of Equity Shares and in multiples of 34 Equity Shares thereafter subject to maximum bid amount of Rs. 1,00,000. In case of revision of Bids, the Retail Individual Bidders have to ensure that the Bid Amount does not exceed Rs. 1,00,000. In case the Bid Amount is over Rs. 1,00,000 due to revision or revision of the Price Band or on exercise of Cut-off option, the Bid would be considered for allotment under the Non-Institutional Bidders category. 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.

For Others (Non-Institutional Bidders and QIBs) Bidders: The Bid must be for a minimum of such number of Equity Shares in multiples of 34 such that the Bid Amount payable by the Bidder exceeds Rs. 1,00,000 and in multiples of 34 Equity Shares thereafter. A Bid cannot be submitted for more than the net Issue to the public. However, the maximum Bid by a QIB should not exceed the investment limits prescribed for them by applicable laws. Under existing SEBI guidelines, a QIB Bidder cannot withdraw its Bid after the Bid/Issue Closing Date.

In case of revision in Bids, the Non-Institutional Bidders who are individuals have to ensure that the Bid Amount is greater than Rs. 1,00,000, for being considered for allocation in the Non Institutional Portion. In case the Bid Amount reduces to Rs. 1,00,000 or less due to a revision in Bids or revision of Price Band, the same 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 this Red Herring Prospectus with the RoC at least 3 (three) days before the Bid/Issue Opening Date.
- b) The Price Band shall be advertised at least one day prior to the Bid Opening Date/Issue Opening Date. With regard to the Price Band, the Bidders can be guided by the secondary market prices of the Equity Shares.
- c) The members of the Syndicate will circulate copies of this Red Herring Prospectus along with the Bid-cum-Application Form to their potential investors.
- d) Any investor (who is eligible to invest in the Equity Shares) desirous of obtaining a copy of this Red Herring Prospectus along with the Bid-cum- Application Form can obtain the same from the registered office of our company or from the BRLM, or from a member of the Syndicate.
- e) The Bids should be compulsorily submitted on the prescribed Bid-cum-Application Form only. Bid-cum-Application Forms should bear the stamp of a member of the Syndicate. The Bid-cum-Application Forms, which do not bear the stamp of a member of the Syndicate, will be rejected.

Method and Process of bidding

1. 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 Registrar of Companies, West Bengal at Kolkata and also publish the same in one English national daily, one Hindi national daily and in one Regional newspaper with wide circulation. This advertisement shall contain the minimum disclosures as prescribed under Schedule XX-A of the SEBI Guidelines. The BRLM and Syndicate Members shall accept Bids from the Bidders during the Issue Period in accordance with the terms of the Syndicate Agreement.
2. Investors who are interested in subscribing for our Equity Shares should approach any of the members of the Syndicate or their authorized agent(s) to register their Bid.
3. The Bidding Period shall be a minimum of 3 working (three) days and not exceed 7 working days. In case the Price Band is revised, the revised Price Band and the Bidding Period will be informed to the Stock Exchanges and published in two national newspapers (one each in English and Hindi) and one regional newspaper and on websites of BRLM and Company, as appearing on the cover page and the Bidding Period may be extended, if required, by an additional 3 (three) days, subject to the total Bidding Period not exceeding ten working days.
4. During the Bidding Period, the Bidders may approach 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.
5. Each Bid cum Application Form will give the Bidder the choice to bid for up to three optional prices (for details refer to the paragraph entitled "Bids at Different Price Levels" 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 price, will become automatically invalid.
6. 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 bidding 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 allotment of Equity Shares in this Issue. However, the Bidder can revise the Bid through the Revision Form, the procedure for which is detailed in the paragraph “Build up of the Book and Revision of Bids” of this Red Herring Prospectus.

7. The members of the Syndicate will enter each 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.
8. Along with the Bid cum Application Form, all Bidders will make payment in the manner described under the paragraph “Terms of Payment and Payment into the Escrow Account” on page 199 of the Red Herring Prospectus.

Bids at Different Price Levels

1. The Price Band has been fixed at Rs. 164 to Rs. 196 per Equity Share of Rs. 10 each, Rs. 164 being the Floor Price and Rs. 196 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, our 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 additional working days after the revision of the Price Band, subject to the total Bidding Period not exceeding ten working days.
2. We, in consultation with the BRLM, can revise the Price Band during the Bidding Period, in which case the Bidding Period shall be extended further for a period of three additional days, subject to the total Bidding Period not exceeding ten working days. 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 Price Band can move up or down to the extent of 20% of the Floor Price disclosed in this Red Herring Prospectus.
3. Any revision in the Price Band and the revised Bidding Period/Issue Period, if applicable, will be widely disseminated by informing the stock exchanges, by issuing a public notice in two national newspapers (one each in English and Hindi), and one regional newspaper and also indicating the change on the relevant websites of the BRLM, Company and the terminals of the members of the Syndicate.
4. We, in consultation with the BRLM, can finalise the Offer Price within the Price Band without the prior approval of, or intimation to, the Bidders.
5. 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 applying for a maximum Bid in any of the bidding options not exceeding Rs. 1,00,000 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.**
6. Retail Individual Bidders who bid at the Cut-off agree that they shall purchase the Equity Shares at any price within the Price Band. Retail Individual Bidders bidding at Cut-off shall deposit the Bid Amount based 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 (i.e. the total number of Equity Shares allocated in the Issue multiplied by the Issue Price), Retail Individual Bidders, who bid at Cut off Price, shall receive the refund of the excess amounts from the Escrow Account.
7. In case of an upward revision in the Price Band announced as above, Retail Individual Bidders, who had bid at Cut-off could either (i) revise their Bid or (ii) make additional payment based on the cap of the revised Price Band (such that the total amount i.e. original Bid Amount plus additional payment does not exceed Rs. 1,00,000 of the bidder wants to continue to bid at Cut-off Price), with the member 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.1, 00,000, 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 downward for the purpose of allocation, such that no additional payment would be required from the Bidder and the Bidders shall be deemed to have approved such revised Bid at Cut-off Price.

8. In case of a downward revision in the Price Band, announced as above, Retail Individual Bidders who have bid at Cut-off could either revise their Bid or the excess amount paid at the time of bidding would be refunded from the Escrow Account.
9. In the event of any revision in the Price Band, whether upwards or downwards, the Minimum Application Size shall remain 34 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.

Option to Subscribe

Equity Shares being issued through this Red Herring Prospectus can be applied for in the dematerialised form only. Bidders will not have the option of getting the allotment in physical form. The Equity Shares on allotment shall be traded only in the dematerialised segment of the Stock Exchanges.

Escrow Mechanism

1. Our company and members of the Syndicate 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 for the Issue. The Escrow Collection Banks will act in terms of the Red Herring Prospectus and an Escrow Agreement. The money in the Escrow Account of our company shall be maintained by the Escrow Collection Bank(s) for and on behalf of the Bidders. The Escrow Collection Bank(s) shall not exercise any lien whatsoever over the money deposited therein and shall hold the money therein in trust for the Bidders. On the Designated Date, the Escrow Collection Banks shall transfer the money from the Escrow Account to the Public Issue Account with the Bankers to the Issue as per the terms of the Escrow Agreement with our company. Payment of refund to the Bidders shall also be made from the Escrow Agreement and this Red Herring Prospectus.
2. The Bidders may note that the Escrow Mechanism is not prescribed by SEBI and the same has been established as an arrangement between our company, the Syndicate, Escrow Collection Bank(s) and the Registrars to the Issue to facilitate collections from the Bidders.

Terms of Payment and Payment into the Escrow Collection Account

Each Bidder, who is required to pay Margin Amount greater than 0%, shall, with the submission of the Bid-cum-Application Form draw a cheque, demand draft for the maximum amount of his/ her Bid in favour of the Escrow Account of the Escrow Collection Bank(s) (for details refer to the paragraph "Payment Instructions" on page 208 of this Red Herring Prospectus) and submit the same to the member of the Syndicate to whom the Bid is being submitted. 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(s), which will hold the money for the benefit of the Bidders till such time as the Designated Date. On the Designated Date, the Escrow Collection Bank(s) shall transfer the funds whose bids have been accepted from the Escrow Account, as per the terms of the Escrow Agreement, into the Public Issue Account with the Banker(s) to the Issue. The balance amount after transfer to the Public Issue Account, lying credited with

Escrow Collection Banks shall be held for the benefit of the Bidders who are entitled to refunds. On the Designated Date, and no later than 15 days from the Bid / Issue Closing Date, the Escrow Collection Bank(s) shall refund all amount 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. QIBs, Non Institutional Bidders, Retail Individual Bidders) would be required to pay their applicable Margin Amount at the time of the submission of the Bid-cum-Application Form. The Margin Money payable by each category of Bidders is mentioned under the heading "Issue Structure" on page 191 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.

QIB bidders will be required to deposit a margin of 10% at the time of submitting their bids. After the Issue Closing Date / Bid Closing Date, the level of subscription in all categories shall be determined. Based on the level of subscription, additional margin money, if any, shall be called from QIBs.

If the payment is not made favoring 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 Form.

Where the Bidder has been allocated lesser number of Equity Shares than he or she had applied 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 Closing Date/Issue Closing Date, failing which our company shall pay interest @15% per annum for any delay beyond the periods mentioned above.

Electronic Registration of Bids

- (a) The members of the Syndicate will register the Bids using the on-line facilities of BSE/NSE. There will be at least one BSE/ NSE on-line connectivity to each city where a Stock Exchange is located in India and 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 members of the Syndicate and their authorized agents during the Bidding Period. Members of the Syndicate 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 an half hourly basis. On the Bid Closing Date, the Syndicate Member shall upload the Bids till such time as may be permitted by the Stock Exchanges.
- (c) The aggregate demand and price for bids registered on the electronic facilities of NSE and BSE will be downloaded on an half hourly basis, consolidated and displayed on-line at all bidding centers. A graphical representation of consolidated demand and price would be made available at the bidding centers during the bidding period.
- (d) At the time of registering each Bid, the members of the Syndicate shall enter the following details of the investor in the on-line system:
 - Name of the investor (Investors should ensure that the name given in the Bid-cum-Application form is exactly the same as the Name in which the Depository Account is held. In case, the Bid-cum-Application Form is submitted in joint names, investors should ensure that the Depository Account is also held in the same joint names and are in the same sequence in which they appear in the Bid-cum-Application Form)
 - Investor Category such as Individual, Corporate, FII, NRI, Mutual Fund, etc.
 - Number of Equity Shares Bid for
 - Bid price
 - Bid-cum-Application Form number

- Whether Margin Amount has been paid upon submission of Bid-cum-Application Form
 - Depository Participant Identification Number and Client Identification Number of the beneficiary 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 obtain the TRS from the members of the Syndicate.** The registration of the Bid by the members of the Syndicate does not guarantee that the Equity Shares shall be allocated either by the members of the Syndicate or our company.
- (f) Such TRS will be non-negotiable and by itself will not create any obligation of any kind.
- (g) The BRLM/ member of the Syndicate also has the right to accept the Bid or reject it without assigning any reason, in case of QIBs. In case of Non-Institutional Bidders and Retail Individual Bidders, Bids would not be rejected except on the technical grounds listed on page 211 in this Red Herring Prospectus.
- (h) It is to be distinctly understood that the permission given by BSE/NSE 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 or BRLM are cleared or approved by BSE/NSE; nor does it in any manner warrant, certify or endorse the correctness or completeness of any of the compliance with the statutory and other requirements nor does it take any responsibility for the financial or other soundness of our company, its Promoters, its management or any scheme or project of our company.
- (i) It is also to be distinctly understood that the approval given by BSE/NSE should not in any way be deemed or construed that this Red Herring Prospectus has been cleared or approved by 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 the BSE & NSE.

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 BSE/NSE mainframe on a regular basis.
- (b) The book gets build 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 numbers 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) 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 the Red Herring Prospectus. In case of QIBs, the

members of the Syndicate may at their sole discretion waive the payment requirement at the time of one or more revisions by the QIB Bidders.

- (f) The Bidder can make this revision any number of times during the Bidding Period. However, for any revision(s) in the Bid, the Bidders will have to use the services of the same member of the Syndicate through whom he or she has placed the original Bid. Bidders are advised to retain copies of the blank Revision Forms and the revised Bid must be made only in such Revision Form or copies thereof.
- (g) When a Bidder revises his or her Bid, he or she shall surrender the earlier TRS and get a revised TRS from the members of the Syndicate. **It is the responsibility of the Bidder to request for and obtain the revised TRS, which will act as proof of his or her having revised the previous Bid.**
- (h) In case of discrepancy of data between BSE/NSE and members of the Syndicate, the decision of the BRLM based on the physical records of BSE/NSE shall be final and binding to all concerned.

Only Bids that are uploaded to the online IPO system of NSE/ BSE shall be considered for Allocation / Allotment. In case of discrepancy of data between NSE or BSE and the Syndicate Member, the decision of the Book Running Lead Manager 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 analyse the demand generated at various price levels and discuss pricing strategy with us.
- b) Our Company in consultation with the BRLM shall finalise the “Issue Price”, the number of Equity Shares to be allotted and the allotment to successful Bidders.
- c) The allocation to Non-Institutional Bidders and Retail Individual Bidders of not less than 15% and 35% of the Net Issue respectively, and the allocation to QIBs for up to 50% of the Net Issue, would be on proportionate basis, in the manner specified in the SEBI Guidelines, subject to the sectoral cap and this Red Herring Prospectus, in consultation with Designated Stock Exchange, subject to valid Bids being received at or above the Issue Price. Further, if the Green Shoe Option is exercised, the allotment of the Over Allotment Shares shall be done pro-rata with respect to the proportion of Allotment in the Issue to various categories.
- 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 [•] 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 spillover from any other category or combination of categories at the discretion of our Company, in consultation with the BRLM and the Designated Stock Exchange.
- e) The BRLM in consultation with us shall notify the members of the Syndicate of the Issue Price and allocations to their respective Bidders, where the full Bid Amount has not been collected from the Bidders.
- f) Allocation to Non-Residents, NRIs and FIIs applying on repatriation basis will be subject to the applicable law.
- g) We reserve the right to cancel the Issue any time after the Bid /Issue Opening Date but before the Allotment without assigning any reasons whatsoever.

- h) In terms of the SEBI Guidelines, QIBs shall not be allowed to withdraw their Bid after the Bid /Issue Closing Date.

Signing of Underwriting Agreement and ROC Filing

- (a) Our company, the BRLM, and the Syndicate Members shall enter into an Underwriting Agreement on finalisation of the Issue Price and allocation(s) to the Bidders.
- (b) After signing the Underwriting Agreement, our company will 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.

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 Guidelines in an English national daily with wide circulation, one Hindi national newspaper and one regional language newspaper.

Advertisement regarding Issue Price and Prospectus

A statutory advertisement will be issued by our Company after the filing of the Prospectus with the Registrar of Companies, West Bengal at Kolkata in two widely circulated newspapers (one each in English and Hindi) and one local newspaper. This advertisement in addition to the information that has to be set out in the statutory advertisement shall indicate the Issue Price. Any material updates between the date of Red Herring Prospectus and the Prospectus shall be included in the advertisement.

Issuance of Confirmation of Allocation Note

- a) The BRLM or Registrars to the Issue shall send to the Syndicate Members, a list of their Bidders who have been allocated Equity Shares in the Issue.
- b) The Members of the Syndicate would then send the CAN to their Bidders who have been allocated Equity Shares in the Issue. The despatch of a CAN shall be deemed to be 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 full Bid Amount into the Escrow Account on or prior to the time of bidding shall pay in full amount into the Escrow Account on or prior to the Pay-in Date specified in the CAN.
- c) Bidders who have been allocated Equity Shares and who have already paid the full Bid Amount into the Escrow Account at the time of bidding shall directly receive the CAN from the Registrars to the Issue subject, however, to realization of their cheque or demand draft paid into the Escrow Account. The despatch of a CAN shall be deemed to be a valid, binding and irrevocable contract for the Bidder to pay the entire Issue Price for allotment to such Bidder.

Signing of Underwriting Agreement and RoC Filing

- (a) We, the BRLM and the Syndicate Members shall enter into an Underwriting Agreement on finalisation of the Issue Price and allocation(s) to the QIB Bidders.
- (b) After signing the Underwriting Agreement, we would update and file the updated Red Herring prospectus with Registrar of Companies, West Bengal at Kolkata, 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.

Designated Date and Allotment of Equity Shares

- (a) We shall ensure the allotment of Equity Shares is done within 15 days of Bid/Issue Closing Date. After the funds are transferred from the Escrow Account to the Public Issue Account and the Refund Account on the Designated Date, we would ensure the credit to the successful Bidders depository account of the allotted Equity Shares to the allottees within two working days of the date of allotment. In case we fail to make allotment within 15 days of the Bid/ Issue Closing Date, interest would be paid to the investors @15% p.a.
- (a) All allottees will receive credit for the Equity Shares directly in their depository account. **As per SEBI Guidelines, 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.
- (b) Investors are advised to instruct their Depository Participant to accept the Equity Shares that may be credited to their depository account to them pursuant to Allotment in this Issue.

General Instructions

Do's:

- a) Check if you are eligible to apply having regard to applicable laws, rules, regulation, guidelines and approvals and the terms of this Red Herring Prospectus.
- b) Complete the Bid-cum-Application Form(White or Blue in Colour, as the case may be) after reading all the instructions carefully;
- c) Ensure that the details about Depository Participant and beneficiary account are correct as Equity Shares will be allotted in the dematerialized form only;
- d) Ensure that the Bids are submitted at the bidding centers only on forms bearing the stamp of a member of the Syndicate;
- e) Ensure that you have been given a TRS for all your Bid options;
- f) Submit Revised Bids to the same member of the Syndicate through whom the original Bid was placed and obtain a revised TRS;
- g) Ensure that the Bid is within Price Band;
- h) Ensure that DP account is activated;
- i) 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, investors should ensure that the Depository Account is also held in the same sequence as they appear in the Bid-cum- Application Form;
- j) Ensure that the Permanent Account Number is mentioned in the Bid-cum- Application form.
- k) 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; and

- l) Ensure that the demographic details as registered with your Depository participant are updated, true and correct at all respects.

Don'ts:

- a) Do not Bid for lower than the minimum Bid size;
- b) Do not Bid/ revise Bid price 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 member of the Syndicate;
- d) Do not pay the Bid amount in cash, through stockinvest, by money order or by postal order;
- e) Do not send Bid-cum-Application Forms by post; instead submit the same to members of the Syndicate only;
- f) Do not Bid at Cut-off Price (for QIBs and non-institutional Bidders);
- g) 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; or under the terms of this Red Herring Prospectus.
- h) Do not submit the GIR number instead of the PAN;
- i) Do not submit the Bid without the QIB Margin Amount, in case of a Bid by a QIB;
- j) Do not Bid at Bid Amount exceeding Rs 1,00,000 for incase of a Bid by a Retail Individual Bidder.

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 or 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) The Bids from the Retail Individual Bidders must be for a minimum of 34 Equity Shares and in multiples of 34 thereafter subject to a maximum of Rs. 1,00,000.
- (d) For non institutional and QIB Bidders, Bids must be for a minimum of such number of Equity Shares that the Bid amount exceeds Rs. 1,00,000 and in multiples of 34 Equity Shares thereafter. Bids cannot be made for more than the size of the Issue. Bidders are advised to ensure that a single bid from them should not exceed the investment limits or maximum number of Equity Shares that can be held by them under applicable laws or regulations.

- (e) In single name or in joint names (not more than three, and in the same order as their Depository Participant details).
- (f) Thumb impressions and signatures other than in the languages specified in the Eighth Schedule in the Constitution of India must be attested by a Magistrate or a Notary Public or a Special Executive Magistrate under official seal.

Bidder's Bank 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 and neither the BRLM nor the Bank shall have any responsibility and undertake any liability for the same.

Bidder's Depository Account Details

IT IS MANDATORY FOR ALL THE BIDDERS TO GET THEIR EQUITY SHARES IN THE DEMATERIALIZED FORM. ALL BIDDERS SHOULD MENTION THEIR DEPOSITORY PARTICIPANT'S NAME, DEPOSITORY PARTICIPANT'S 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 printing on refund orders and occupation (hereinafter referred to as Demographic Details). Hence, Bidders should carefully fill in their Depository Account details in the Bid-cum-Application Form.

These Demographic Details would be used for all correspondence with the Bidders including mailing of the refund orders/ CANs/Allocation Advice and printing of Bank particulars on the refund order 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 authorised the depositories to provide, upon request, to the Registrar to the Issue, the required Demographic details as available on its records.

Refund Orders/ Allocation Advice/ CANs would be mailed at the Bidder as per the Demographic Details received from the Depositories. Bidders may note that delivery of refund orders/ allocation advice/ CANs may get delayed if the same once sent to the address obtained from the depositories are returned undelivered. In such an event, the address and other details given by the Bidders in the Bid cum Application

Form would be used only to ensure dispatch of refund orders. Please note that any such delay shall be at the Bidders sole risk.

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.

Investors should note that the refund cheques will be overprinted with details of bank account as per the details received from the depository.

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 & Article of Association and/or Bye Laws must be lodged along with the Bid cum Application Form. Failing this, the Issuer 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 FIIs, 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 submitted 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 thereof.

In case of Bids made by insurance companies registered with Insurance Regulatory and Development Authority, a certified copy of the certificate of registration issued by Insurance Regulatory and Development Authority must be submitted 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 thereof.

In case of Bids made by provident fund with the minimum corpus of Rs. 250 million and pension fund with the minimum corpus of Rs. 250 million, a certified copy of certificate from a chartered accountant certifying the corpus of the provident fund/ pension fund must be lodged with the Bid-cum-Application Form. Failing this, our company reserves the right to accept or reject any Bid in whole or in part, in either case without assigning any reason thereof.

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.

Our Company in its absolute discretion, reserves the right to permit the holder of the power of attorney to request the Registrar that for the purpose of printing particulars on the refund order and mailing of the refund order / CANs/ Allocation Advice, the Demographic Details given on the Bid-cum-Application Form should be used (and not those obtained from the depository of the Bidder). In such cases, the registrar shall use Demographic Details as given in the Bid-cum-Application Form instead of those obtained from depositories.

Bids by Non-Residents, including Eligible NRIs and FIIs, on a repatriation basis

NRI, FIIs and Foreign Venture Capital funds Bidders to comply with the following:

- a) Individual NRI Bidders can obtain the Bid-cum-Application Forms from our Corporate Office or from members of the Syndicate or the Registrar to the Issue.
- b) NRI Bidders may please note that only such Bids as are accompanied by payment in free foreign exchange through approved banking channels shall be considered for allotment.

- c) NRIs who intend to make payment through Non-Resident Ordinary (NRO) accounts shall use the Bid-cum-Application form meant for Resident Indians (white in colour).

Payment Instructions

Our company shall open an Escrow Account of our company with the Escrow Collection Banks for the collection of the Bid Amounts payable upon submission of the Bid cum Application Form. The BRLM and Syndicate Member(s) shall also open Escrow Accounts of the Syndicate with one or more of the Escrow Collection Banks for the collection of the margin 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 to the Issue

1. The Bidders for whom the applicable Margin Amount is equal to 100% shall, with the submission of the Bid cum Application Form, draw a payment instrument for the Bid Amount in favour of the Escrow Account of our company and submit the same to the member of the Syndicate.
2. 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 of our company 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 members of the Syndicate by the BRLM.
3. The payment instruments for payment into the Escrow Account of our company should be drawn in favour of:
 - ❖ In case of Resident Bidders: **“Escrow Account - Austral Coke Public Issue”**
 - ❖ In case of Non Resident Bidders: **“Escrow Account - Austral Coke Public Issue - NR”**
 - ❖ In case of Qualified Institutional Bidders: **“Escrow Account - Austral Coke Public Issue - QIB”**
 - In case of Bids by NRIs applying on repatriation basis, the payments must be made through Indian Rupee drafts purchased abroad or cheques or bank drafts, for the amount payable on application remitted through normal banking channels or out of funds held in Non-Resident External (NRE) Accounts or Foreign Currency Non-Resident (FCNR) accounts, maintained with banks authorised to deal in foreign exchange in India, along with documentary evidence in support of the remittance. Payment will not be accepted out of a Non-Resident Ordinary 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.
 - 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.
4. Where a Bidder has been allocated a lesser number of Equity Shares than what 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 of our company.
5. The money deposited in the Escrow Account of our company will be held for the benefit of the Bidders till the Designated Date.

6. On the Designated Date, the Escrow Collection Banks shall transfer the funds from the Escrow Account of our company as per the terms of the Escrow Agreement into the Public Issue Account with the Bankers to the Issue.
7. 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.
8. Payments should be made by cheque, or demand drafts drawn on any Bank (including a Co-operative Bank), which is situated at, and is a member of or sub-member of the bankers' clearinghouse located at the center where the Bid cum Application Form is submitted. Outstation cheque/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 42/24.47.00/2003-2004 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 Members of the Syndicate at the time of submitting the Bid-cum-Application Form. The Members of the Syndicate may at their 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 submission of Bid-cum-Application Form or Revision Form. However, the collection centre of the Members of the Syndicate 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 favour 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-cum-Application Form for bidding in this Issue. Two or more Bids will be deemed to be multiple Bids if the sole or first Bidder is one and the same.

1. All applications with the same name and age will be accumulated and taken to a separate process file as probable multiple master.
2. In this master, a check will be carried out for the same PAN numbers. In cases where the PAN numbers are different, the same will be deleted from this master.

3. The Registrar will obtain, from the depositories, details of the applicant's address based on the DP ID and Beneficiary Account Number provided in the Bid-cum-Application Form and create an address master.
4. Then the addresses of all these applications from the address master will be strung. This involves putting the addresses in a single line after deleting non-alpha and non-numeric characters i.e. commas, full stops, hash etc. Sometimes, the name, the first line of address and pin code will be converted into a string for each application received and a photo match will be carried out amongst all the applications processed. A print-out of the addresses will be taken to check for common names.
5. The applications will be scanned for similar DP ID and Client ID numbers. In case applications bear the same numbers, these will be treated as multiple applications.
6. After consolidation of all the masters as described above, a print out of the same will be taken and the applications physically verified to tally signatures as also father's/husband's names. On completion of this, the applications will be identified as multiple applications.

In case of a Mutual Fund, a separate Bid can be made in respect of each scheme of the mutual fund registered with SEBI and such Bids in respect of more than one scheme of the Mutual Fund will not be treated as multiple Bids provided that the Bids clearly indicate the scheme concerned for which the Bid has been made. We reserve the right to reject, in our absolute discretion, all or any multiple Bids in any or all categories.

Procedure for Application by Mutual Funds

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.

Permanent Account Number (PAN)

The Bidder or in the case of a Bid in joint names, each of the Bidders, should mention his/her PAN allotted under the Income Tax Act, 1961. Applications without this information are liable to be rejected. In case 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 has not obtained PAN, 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 of the Income Tax Rules, 1962), 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 of the Income Tax Rules, 1962), 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 by a notification issued on December 1, 2004 by the Central Board of Direct Taxes, Department of Revenue, Ministry of Finance. All Bidders are requested to furnish, where applicable, the revised Form 60 or Form 61 as the case may be

It may be noted that Form 60 and Form 61 have been amended *vide* a notification issued on December 01, 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 (“UIN”)

SEBI has, with effect from July 02, 2007 declared that the PAN would be the sole identification number for participants transacting in the securities market, irrespective of the amount of transaction. Thus the use of UIN has been discontinued.

Our Right to Reject Bids

In case of QIB Bidder's, our Company, in consultation with the BRLM may reject a Bid placed by QIB's for reasons to be recorded in writing provided the rejection is made at the time of submission of Bid and the reasons thereof shall be disclosed to the QIB Bidder's. In case of Non-Institutional Bidders and Retail Individual Bidders, our Company and BRLM have a right to reject Bids based on technical grounds. Consequent refunds shall be made in accordance with the Paragraph Titled “Mode of making refunds” beginning on page 218 of the Red Herring Prospectus.

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 doesn't tally with the amount payable for the highest value of Equity Shares Bid for;
- 2) Bank account details (for refund) are not given
- 3) Age of first Bidder not given;
- 4) In case of partnership firms, Equity Shares may be registered in the names of the individual partners and no such partnership firm, shall be entitled to apply;
- 5) Bids by Non Residents, if not in compliance with the appropriate foreign and Indian laws;
- 6) NRIs, except Eligible NRIs.
- 7) Bids by persons not competent to contract under the Indian Contract Act, 1872, including minors, insane persons;
- 8) PAN not mentioned in the Bid-cum-application form
- 9) GIR number furnished instead of PAN;
- 10) Bids for lower number of Equity Shares than specified for that category of investors;
- 11) Bids at a price less than lower end of the Price Band;
- 12) Bids at a price more than the higher end of the Price Band;
- 13) Bids at Cut-off Price by Non-Institutional Bidders and QIB Bidders;
- 14) Bids for number of Equity Shares which are not in multiples of 34;

- 15) Category not ticked;
- 16) Multiple Bids as defined in this Red Herring Prospectus;
- 17) In case of Bid under power of attorney or by limited companies, corporate, trust etc., relevant documents are not submitted;
- 18) Bids accompanied by Stock Invest/ money order/postal order/cash;
- 19) Signature of sole and / or joint Bidders missing;
- 20) Bid-cum-Application Form does not have the stamp of the BRLM or Syndicate Member;
- 21) Bid-cum-Application Form does not have Bidder's depository account details;
- 22) In case no corresponding record is available with the Depository that matches three parameters: name of Bidder (including sequence of names of joint holders), Depository Participant identification number and beneficiary account number;
- 23) Bid-cum-Application Forms are not delivered by the Bidders within the time prescribed as per the Bid-cum-Application Form, 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 Form;
- 24) Bids for amounts greater than the maximum permissible amounts prescribed by the regulations. For details, please refer the section titled "Issue Procedure - Maximum and Minimum Bid Size" beginning on page 191 of this Red Herring Prospectus;
- 25) Bids by OCBs
- 26) Bids by US persons other than "qualified institutional buyers" as defined in Rule 144A of the Securities Act or other than in reliance on Regulation S under the Securities Act; and
- 27) Bids by any persons outside India if not in compliance with applicable foreign and Indian laws.
- 28) Bids by QIBs not submitted through the members of the syndicate
- 29) Bids by any person resident outside India, if not in compliance with applicable foreign and Indian laws.
- 30) Bids not uploaded in the Book would be rejected;
- 31) Bids by NRIs not disclosing their residential status;
- 32) Bid in respect of which Bid cum Application form do not reach the Registrar prior to the finalization of the basis of allotment;
- 33) Bids where clear funds are not available in Escrow Accounts as per final certificate from the Escrow Collection Banks;
- 34) Any other reason which the BRLM or our Company deem necessary.

Equity Shares in Dematerialised 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 de-materialised form, (i.e. not in the form of physical certificates but be fungible and be represented by the statement issued through the electronic mode).

In this context, two tripartite agreements have been signed among our company, the Depositories and the Registrar:

- a. A tripartite agreement dated June 4, 2008, with NSDL, us and Intime Spectrum Registry Limited, Registrar to the Issue;
- b. A tripartite agreement dated June 4, 2008, with CDSL, us and Intime Spectrum Registry Limited, Registrar to the Issue.

All Bidders can seek allotment only in dematerialized mode. Bids from any Bidder without relevant details of his or her Depository Account are liable to be rejected.

1. A Bidder applying for Equity Shares must have at least one beneficiary account with either of the Depository Participants of NSDL or CDSL prior to making the Bid.
2. 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.
3. Equity Shares allotted to a Bidder will be credited in electronic form directly to the beneficiary account (with the Depository Participant) of the Bidder.
4. 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 depository account of the Bidder(s).
5. If incomplete or incorrect details are given under the heading 'Bidders Depository Account Details' in the Bid-cum-Application Form or Revision Form, it is liable to be rejected.
6. 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.
7. It may be noted that Equity Shares in electronic form can be traded only on the stock exchanges having electronic connectivity with NSDL or CDSL. All the stock exchanges where Equity Shares are proposed to be listed are connected to NSDL and CDSL.
8. The trading of Equity Shares of our company would only be in dematerialized form for all investors in the demat segment of the respective Stock exchanges.

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, details of Depository Participant, number of Equity Shares applied for, date of Bid form, name and address of the member of the Syndicate where the Bid was submitted and cheque or draft number and issuing bank thereof.

PRE-ISSUE AND POST ISSUE RELATED PROBLEMS, GRIEVANCES, COMPLAINTS

We estimate that the average time required by us or the Registrar to the Issue for the redressal of routine investor grievances shall be seven days from the date of receipt of the complaint. In case of non-routine complaints and complaints where external agencies are involved, we seek to redress these complaints as expeditiously as possible.

We have appointed Mr. Vivek Bharuka, 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. Vivek Bharuka
Austral Coke & Projects Limited
Killedar Estate, Building No. 1,
1st & 2nd Floor,
Opp. MTNL office, S.V. Road,
Jogeshwari (West),
Mumbai -400053, India ;
Tel: 91-22- 6724 0000
Fax: 91-22- 6724 0100
E-mail: ipo@australcoke.com

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

Procedure and Time Schedule for Transfer of Equity Shares

Our company reserves, at its absolute and uncontrolled discretion and without assigning any reason thereof, the right to accept or reject any Bid in whole or in part. In the case of Retail and Non-Institutional Bidders, the rejection of any Bid is only on grounds of technical non-compliance with the specified procedure. In case a Bid is rejected in full, the whole of the Bid Amount will be refunded to the Bidder within 15 days of the Bid/Issue Closing Date. In case a Bid is rejected in part, the excess Bid Amount will be refunded to the Bidder within 15 days of the Bid/Issue Closing Date. Our company will ensure the allotment of the Equity Shares within 15 days from the Bid/Issue Closing Date. Our company shall pay interest at the rate of 15% per annum (for any delay beyond the periods as mentioned above), if allotment is not made, refund orders are not dispatched and/ or dematerialized credits are not made to investors within two working days from the date of allotment.

Disposal of Applications and Applications Money

We shall ensure dispatch of allotment advice and/or refund orders/refund advice (in case refunds made through ECS/ Direct Credit, RTGS, NEFT) as the case may be giving credit to the Beneficiary Account of the Bidders with their respective Depository Participant and submission of the allotment and listing documents to the Stock Exchanges within two working days of finalization of the basis of allotment of Equity Shares. The mode of dispatch of refunds shall be as mentioned in the paragraph titled "Mode of Making Refunds" beginning on page 218 of this Red Herring Prospectus. Where refunds are made through electronic transfer of funds, a suitable communication will be sent to the Bidders within 15 days of closure of the issue, giving details of the Bank where refund will be credited along with amount and expected date of electronic credit of refund.

The bank account details for ECS, Direct Credit, RTGS, National Electronic Funds Transfer (NEFT) credit will be directly taken from the depositories' database and hence Bidders are required to ensure that bank details including the nine digit MICR code (Magnetic Ink Character Recognition) maintained at the depository level are updated and correct.

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

No separate receipts shall be issued for the money payable on the submission of Bid-cum-Application Form or Revision Form. However, the collection centre of the Syndicate 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.

Save and except refunds effected through the electronic mode i.e. ECS, NEFT, direct credit or RTGS, refunds will be made by cheques, payorders, or demand drafts drawn on a bank appointed by us, as a refund bank, and payable at par at places where Bids are received, except for Bidders who have opted to receive refunds through the electronic facility. Bank charges if any, for encashing such cheques, payorders or Demand drafts at other centres will be payable by the Bidder.

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.”

Interest on Refund of excess Bid Amount

Our Company shall pay interest at the rate of 15% per annum on the excess Bid Amount received if refund orders are not dispatched within 15 days from the Bid/Issue Closing Date as per the Guidelines issued by the GoI, 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 Guidelines.

Basis of Allotment or Allocation

1. 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 portion. The allocation to all the successful Retail individual Bidders will be made at the Issue Price.
- The Net Issue size less allocation to Non-Institutional Bidders and QIBs shall be available for allocation to Retail Individual Bidders who have bid in the Issue at a price, which is equal to or greater than the Issue Price.
- If the aggregate demand in this category is less than or equal to 25,41,000 Equity Shares at or above the Issue Price, full allocation shall be made to the Retail Individual Bidders to the extent of their demand.
- If the aggregate demand in this category is greater than 25,41,000 Equity Shares at or above the Issue Price, the allocation shall be made on a proportionate basis up to a minimum of 34 Equity Shares or in multiples of 34 Equity Share. For the method of proportionate basis of allocation, refer below.

2. 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 portion. The allocation to all successful Non-Institutional Bidders will be made at the Issue Price.
- The Issue size less allocation to QIBs and Retail Portion shall be available for allocation to Non-Institutional Bidders who have bid in the Issue at a price, which is equal to or greater than the Issue Price.
- If the aggregate demand in this category is less than or equal to 10,89,000 Equity Shares at or above the Issue Price, full allocation shall be made to Non-Institutional Bidders to the extent of their demand.
- In case the aggregate demand in this category is greater than 10,89,000 Equity Shares at or above the Issue Price; allocation shall be made on a proportionate basis up to a minimum of 34 Equity Shares or in multiples of 34 Equity Share. For the method of proportionate basis of allotment refer below.

3. For QIB Bidders

- 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 allocation to all the QIBs will be made at the issue price.
- The Issue size less allocation to Non-Institutional portion and Retail Portion shall be available for allocation to QIB Bidders with compulsory 5 % allocation to mutual funds who have bid in the Issue at a price, which is equal to or greater than the Issue Price.
- The allotment shall be undertaken in the following manner -
 - a) In the first instance, allocation to mutual funds for upto 5% of the QIB portion shall be determined as follows-
 - i) In the event that bids from mutual funds exceed 5% of the QIB portion, allocation to mutual funds shall be done on a proportionate basis upto 5% of the QIB portion.
 - i) In the event that the aggregate demand from mutual funds is less than 5% of QIB portion, then all mutual funds shall get full allotment to the extent of valid bids received above the issue price.
 - ii) Equity Shares remaining unsubscribed, if any, not allocated to mutual funds shall be available to all QIB Bidders as set out in as (b) below;
 - b) In the second instance, allocation to all QIBs shall be determined as follows -
 - i) The number of Equity Shares available for this category shall be the QIB portion, allocation to mutual funds as calculated in (a) above.
 - ii) The subscription level for this category shall be determined based on the overall subscription in the QIB portion less allocation only to mutual funds as calculated in (a) above.
 - iii) Based on the above, the level of subscription shall be determined and proportionate allocation to all QIBs including mutual funds in this category shall be made.
- The aggregate allocation to QIB Bidders shall not be more than 36,30,000 Equity Shares.

Under subscription, if any, in any category would be allowed to be met with spillover from any other category at the sole discretion of our company and the BRLM.

Procedure and Time Schedule for allotment and demat credit of Equity

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 August 7, 2008 and expire on August 13, 2008. 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. 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 and the Registrar of Companies 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 Allocation

In the event of the issue being over-subscribed, we shall finalise the basis of allotment to Retail Individual Bidders and Non-Institutional Bidders in consultation with the Designated Stock Exchange. The Executive Director or Managing Director (or any other senior official nominated by them) of the Designated Stock Exchange along with the BRLM and the Registrars to the issue shall be responsible for ensuring that the basis of allotment is finalized in a fair and proper manner.

Bidders will be categorized according to the number of Equity Shares applied for by them.

- (a) The total number of Equity Shares to be allotted to each portion as a whole shall be arrived at on a proportionate basis, being the total number of Equity Shares applied for in that portion (number of Bidders in the portion multiplied by the number of Equity Shares applied for) multiplied by the inverse of the over-subscription ratio.
- (b) Number of Equity Shares to be allotted to the successful Bidders will be arrived at on a proportionate basis, being the total number of Equity Shares applied for by each Bidder in that portion multiplied by the inverse of the over-subscription ratio.
- (c) If the proportionate allotment to a Bidder is a number that is more than 34 but is not a multiple of one (which is the market lot), the decimal would be rounded off to the higher whole number if that decimal is 0.5 or higher. If that number is lower than 0.5, it would be rounded off to the lower whole number. Allotment to all Bidders in such categories would be arrived at after such rounding off.
- (d) In all Bids where the proportionate allotment is less than 34 Equity Shares per Bidder, the allotment shall be made as follows:
 - Each successful Bidder shall be Allotted a minimum of 34 Equity Shares;
 - The successful Bidders out of the total Bidders for a portion shall be determined by draw of lots in a manner such that the total number of Equity Shares Allotted in that portion is equal to the number of Equity Shares calculated in accordance with (b) above; and
- (e) Number of Equity Shares to be allotted to the successful Bidders will be arrived at on a proportionate basis which is total number of Equity Shares applied for by each Bidder in that category multiplied by the inverse of the over-subscription ratio in that category subject to minimum allotment of 34 Equity Shares. The minimum allotment lot shall be the same as the minimum application lot irrespective of any revisions to the Price Band.

Letters of Allotment or Refund Orders

We shall give credit of Equity Shares allotted to the beneficiary account with Depository Participants within 2 working days of finalization of Basis of Allotment. Applicants residing at 68 centres where clearing houses are managed by the Reserve Bank of India (RBI) will get refunds through ECS only (subject to availability of all information for crediting the refund through ECS) except where applicant is otherwise disclosed as eligible to get refunds through direct credit, RTGS, or NEFT. In case of other applicants, we shall ensure dispatch of refund orders, if any, of value up to Rs. 1,500 by "Under Certificate of Posting", and shall dispatch refund orders above Rs. 1,500, if any, by registered post or speed post. Applicants to whom refunds are made through Electronic transfer of funds will be sent a letter through ordinary post intimating them about the mode of credit, the bank where their refund shall be credited (as per details given to the

Depository Participant), alongwith the amount and the expected date of electronic credit of refund within 15 working days of closure of Issue.

We shall ensure dispatch of refund orders/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 /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 to the Issue by the issuer.

In accordance with the Companies Act, the requirements of the Stock Exchanges and the SEBI Guidelines, we further undertake that:

- Allotment of Equity Shares will be made only in dematerialised form within 15 working days from the Bid/Issue Closing Date;
- Dispatch of refund orders will be completed within 15 working days from the Bid/Issue Closing Date;
- We 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/advice are not dispatched and in case where a refund is made through electronic mode, the refund instruction have not been given to the clearing system and/or demat credits are not made to investors within the 15 working 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 Guidelines.
- We will provide adequate funds required for dispatch of refund orders/advice or allotment advice to the Registrar to the Issue. Refunds will be made by cheques, pay-orders or demand drafts drawn on a the Refund Bank and payable at par at places where Bids are received, except for Bidders who have opted to receive refunds through the Electronic mode i.e. RTGS, ECS or NEFT facility. Bank charges, if any, for encashing such cheques, pay orders or demand drafts at other centres will be payable by the Bidders.

Mode of making refunds

The payment of refund, if any, would be done through various modes in the following order of preference

1. **Direct Credit** - For investors having their Bank Account with the Refund Bankers, the refund amount would be credited directly to their Bank Account with the Refund Banker.
2. **NEFT** - Payment of refund shall be undertaken through NEFT wherever the applicants’ bank has been assigned the Indian Financial System Code (IFSC), which can be linked to a Magnetic Ink Character Recognition (MICR), if any, available to that particular bank branch. IFSC Code will be obtained from the website of RBI as on a date immediately prior to the date of payment of refund, duly mapped with MICR numbers. Wherever the applicants have registered their nine digit MICR number and their bank account number while opening and operating the demat account, the same will be duly mapped with the IFSC Code of that particular bank branch and the payment of refund will be made to the applicants through this method.
3. **RTGS** - Applicants having a bank account at any of the below mentioned sixty-eight centres and whose refund amount exceeds Rs. 10 Lacs, have the option to receive refund through RTGS. Such eligible applicants who indicate their preference to receive refund through RTGS are required to provide the IFSC code in the Bid-cum-application Form. In the event the same is not provided, refund shall be made

through ECS. Charges, if any, levied by the applicant's bank receiving the credit would be borne by the applicant.

4. ECS - Payment of refund would be done through ECS for Bidders having an account at one of the following centres:

1. Ahmedabad	2. Nashik	3. Sholapur	4. Gorakhpur
5. Bangalore	6. Panaji	7. Ranchi	8. Jammu
9. Bhubaneshwar	10. Surat	11. Tirupati (non-MICR)	12. Indore
13. Kolkata	14. Trichy	15. Dhanbad(non-MICR)	16. Pune
17. Chandigarh	18. Trichur	19. Nellore (non- MICR)	20. Salem
21. Chennai	22. Jodhpur	23. Kakinada(non- MICR)	24. Jamshedpur
25. Guwahati	26. Gwalior	27. Agra	28. Visakhapatnam
29. Hyderabad	30. Jabalpur	31. Allahabad	32. Mangalore
33. Jaipur	34. Raipur	35. Jalandhar	36. Coimbatore
37. Kanpur	38. Calicut	39. Lucknow	40. Rajkot
41. Mumbai	42. Siliguri (non- MICR)	43. Ludhiana	44. Kochi/Ernakulam
45. Nagpur	46. Pondicherry	47. Varanasi	48. Bhopal
49. New Delhi	50. Hubli	51. Kolhapur	52. Madurai
53. Patna	54. Shimla (non- MICR)	55. Aurangabad	56. Amritsar
57. Thiruvananthapuram	58. Tirupur	59. Mysore	60. Haldia (non- MICR)
61. Baroda	62. Burdwan (non-MICR)	63. Erode	64. Vijaywada
65. Dehradun	66. Durgapur (non- MICR)	67. Udaipur	68. Bhilwara

This would be subject to availability of complete Bank Account Details including MICR code wherever applicable from the depository. The payment of refund through ECS is mandatory for Bidders having a bank account at any of the 68 centres as mentioned in SEBI circular no. SEBI/CFD/DIL/DIP/29/2008/01/02 dated February 01, 2008 named herein above, except where Bidder is otherwise disclosed as eligible to get refunds through NEFT or Direct Credit or RTGS.

In case of all or any of the aforesaid modes of refund, charges, if any, levied by the Refund Bank(s) for the same would be borne by such applicant opting for RTGS as a mode of refund. Charges, if any, levied by the applicant's bank receiving the credit would be borne by the applicant.

For all the other applicants except for whom payment of refund is not possible through I, II, III and IV, the refund orders would be dispatched "Under Certificate of Posting" for refund orders less than Rs. 1500 and through Speed Post/Registered Post for refund orders exceeding Rs. 1500. Such refunds will be made by cheques, pay orders or demand drafts drawn on the Refund Banks and be 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.

Interest in Case of Delay in Despatch of Refund Orders

Our Company agrees that allotment of securities offered to the public shall be made not later than 15 days of the closure of public issue. We further agree that we shall pay interest @15% per annum if the refund orders have not been despatched to the applicants (or if, in a case where the refund or portion thereof is made in electronic manner, the refund instructions have not been given to the clearing system in the disclosed manner) within 15 days from the date of the closure of the issue.

UNDERTAKING BY OUR COMPANY

We undertake as follows:

- (a) That the complaints received in respect of this Issue shall be attended to by us expeditiously and satisfactorily;
- (b) 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 finalisation of the basis of allotment;
- (c) That the funds required for dispatch of refund orders or allotment advice by registered post or speed post shall be made available to the Registrar to the Issue by us;
- (d) That the refund orders or allotment advice to the Eligible NRIs or FIIs shall be dispatched within specified time; and
- (e) That no further issue of Equity Shares shall be made until the Equity Shares Offered through this Red Herring Prospectus are listed or until the Bid Money's are refunded on account of non-listing, under-subscription etc.

UTILISATION OF ISSUE PROCEEDS

Our Board of Directors certify that:

- (a) All money received out of the Issue shall be credited / transferred to a separate bank account other than the bank account referred to in sub-section (3) of Section 73 of the Companies Act;
- (b) Details of all money utilised out of the Issue referred above shall be disclosed under an appropriate separate head in our balance sheet indicating the purpose for which such money have been utilised;
- (c) Details of all unutilised money out of the Fresh Issue, if any, shall be disclosed under the appropriate separate head in our balance sheet indicating the form in which such unutilised money have been invested.

We shall not have recourse to the Issue proceeds until the approval for trading of the Equity Shares from all the Stock Exchanges where listing is sought has been received

Restrictions on Foreign Ownership of Indian Securities

Foreign investment in Indian securities is regulated through the industrial policy of Government of India, or the Industrial Policy and FEMA. While the Industrial Policy prescribes the limits and the conditions subject to which foreign investment can be made in different sectors of the Indian economy, FEMA regulates the precise manner in which such investment may be made.

Under the Industrial Policy, unless specifically restricted, foreign investment is freely permitted in all sectors of Indian economy up to any extent and without any prior approvals, but the foreign investor is required to follow certain prescribed procedures for making such investment. The government bodies responsible for granting foreign investment approvals are the Foreign Investment Promotion Board of Government of India (FIPB) and the RBI. As per current foreign investment policies, foreign direct investment in the sector in which our Company operates (Coal Sector) is allowed upto 50% under the automatic route.

RBI, vide its circular A.P (DIR Series) Circular No. 53 dated December 17, 2003, permitted FIIs to subscribe to shares of an Indian Company in the public issue without prior approval of RBI, so long as the price of equity shares to be issued is not less than the price at which the equity shares are issued to residents.

Investment by Non-Resident Indians

A variety of special facilities for making investments in India in shares of Indian Companies are available to individuals of Indian nationality or origin residing outside India (“NRIs”). These facilities permit NRIs to make portfolio investments in shares and other securities of Indian companies on a basis not generally available to other foreign investors. Under the portfolio investment scheme, NRIs are permitted to purchase and sell equity shares of our Company through a registered broker on the stock exchanges. NRIs collectively should not own more than 10% of the post-issue paid up capital of our Company. No single NRI may own more than 5% of the post- issue paid up capital of our Company. NRI investment in foreign exchange is now fully repatriable whereas investments made in Indian Rupees through rupee accounts remains non repatriable.

Investment by Foreign Institutional Investors

Foreign Institutional Investors (“FIIs”) including institutions such as pension funds, investment trusts, asset management companies, nominee companies and incorporated, institutional portfolio managers can invest in all the securities traded on the primary and secondary markets in India. FIIs are required to obtain an initial registration from the SEBI and a general permission from the RBI to engage in transactions regulated under FEMA. FIIs must also comply with the provisions of the SEBI (Foreign Institutional Investors) Regulations, 1995, as amended from time to time. The initial registration and the RBI’s general permission together enable the registered FII to buy (subject to the ownership restrictions discussed below) and sell freely securities issued by Indian companies, to realise capital gains or investments made through the initial amount invested in India, to subscribe or renounce rights issues for shares, to appoint a domestic custodian for custody of investments held and to repatriate the capital, capital gains, dividends, income received by way of interest and any compensation received towards sale or renunciation of rights issues of shares.

Ownership restrictions of FIIs

Under the portfolio investment scheme, the overall issue of equity shares to FIIs on a repatriation basis should not exceed 24% of post-issue paid-up capital of our Company. However, the limit of 24% can be raised up to the permitted sectoral cap for that Company after approval of the board of directors and shareholders of our Company. The issue of equity shares to a single FII should not exceed 10% of the post-issue paid-up capital of our Company. In respect of an FII investing in equity shares of a Company on behalf of its sub-accounts, the investment on behalf of each sub-account shall not exceed 10% of the total issued capital of that Company.

Registration of Equity Shares under US Laws

The Equity Shares have not been and will not be registered under the U.S. Securities Act 1933, as amended 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 of the U.S. Securities Act, 1933), except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act. Accordingly, the Equity Shares will be offered and sold only (i) in the United States to 'qualified institutional buyers', as defined in Rule 144A of the Securities Act, and (ii) outside the United States in compliance with Regulation S and the applicable laws of the jurisdiction where those offers and sales occur.

The above information is given for the benefit of the Bidders and neither our Company nor the BRLM are liable for any changes in the regulations after the date of this Red Herring Prospectus.

SECTION VIII: MAIN PROVISIONS OF ARTICLES OF ASSOCIATION

MAIN PROVISIONS OF ARTICLES OF ASSOCIATION

SHARE CAPITAL

The Authorised share capital of our company is Rs. 50,00,00,000/- (Rupees fifty Crores Only) divided into 500,00,000/- (Five Crore only) Equity Shares of Rs. 10/- (Rupees Ten) each.

Subject to the provisions of these Articles shares shall be under the control of the Board who may allot or otherwise dispose of the same to such persons on such terms and conditions, and at such times, as the Board think fit. Provided that where at any time subsequent to the first allotment of shares, it is proposed to increase the subscribed capital of our company by the issue of new shares, then, subject, to any directions to the contrary which may be given by our company in general meeting, the Board shall issue each shares in the manner set out in Section 81 (1) of the Act. Option or right to call of shares shall not be given to any person or persons except with the sanction of our company in General Meeting.

As regard all allotments made from time to time our company shall duly comply with Section 75 of the Act.

If our company shall offer any of its shares to the public for subscription :

- (a) No allotment thereof shall be made, unless the amount stated in the prospectus as the minimum subscription has been subscribed, and the sum payable on application thereof has been paid to and received by our company, but this provision shall no longer apply after the first allotment of shares offered to the public for subscription.
- (b) Our company shall comply with provision of sub-section (4) of Section 669 of the Act. and if our company shall propose to commence business on the footing of a statement in lieu of prospectus, the Board shall not make any allotment of shares payable in cash unless seven at least of the shares proposed to be issued shall have been subscribed for on a cash footing by seven members and the Section 70 of the Act shall have been complied with.

Our company may exercise the powers of paying commissions conferred by Section 76 of the Act, provided that the rate per cent or the amount of the commission paid or agreed to be paid shall be disclosed in the manner required by the said section and the commission shall not exceed 5 per cent of the price at which any shares, in respect whereof the same is paid, are issued or 2.5 per cent of the price at which any debentures are issued (as the case may be). Such commission may be satisfied by the payment of cash by the payment of cash or the allotment of fully or partly paid shares or partly in one way and partly in the other. Our company may also on any issue of shares or debentures pay such brokerage as may be lawful.

Subject to the provisions of these Articles, our company shall have power to issue preference Shares Carrying a right to redemption out of profits which would otherwise be available for dividend or out of the proceeds dividend or out of the proceeds of a fresh issue of shares made for the purpose of such redemption or liable to be redeemed at the option of our company and the Board may, subject to the provisions of Section 80 of the Act, exercise such power in such manner as may be provided in these Articles.

With the previous authority of our company in general meeting and the sanction of the Court and upon otherwise complying with Section 79 of the Act the Board may issue at a discount shares of a class already issued.

If, by the conditions of allotment of any shares, the whole or part of the amount or issue price thereof shall be payable by installments, every such installment shall be the member registered in respect of the share or by his executor or administrator.

Member who are registered jointly in respect of a share shall be severally as well as jointly liable for the payment of all installments and calls due in respect of such share.

Save as herein otherwise provided, our company shall be entitled to treat the member registered in respect of any shares as the absolute owner thereof and accordingly shall not, except as ordered by a Court of competent jurisdiction or as by statute required, be bound to recognise any equitable or other claim to or interest in such share on the part of any other person.

Shares may be registered in the name of any person, company or other body corporate. Not more than four persons shall be registered jointly as members in respect of any share.

15A FURTHER ISSUE OF SHARES

1. Where at the time after the expiry of two years from the formation of our company or at any time after the expiry of one year from the allotment of shares in our company made for the first time after its formation, whichever is earlier, it is proposed to increase the subscribed capital of our company by allotment of further shares either out of the unissued capital or out of the increased share capital then:
 - a) Such further shares shall be offered to the persons who at the date of the offer, are holders of the equity shares of our company, in proportion, as never as circumstances admit, to the capital paid up on those shares at the date.
 - b) Such offer shall be made by a notice specifying the number of shares offered and limiting a time not less than thirty days from the date of the offer and the offer if not accepted, will be deemed to have been declined.
 - c) The offer aforesaid shall be deemed to include a right exercisable by the person concerned to renounce the shares offered to them in favour of any other person and the notice referred to in sub clause (b) hereof shall contain a statement of this right, PROVIDED THAT the Directors may decline, without assigning any reason to allot any shares to any person in whose favour any member may renounce the shares offered to him.
 - d) After expiry of the time specified in the aforesaid notice or on receipt of earlier intimation from the person to whom such notice is given that he declines to accept the shares offered, the Board of Directors may dispose of them in such manner and to such person (s) as they may think, in their sole discretion fit.
2. notwithstanding anything contained in sub-clause (1) thereof, the further shares aforesaid may be offered to any persons (whether or not those persons include the persons referred to in clause of sub-clause (1) hereof in any manner whatsoever.
 - a) If a special resolution to that effect is passed by our company in General Meeting, or
 - b) Where no such special resolution is passed, if the votes cast (whether one show of hands or on a poll as the case may be) in favour of the proposal contained in the resolution moved in the general meeting (including the casting vote, if any, of the chairman) by the members who being entitled to do so vote in person or where proxies are allowed by proxy exceed the votes, if any, cast against the proposal by members, so entitled the Central Government is satisfied, on an application made by the Board of Directors in this behalf that the proposal is most beneficial to our company.

3. Nothing in sub-clause (c) of (1) here of shall be deemed:
 - a) To extend the time within which the offer should 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 our company caused by the exercise of an option attaches to the debenture issued or loans raised by our company.
 - i) To convert such debentures or loans into shares in our company: or
 - ii) To subscribe for shares in our company (whether such option is conferred in these Article or otherwise).

PROVIDED THAT the terms 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 is any made by that Government in this behalf and
- b) In the case of debentures or loans or other than debentures issued to or loans obtained from Government or any institution specified by the Central Government in this behalf, has also been approved by a special resolution passed by our company in General Meeting before the issue of the debentures or raising of the loans.

5. SHARES AT THE DISPOSAL OF THE DIRECTORS

Subject to the provisions of Section 81 of the Act and these Articles, the Shares in the capital of our company for the time being shall be under the control of the Directors who may issue allot or otherwise dispose of the same or any of them to 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 a discount and at such time as they may from time to time think fit and with the sanction of our company in the General Meeting to give to any person or 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 our company on payment in full or part of any property sold and transferred or for any services rendered to our 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 or shares shall not be given to any person or persons without the sanction of our company in the General Meeting.

CERTIFICATE

Subject to the provisions of the Companies (issue of Share Certificates) Rules, 1960, or any statutory modification or re-enactment thereof share scripts shall be issued as follows:-

- (a) The certificate of the shares and duplicate thereof, when necessary, shall be issued under the Seal of our company which shall be affixed in the presence of (i) two Directors or a Director and a person acting on behalf of another Director under a duly registered power of attorney or two persons acting as attorneys for two Directors as aforesaid: and (ii) the Secretary or some other person appointed by the Board for the purpose, all of whom shall sign such share certificate: provided that if the

composition of the Board permits of it, at least, one of the aforesaid two directors shall be a person other than a Managing or whole time director.

- (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 fee as the Directors may from time to time determine) to several certificates, each for one or more of such shares and our company shall complete and have ready for delivery such certificates within three months from the date of allotment, unless the conditions of issue thereof otherwise provide, or within the month of the receipt of application of registration of transfer, transmission, sub-divisions, consolidation or renewal of any of its shares as the case may be. Every certificate of shares shall be under the seal of our 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, provided that in respect of a share or shares held jointly by several persons, our company shall not be bound to
- (c) issue more than one certificate and delivery of a certificate of shares to one of several joint holders shall be sufficient delivery to all such holder.
- (d) 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 our 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 our company and on execution of such indemnity as our company deem adequate, being given an 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 certificate) 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 or 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 Regulation or requirements of any Stock Exchange or the Rules made under the Act, or rules applicable in this behalf.

The provisions of this Article shall mutatis mutandis apply to debentures of our company.

- (e) Where a new share certificate has been issued in pursuance of the last preceding Article, particulars of every such certificate shall also be entered in a Register of Renewed and Duplicate Certificate indicating against the name of the person to whom the certificate in lieu of which the new certificate is issued and the necessary changes indicated in the Register or Members by suitable cross-references in the "Remarks" column. All entries made in the Register or Renewed and Duplicate Certificates shall be authenticated by the Secretary or such other person as may be appointed by the Board for purposes of sealing and signing the share certificate under paragraph (a) hereof.

DEMATERIALISATION

16 A. Definition for the purpose of this Article:

- (i) "Depositories Act" means the Depositories Act, 1996, including any statutory modifications or re-enactment thereof for the time being in force and it includes where appropriate, the Rules made there under.
- (ii) 'SEBI' means the Securities and Exchange Board of India established under Section 3 of the Securities and Exchange Board of India Act, 1992.

Words expressions used and not defined in this Article shall have the meaning assigned to them in the Depositories Act.

The provisions contained in this Article shall prevail notwithstanding anything to the contrary in any other Article.

- (iii) “Dematerialisation / Rematerialisation of Securities.
Our company shall be entitled to dematerialise its securities and offer fresh securities in physical or dematerialised form in terms of and in conformity with the Depositories Act and extant Regulations in force and confirming to the Bye laws of the Depositories.
- (iv) Provisions of Articles to apply to securities held in depository
Except specifically provided in these Articles, the provisions relating to Joint-holders of shares, calls, lien on shares forfeiture of shares and transfer and transmission of shares shall be applicable to shares held in depository.
- (v) Transfer of securities
Transfer of securities held in Depository shall be governed by the Depositories Act and extant Regulations in force.
- (vi) Board to Decide on Depository
The Board in its discretion shall decide the effective date from which depository option will be made available to the members.

CALLS

- 17. The Board may from time to time, subject to the terms on which any shares may have been issued , and subject to the provisions of Section 91 of the Act, make such calls as the Board thinks fit upon the members in respect of all moneys unpaid on the shares held by them respectively and not by the conditions of allotment thereof made payable at fixed times and each member shall pay the amount of every call so made on him to the person and at the times and places appointed by the Board. A call may be made payable by installments and shall be deemed to have been made when the resolution of the Board authorising such call was passed.
- 18. If a sum payable in respect of any call or installment be not paid on or before the day appointed for payment thereof, the member for the time being in respect of the share for which the call shall have been made or the installment shall have been made or the installment shall be due shall pay interest for the same at the rate of 12 percent per annum from the day appointed for the payment thereof to the time of the actual payment or at such lower rate (if any) as the Board may determine.
- 19. No call shall exceed one-half of the nominal amount of a share, or be made payable within one month after the last preceding call was payable. Not less than fourteen day’s notice of any call shall be given specifying the time and place of payment and to whom such call shall be paid.
- 20. If by the term of issue of any share or otherwise any amount is made payable at any fix time or by installments at fixed times, whether on account of the amount or installment shall be payable as if it were a call duly made by the Board and of which due notice had been given, and all the provision herein contained in respect of calls shall relate to such amount or installment accordingly.
- 21. On the trial or hearing of any action or suit brought by our company against any member or his representative to recover and debt or money claimed to be due to our company in respect of his share. It shall be sufficient to prove that the name of the defendant is, or was , when the claim arose on the Register as a holder, or one of the members in respect of the share for which such claim is made, and that the amount claimed is not entered as paid in the books of our company and it shall not be necessary to prove the appointment of the Board who made any call, nor that a quorum was present at the Board meeting at which any call was made was duly convened or constituted, nor any other matter whatsoever, but the proof of the matters aforesaid shall be conclusive evidence of the debt.

22. The Directors may, if they think fit subject to the provisions of section 92 of the Act, agree to and receive from any member willing to advance the same whole or any part of the moneys due upon the shares held by him beyond the sums actually called for and upon the amount so paid or satisfied in advance or so much thereof as from time to time exceeds the amount of the calls then made upon the shares in respect of which such advance has been made our company may pay interest at such rate, as the member paying such sum in advance and the Directors agree upon provided that money paid in advance of calls shall not confer a right to participate in profits or dividend. The Directors may at any time repay the amount so advanced.

The members shall not be entitled to any voting rights in respect of the moneys so paid by him until the same would but for such payment, become presently payable.

The Provisions of these Articles shall mutatis mutandis apply to the calls on debentures of our company.

23. A call may be revoked or postponed at the discretion of the Board.

FORFEITURE AND LIEN

24. 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 of installments remains unpaid, serve a 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 our company by reason of such non-payment.
25. The notice shall name a day (not being less than fourteen days from the date of the notice) and a place or places on and at which such call or installment and such interest 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.
26. 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.
27. When any share shall have been forfeited, notice of the resolution shall be given to the member 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, but no forfeiture shall be in any manner invalidated by any omission or neglect to give such notice or to make such entry as aforesaid.
28. Any share so forfeited shall be deemed to be the property of our company and the Board may sell re-allot or otherwise dispose of the same in such manner as it thinks fit.
29. The Board may, at any time before any share so forfeited shall have been sold, re-allotted or otherwise disposed of annual the forfeiture thereof upon such conditions as it thinks fit.
30. A person whose share has been forfeited shall cease to be a member in respect of the forfeited shares, but shall, notwithstanding, remains liable to pay, and shall forthwith pay to our company, all the calls or installments, interest and expenses, owing upon or in respect of such shares at the time of forfeiture together with interest thereon, from the time of forfeiture until payment at 12 per cent per annum and the Board may enforce the Payment thereof, or any part thereof without

any deduction or allowance for the value of shares at the time of forfeiture , but shall not be under any obligation to do so.

31. A duly verified declaration in writing that the declarant is a Director of our company, and that certain shares in our company have been duly forfeited on a date stated in the declaration shall be conclusive evidence of the facts therein stated as against all persons claiming to be entitled to the shares and such declaration and the receipt of our 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 shares 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.
32. Our company shall have a first and paramount lien upon all the shares/debentures (other than fully paid - up shares/debentures) 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/debentures and no equitable interest in any shares shall be created except upon the footing and condition that this Article will have full effect. And such lien shall extend to all dividends and bonuses from time to time declared in respect of such shares/debentures. Unless otherwise agreed the registration of a transfer of shares/debentures shall operate as waiver of our company's lien if any, on such shares / debentures. The Directors may at any time declare any shares/debentures wholly or in part to be exempt from the provisions of this Article.
33. For the purpose of enforcing such lien the Board may sell the share subject thereto in such manner as it thinks fit, but no sale shall be made until such time for payment as aforesaid shall have arrived and until notice in writing of the intention to sell shall have arrived and until notice in writing of the intention to sell shall have been served on such member his executor or administrator or his committee, curator bonis or other legal representative as the case may be and default shall have been made by him or them in the payment of the moneys called or payable at a fixed time in respect of such share for seven days after the date of such notice.
34. The net proceeds of the sale shall be received by our 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 presently payable as existed upon the share before the sale be paid to the person entitled to the share at the date of the sale.
35. Upon any sale after forfeiture or for enforcing a lien in purported exercise of the powers herein before given, the Board may appoint some person to execute an instrument of transfer of the share sold and cause the purchaser's name to be entered in the Register in respect of the share sold, and the purchaser shall not be bound to see to the regularity of the proceedings nor to the application of the purchase money, and after his name has been entered in the Register in respect of such share and validity of the sale shall not be impeached by any person, and the remedy of any person aggrieved by the sale shall be in damages only and against our company exclusively.
36. Where any share under the powers in that behalf herein contained is sold the Board and the certificate in respect thereof has not been delivered up to our company by the former holder of such share the Board may issued a new certificate for such share distinguishing it in such manner as it may think fit from the certificate not so delivered up.

TRANSFER AND TRANSMISSION

37. Save as provided in Section 108 of the Act, no transfer of a share shall be registered unless a proper instrument of transfer duly stamped and executed by or on behalf of the transferor and by or on behalf of the transferee has been delivered to our company together with the certificate or, if no such

certificate is in existence, the Letter of Allotment of the share. The instrument of and occupation (if any) of the transferee, and the transferor shall be deemed to remain the member in respect of such share until the name of transferee is entered in the Register in respect of thereof. Each signature to such transfer shall be duly attested by the signature of one credible witness who shall add his address.

38. Application for the registration of the transfer of a share may be made either by the transferor or the transferee, provided that, where such application is made by the transferor, no registration shall in the case of partly paid share be effected unless our company gives notice of the application to the transferee in the manner prescribed by Section 110 of the Act, and subject to the provisions of these Articles our company shall , unless objection is made by the transferee within two weeks from the date of receipt of this notice, enter in the Register the name of transferee in the same manner and subject to the same conditions as if the application of the transfer was made by the transferee.
39. The instrument of transfer shall be writing and all provisions of Section 108 of the Companies Act, and of any statutory modification thereof for the time being shall be duly complied with in respect of all transfer of shares and registration thereof.
40. The provisions of Section 111 of Companies Act, 1956 regarding powers to refuse Registration of Transfer and appeal against such refusal should be adhered to . Provided that registration of transfer shall not be refused on the ground of the transferor being either alone or jointly with any other person or persons indebted to our company has lien on shares. Transfer of shares/debentures in whatever lot shall not be refused.
41. No transfer shall be made to a minor or person of unsound mind.
42. Every instrument of transfer shall be left at the office for registration accompanied by the certificate of the share to be transferred or, if no such certificate is in existence by the letter of allotment of the share and such other evidence as the Board may require to prove the title of the transferor or his right to transfer the share. Every instrument of transfer which shall be registered shall be retained by our company, but any instrument of transfer which the Board may refuse to register shall be returned to the person depositing the same.
43. If the Board refuses to register the transfer of any share our company shall, within one month from the date on which the instrument of transfer was lodged with our company, send to the transferee and the transferor notice of the refusal.
44. No fee shall be charged for registration of transfer, transmission, probate, Succession, Certificate and letters of administration, Certificate of Death or Marriage, Power of Attorney or similar other document.
45. The executor or administrator of a deceased member not being one of several members registered jointly in respect of a share shall be the only person recognised by our company as having any title to the share registered in the name of such member , and , in case of the death of any one or more of the members registered jointly in respect of any share the survivor shall be the only person recognised by our company as having any title to or interest in such share, but nothing herein contained shall be taken to release the estate of a deceased member from any liability on the share held by him jointly with any other person. Before recognising any executor or administrator the Board may require him to obtain to Grant of Probate or Letters of Administration or other legal representation, as the case may be from a competent court in India and having effect in Bombay. Provided nevertheless that in any case where the Board in its absolute discretion thinks fit it shall be lawful for the Board to dispense with the production of Probate of Letters of Administration or such other legal representation upon such terms as to indemnity or otherwise as the Board, in its absolute discretion, may consider adequate.
46. Any committee of guardian of a lunatic or minor member or any person becoming entitled to or to transfer a share in consequences of the death or bankruptcy or insolvency of any member upon producing such evidence that he sustains the character in respect of which he proposes to act under

this Article or his title as the Board thinks sufficient, may, with the consent of the Board (which the Board shall not be bound to give) be registered as a member in respect of such share, or may, subject to the regulations as to transfer hereinbefore contained, transfer such share. This Article is hereunder referred to as "The Transmission Article".

47. (1) If the person so becoming entitled under the transmission Article shall elect to be registered as member in respect of the share himself, he shall delivered or send to our company a notice in writing signed by him stating that he so elects.

(2) If the person aforesaid shall elect to transfer the share, he shall testify his election by executing an instrument of transfer of the share.

(3) All the limitations, restrictions and provisions of these Articles relating to the right to transfer and the registration of instruments of transfer of a share shall be applicable to any such notice or transfer as aforesaid as if the death lunacy, bankruptcy or insolvency of the member had not occurred and the notice of transfer signed by that member.
48. A person so becoming entitled under the Transmission Article to a share by reason of the death, lunacy, bankruptcy or insolvency of a member shall, subject to the provisions of Article 80 and of Section 206 of the Act, be entitled to the same dividends and other advantages to which he would be entitled if he were the registered member in respect of the share. Provided that the Board may at any time give notice requiring any such person to elect either to be registered himself or to transfer the share, if the notice is not complied with within ninety days, the Board may thereafter withhold payment of all dividends, bonuses or other moneys payable in respect of the share until the requirements of the notice have been complied with.

INCREASE AND REDUCTION OF CAPITAL

49. Our company in general meeting may from time to time increase the capital by the creation of new shares of such amount as may be deemed expedient.
50. Subject to any special rights or privileges for the time being attached to any shares in the capital of our company then issued, the new shares may be issued upon such terms and conditions , and with such rights and privileges attached thereto as the general meeting resolving upon the creation thereof shall direct, and , if no direction be given as the Board shall determine, and in particular such shares may be issued with a preferential or qualified right to dividends and in the distribution of assets of our company.
51. Before the issue of any new shares, our company in general meeting may make provisions as to the allotment and issue of the new shares, and in particular may determine to whom the same shall be offered in the first instance the provisions of Section 79 of the Act, at a discount in default of any such provisions, or so far as same shall not extend, the new shares may be issued in conformity with the provisions of Article.
52. Except so far as otherwise provided by the conditions of issue or by these presents, any capital raised by the creation of new shares shall be considered part of the then existing Capital of our company, and shall be subject to the provisions herein contained with reference to the payment of calls and instruments, transfer and transmission forfeiture lien and otherwise.
53. If owing to any inequality in the number of new shares to be issued, and the number of shares held by members entitled to have the offer of such new shares any difficulty shall arise in the apportionment of such new shares or any of them amongst the members, such difficulty shall, in the absence of any direction in the resolution creating the shares or by the company in general meeting , be determined by the Board.

54. Our company may from time to time by Special Resolution, reduce its capital and any capital Redemption Reserve Fund or share premium account in any manner and with and subject to any incident authorised and consent required by law.

ALTERATION OF CAPITAL

55. Our company in General Meeting may-
- (a) Consolidate and divide all or any of its share capital into shares of large amount than its existing shares.
 - (b) Sub-divide its existing shares; or any of them into shares of smaller amount than is fixed by the Memorandum so however that in the sub-division the proportion between the amount, if any, unpaid on each reduced share shall be the same as it was in the case of the share from which the reduced share is derived.
 - (c) Cancel any shares which at the date of passing of the resolution, have not been taken or agreed to be taken by any person and diminish the amount its share capital by the amount of the shares so cancelled.
 - (d) Convert all or any of its fully paid shares into stock and re-convert that stock into fully paid up shares of any denomination.
56. The resolution whereby any share is sub-divided may determine that as between the holders of the shares resulting from such sub-divisions, one or more of such shares shall have some preference or special advantage as regards dividend, capital, voting or otherwise over or compared with the others or other subject nevertheless to the provisions of Sections 85, 87,88 and 106 of the Act.
57. Subject to the provisions of Section 100 to 105 inclusive of the Act, the Board may accept from any number the surrender on such terms and conditions as shall be regard of all or any of his shares.

MODIFICATION OF RIGHTS

58. Whenever the capital(by reason of the issue of Preference Shares or otherwise) 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 Section 106 and 107 of the Act, the modified, commuted , effected , abrogated varied or dealt with by agreement between our company and any person such agreement is (A) consented to in writing by the holders of at least three-fourths of the issued shares of that class or (B) sanctioned by resolution passed at a separate general meeting of the holders of Shares of that class in accordance with Section 106(1)(b) of the Act and all the provisions hereinafter contained as to general meetings shall mutatis, mutandis apply to every such meeting , except that the quorum thereof shall not less than two persons holding or representing to proxy one-fifth of the nominal amount of the issued shares of the class. This Article is not by implications to curtail the power of modification which our company would have if this Article were omitted. Our company shall comply with the provisions of Section 192 of the Act to forwarding a copy of any such agreement or resolution to the Register.

BORROWING POWERS

59. The Board may from time to time as its discretion, subject to the provisions of Sections 292 and 370 of the Act, raise or borrow from the Directors or from elsewhere and secure the payment of any sum or sums of moneys for the purposes of our company; provided that the Board shall not, without the sanction of our company in general meeting, borrow by our company (apart from temporary loans

obtained from our company's bankers in the ordinary course of business) will exceed the aggregate for the time being of the paid-up capital of our company and its free reserves, that is to say, reserve not set aside for any specific purpose

60. 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 our company (both present and future) including its uncalled capital for the time being.
61. Any debentures, debentures-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 our company in the General Meeting by a Special Resolution.
62. 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 our company together with the certificates of the debentures.
63. If the Board refuses to register the transfer of any debentures our company shall, within one month from the date on which the instrument of transfer was lodged with our company, send to the transferee and to the transferor of the refusal.

GENERAL MEETINGS

64. The Statutory Meeting of our company shall, as required by Section 165 of the Act, be held at such time being less than one month nor more than six months from the date at which our company shall be entitled to commence business and at such place as the Board may determine and the Board shall comply with the other requirements of that Section as to the report to be submitted and otherwise.
65. In addition to any other meetings, general meeting of our company shall be held within such intervals as are specified in Section 166(1) of the Act and subject to the provisions of Section 166(2) of the Act, at such times and places as may be determined by the Board. Each such general meeting shall be called as an "Annual General Meeting " and shall be specified as such in the notice convening the meeting. Any other meeting of our company shall except in the case where as Extraordinary General Meeting is covered under the provisions of the next following Article, be called as a "General Meeting".
66. The Board may, whenever it thinks fit, call a general meeting and it shall on the requisition of such number of members as hold, at the date of the deposit of the requisition not less than one-tenth of such of the paid up capital of our company as at the date carried the right of voting in regard to the manner to be considered at the meeting , forthwith proceeding call an Extraordinary General Meeting and in the case of such requisition the following provisions shall apply:-
 - (1) The requisition shall state the matters for the consideration of which the meeting is to be called, shall be signed by the requisitioners and shall be deposited at the office. The requisition may consist of several documents in like form each signed by one or more requisitioners.
 - (2) Where two or more distinct matters are specified in the requisition the requisition shall be valid only in respect of those matters in regard to which the requisition has been signed by the member or members herein before specified.

- (3) If the Board does not within twenty-one days from the date of deposit of a valid requisition in regard to any matters, proceed duly to call a meeting for the consideration of these matters on day on a day not later than forty-five days from the date of deposit, the requisitionists or such of them as are enabled so to do by virtue of Section 169(6)(b) of the Act may themselves call the meeting but any meeting so called not be commenced after three months from the date of deposit.
 - (4) Any meeting called under this Article 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 shall be held at the office.
 - (5) Where two or more persons hold any shares jointly a requisition or notice calling a meeting signed by one or some of them shall for the purposes of this Article have the same force and effect as if it had been signed by all of them.
 - (6) Any reasonable expenses incurred by the requisitionists by reason of the failure of the Board duly to call a meeting shall be repaid to the requisitionists by our company any sum so repaid shall be retained by our company out of any sums due or to become due from our company by way of less or other remuneration for their services to such of the Directors as are in default.
67. Our company shall comply with the provisions of Section 188 of the Act as to giving notice of resolutions and circulating statements on the requisition of members.
 68. Save as provided in sub-section (2) of Section 171 of the Act not less than twenty-one days' notice shall be given of every general meeting of our company. Every notice of a meeting shall specify the place and the day and hour of the meeting and shall contain a statement of the business to be transacted thereat. Where any such business consists of " Special Business " a hereinafter defined there shall be annexed to the notice a statement complying with Section 173(2) and (3) of the Act.

Nothing of every meeting of our company shall be given to every member of our company , to our company, to the Auditors of our company and to persons entitled to share in consequence of the death or insolvency of a member in any manner hereinafter authorised for the giving of notice to such persons.

The accidental omission to give any such notice to or the non-receipt by any member or other person to whom it should be given shall not invalidate the proceedings of the meeting.

PROCEEDINGS AT GENERAL MEETINGS

69. The ordinary business of an Annual General Meeting shall be to receive and consider the Profit and Loss Account, the Balance Sheet and the reports of the directors and of the auditors and fix their remuneration and to declare dividends. All other business transacted at an annual general meeting and all business transacted at any other general meeting shall be deemed special business.
70. No business shall be transacted at any general meeting unless a quorum of members is present at the time when the meeting proceeds to business. Save as herein otherwise provided five members present in person shall be a quorum.
71. Any act or resolution which, under the provisions of these Articles or of the Act, is permitted or required to be done or passed by our company in general meeting shall be sufficiently so done or passed if elected by an Ordinary Resolution as defined in Section 189(1) of the Act unless either the Act or these Articles specifically require such act to be done or resolution passed by a Special Resolution as defined in Section 189(2) of the Act.
72. The Chairman of the Board shall be entitled to take the chair at every general meeting .If there be such Chairman, or if at any meeting he shall not be present within fifteen minutes after the time

appointed for holding such meeting, or in unwilling to act, the members present shall choose another Director as Chairman, and if no Director is present, or if all the Directors present decline to take chair, then the members present shall, on a show of hands or on a poll if properly demanded, elect one of their members being a member entitled to vote , to be chairman.

73. If within half-an-hour from the time appointed for the meeting a quorum be not present, the meeting, if conveyed upon such requisition as aforesaid, shall be dissolved; but in any other case it stand adjourned to the same day in the next week, at the time and place, or to such other day and at such time and place as the Board may be notice appoint and if at such adjourned meeting a quorum be not present, those members who are present and not being less than two shall be a quorum and may transact the business for which the meeting was called.
74. Every question submitted to a meeting, shall be decided in the first instance by a show of hands, and in the case of an equality of votes, both on a show of hands and on a poll, the Chairman of the meeting shall have a casting of vote in addition to the vote to which he may be entitled as a member.
75. At any general meeting, unless a poll is (before or on the declaration of the result of the show of hands) demanded by Chairman of his own motion or by the members having not less than one tenth of the total voting power or having paid up share capital of not less than Rs. 1,00,000/- and having the right to vote on the resolution in question and present in the person or by any member or members present in a person or by proxy and holding shares in our company conferring a right to vote on such resolution, a declaration by the Chairman that the resolution has or has not been carried, either unanimously, or by a particular majority, and an entry to that effect in book containing the minutes of the proceeding of our company shall be conclusive evidence of the fact, without proof of the number or proportion of the votes cast in favour of or against the resolution.
76.
 - (1) If a poll demanded as aforesaid it shall be taken forthwith on question of adjournment or election of a Chairman and in any other case in such manner and such time, not being later than forty-eight hours from the time when the demanded was made, and at such place at the Chairman of the meeting directs, and subject as aforesaid either at once or after an interval or adjournment or otherwise, and the result of the poll shall be deemed to be the decision of the meeting on the resolution on which the poll was demanded.
 - (2) The demand of a poll may be withdrawn at any time.
 - (3) Where a poll is to be taken the Chairman of the meeting shall appoint two scrutinizers, on each of whom shall be a member(not being an officer or employee of our company) present at a meeting provided such member is available and willing to be appointed to scrutinize the votes given on the poll and to report to him thereon.
 - (4) On a poll a member entitled to more than one vote, or his proxy or other person entitled to vote from him, as the case may be , need not, if he votes, use all his votes or cast in the same way all the votes he uses.
 - (5) The demand of the poll shall not prevent the continuance of a meeting for the transaction of any business other than the question on which a poll has been demanded
77.
 - (1) The Chairman of a general meeting may adjourn the same from time to time and from place to place, but no business shall be transacted at any adjourned meeting other than the business left unfinished at meeting from which the adjournment took place.
 - (2) When a meeting is adjourned it shall not be necessary to give any notice of an adjournment or of the business to be transacted at an adjourned meeting.

VOTES OF MEMBERS

78. (a) Save as hereinafter provided, on a show of hands every member present person and being a member registered in respect of Ordinary Shares shall have one vote and every person present either as a General Proxy (as defined in Article 83) on behalf of a member registered in respect of Equity Shares , if he is not entitled to vote in his own right, or as a duly authorised representative of a body corporate, being a member registered in respect of Equity Shares, shall have one vote.

(b) Save as hereinafter provided, on a poll the voting rights of a member registered in respect of Equity Shares shall be as specified in Section 87 of the Act.

(c) The members registered in respect of the Preference Shares shall not be entitled to vote at general meetings of our company except:

One any resolution placed before our company at a general meeting at the date of which the dividend due or any part thereto remains unpaid in respect of an aggregate period of not less than two years proceeding the date of commencement of such meeting and for this purpose the dividend shall be deemed to be due yearly on the 30th day of September In each year in respect of the yearly period ending on the preceding 31st day of March whether or not such dividend has been declared by our company or On any resolution placed before our company which directly effects the rights attached to the Preference Shares and for his purpose any resolution for the winding up of our company or for the repayment or reduction of its share capital shall be deemed to effect the rights attached to such shares. Where the members registered in respect of any Preference Shares has a right to vote on any resolution in accordance with the provisions of this Article, his voting rights on a poll as such member shall, subject to any statutory provisions for the time being , applicable, be in the same proportion as the capital paid up on the Preference Shares bears to the total paid up Equity Share Capital of our company for the time being as defined in Section 87(2) of the Act.

Provided that no company or body corporate shall vote by proxy so long as a resolution of its Board of Directors under the Provisions of Section 187 of the Act is in force and the representative named in such resolution is present at the general meeting at which the vote by proxy is tendered.

79. Where a Company or to body corporate (hereinafter called “ Member Company”) is a member of our company, a person , duly appointed by resolution in accordance with the provisions of Section 187 of the Act to represent such member company at a meeting of our company, shall not by reason of such appointment, be deemed to be a proxy, and the production at the meeting of a copy of such resolution duly signed by one Director of such member company and certified by him as being a true copy of the resolution shall on production at the meeting , the validity of his appointment. Such person shall be entitled to exercise the same rights and power, including the rights to vote by proxy on behalf of the member company which he represents as that member company could exercise.

80. Any person entitled under the Transmission Article to transfer any shares may vote at any general meeting in respect thereof in the same manner as if he were the member registered in respect of such shares provided that forty eight hours at least before the time of holding the meeting or adjourned meeting, as the case may be , at which he proposed to vote he shall satisfy the Board of his right to transfer such shares, unless the Board shall have previously admitted his right to vote at such meeting in respect thereof. If any member be a lunatic, idiot or non coposementis he may vote whether on a show of hands or at a poll by his committee curator bonus or other legal curator and such last mentioned persons may give their votes by proxy.

81. Where there are members registered jointly in respect of any share any one of such person may vote at any meeting either personally or by proxy in respect of such shares as if he were solely entitled thereto; and if more than one of such members be present at any meeting either personally or by

proxy, that on of the said members so present whose name stands first on the Register in respect thereof. Several executors or administrators of a deceased member in whose name any share is registered shall for the purpose of this Article be deemed to be members registered jointly in respect thereof.

82. On a poll vote may be given either personally or by proxy, or , in the case of a body corporate, by a representative duly authorised as aforesaid.
83. The instrument appointing a proxy shall be in writing under the hands of the appointer or of his Attorney duly authorised in writing or if such appointer is a body corporate be under its common seal or the hand of its officer or Attorney duly authorised. A proxy who is appointed for a specified meeting only be called a special proxy. Any other proxy shall be called a General Proxy.

A person may be appointed a proxy though he is not a member of our company and every notice convening a meeting of our company shall state this and that a member entitled to attend and vote at the meeting is entitled to appoint a proxy to attend and vote instead of him.

84. The instrument appointing a proxy and the Power of Attorney or other authority (if any) under which it is signed, or a notorially certified copy of that power or authority, shall be deposited at the office not less than forty eight hours before the time for holding the meeting at which the person named in the instrument purports to vote in respect thereof and in default the instrument purports to vote in respect thereof and in default the instrument of proxy shall be treated as valid.
85. A vote given in accordance with the terms of an instrument appointing a proxy shall be valid notwithstanding the previous death or insanity of the principal, or revocation of the instrument, or transfer of the share in respect of which the vote is given, provided no intimation in writing of the death, insanity revocation or transfer of the share shall have been received by our company at the office before the vote is given. Provided nevertheless that the Chairman of any meeting shall be entitled to require such evidence as he may in his discretion think fit of the due execution of an instrument of proxy and that the same has not been revoked.
86. Every instrument appointing a special proxy shall be retained by our company and shall as nearly as circumstances will admit, be in any of the forms set out in Schedule IX of the Act.
87. No member shall be entitled to exercise any voting rights either personally or buy proxy at any meeting of our company 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 our company has, and has exercised any right of lien.
88. (a) Any objections as to the admission or rejection of a vote, either on a show of hands, or on a poll made in due time, shall be referred to the Chairman who shall forthwith determine the name, and such determination made in good faith shall be final and conclusive.
- (b) No objection shall be raised to the qualification of any voter except at the meeting or adjourned meeting at which the vote objected to is given or tendered and every vote not disallowed at such meeting shall be valid for the purposes.

DIRECTORS

89. (i) Subject to the provisions of Section 252 of the Companies Act, 1956 and until otherwise determined by special Resolution the number of the Directors of our company shall not be less than three nor more than twelve.
- (ii) If at any time our company obtains any loans from any financial institution and/or any Central or State Government referred to in this Article as "The Corporation" or enters into

underwriting arrangements with the Corporation and it is a term of such loan of the underwriting arrangements that the Corporation shall have the right to appoint one or more Directors, then subject to the terms and conditions of such loans, or underwriting arrangements the Corporation shall be entitled to appoint one or more Directors, as the case may be to the Board of Directors of our company and to remove from office any Directors, so appointed and to appoint another in his place or in the place of a director so appointed who resigns or otherwise vacates his office. Any such appointment or removal shall be made in writing and shall be signed by the Corporation or by any person duly authorised by it and shall be served at the office of our company. The Director or Directors so appointed shall not be liable to retire by rotation of Directors in accordance with the provisions of these Articles.

90. Not less than two thirds of the total number of Directors shall be persons whose period of office is liable to determination by retirement of Directors by rotation.
91. The persons hereinafter named shall become and be the first Director of our company that is to say:
 1. Rishi Raj Agarwal.
 2. Sangeeta Agarwal
92. The Board shall have power at any time and from time to time to appoint any person as a Director as an addition to the Board but so that the total number of Directors shall not at any time exceed the maximum number fixed by these Articles. Any Directors so appointed shall hold office only until the next Annual Meeting of our company and shall then be eligible for re-election.
93. The Director shall not be required to hold any qualification shares.
94. Each Director shall be entitled to receive out of the funds of our company for attending meeting of the board or committee of the board or any of these adjourned sittings, for each meeting of the board or committee respectively attended by him a sum not exceeding the limits prescribed under Section 301 of the Act or such smaller sum as may be determined by the Board
95. The Director shall be entitled to receive a commission (to be divided between them in such manner as they shall from time to time determined and in default of determination, equally) of one per cent of our company (computed in the manner referred to in subsection (1) of Section 198 of the Act in any financial year. All other remuneration, if any, payable by our company to each Director, whether in respect of his services as a Managing Director or a Director in the whole or part time employment of our company shall be determined in accordance with the subject to the provisions of these Articles and of the Act. The Directors shall be entitled to be paid their reasonable traveling and hotel and other expenses incurred in consequence of their attending Board and Committee meetings, and otherwise incurred in the execution of their duties as Directors.
96. If any Director, being willing, shall be called upon to perform extra services or to make any special exertions in going or residing away from Bombay for any of the purposes of our company or in giving special attention to the business of our company or as a member of a Committee of the Board then subject to Section 198,309 and 310 of the Act, the Board may remunerate the Director so doing either by a fixed sum or by a percentage of profits or otherwise and such remuneration to which he may be entitled.
97. The continuing Directors may at notwithstanding any vacancy in their body but so that if the number falls below the minimum above fixed the Board shall not, except for the purpose of filling vacancies, and act so long as the number is below the minimum.
98. The office of the Director shall ipso facto be vacated if at any time he commits any of the acts as set out in Section 283 of the Act.

99. No Director , no partner, or relative of a Director ,no firm in which a Director or his relative is a partner, no private company of which a Director is a Director or member and no Director or manager of such a private company shall without the previous consent of our company of profit under our company or under any subsidiary in respect of such office or place is paid over to our company or its holding Company in so far as such remuneration is over and above the remuneration to which he is entitled as a Director of such subsidiary except that of a Managing Director, Secretaries and Treasures, Manager, legal or technical adviser, banker or trustee for the holders of debentures.
100. A Director of this Company may be or become a Director of any other Company promoted by this company or in which it may be interested as a vender, shareholder or otherwise, and no such Director shall be accountable for any benefits received as a Director or member of such Company.
101. Subject to the provisions of Section 297 of the Act a Director neither shall be disqualified from contracting with our company either as vender , purchase or otherwise goods, materials or services or for underwriting the subscription of any shares in or debentures of our company nor shall any such contract or arrangement entered into by or on behalf of our company with a relative of such Director, or a firm in which such Director or relative is a partner or with any other partner in such firm or with a private company of which such Director is a member or Director be avoided nor shall any Director so contracting or being such member or so interested be payable to account of our company for any profits realized by any such contract or arrangement by reason of such Director holding office or of the fiduciary relation thereby established.
102. Every Director who is in any way whether directly or indirectly concerned or interested in a contract or arrangement, entered into or to be entered into by or on behalf of company shall disclose the nature of his concern or interest at a meeting of the Board as required by Section 299 of the Act. A general notice, renewable in the last month of each financial year of our company that a Director is a Director or a member of any specified body corporate or is member of any specified firm and is to be regarded as concerned or interested in any subsequent contract or arrangement with that body corporate or firm shall be sufficient disclosure or concern or interest in relation to any contract or arrangement so made and after such general notice, it shall not be necessary to give special notice relating to any or firm, provided such general notice is given at a meeting of the Board or the Director concerned takes reasonable steps to secure that it is brought up and read at the first meeting of the Board after it is given.
103. No Director shall, as a Director, take any part in the discussion of or vote on any contract or arrangement in which he is any way, whether directly or indirectly concerned or interested, nor shall his presence count for the purpose of forming a quorum at the time of such discussion or vote. This prohibition shall not apply to (a) any contract or indemnity against any loss which the Directors or any of them may suffer by reason of becoming or being sureties or a surely for our company; or (b) any contract or arrangement entered into or to be entered into by our company with a public company, or with a private company which is a subsidiary of a public company, in which the interest of the Director consist solely in his being a director of such Company or value therein as is requisite to qualify him for appointment as a Director thereof , he having been nominated as such director by our company.

ROTATION OF DIRECTORS

104. At each Annual General Meeting of our company one- third of such of the Directors for the time being as are liable to retire by rotation, or if their number is not three or a multiple of three, then the number nearest to one third shall retire from office. An additional Director appointed by the Board under Article 92 hereof shall not be liable to retire by rotation within the meaning of this Article.

105. The Directors to retire by rotation at every Annual General Meeting shall be those who have been longest in office since their last appointment, but as between persons who become Directors on the same day those to retire shall in default of and subject to any arrangement among themselves, be determined by lot.
106. Save as permitted by Section 263 of the Act, every resolution of the General Meeting for the appointment of a Director shall relate to one named individual only.
107. Our company at the Annual General Meeting at which a Director retires by rotation in manner aforesaid may fill up the vacated office by appointing the retiring Director or some other person thereto.

If the place of the retiring Director is not so filled up and the meeting has not expressly resolved not to fill the vacancy, the meeting shall stand adjourned till the same day in the next week, at the same time and place, or if that day is public holiday, till the next succeeding day which is not a public holiday at the same time and place. If at the adjourned meeting also, the place of the retiring Director is not filled up and that meeting also has not expressly resolved not to fill that meeting also has not expressly resolved not to fill the vacancy, the retiring Director shall be deemed to have been re-appointed at the adjourned meeting unless;

- (a) at the meeting or at the previous meeting a resolution for the re-appointment or such Director has been put to the vote and lost; or
 - (b) the retiring Director has by notice in writing addressed to our company or the Board expressed his unwillingness to be reappointed ; or
 - (c) he is not qualified for appointment ; or
 - (d) a resolution, whether special or ordinary is required for his appointment or re-appointment in virtue of any provisions of the Act; or
 - (e) the provisions of sub-section (2) of section 263 of the Act is applicable to the case.
108. Our company may, subject to the provisions of Section 284 of the Act, by ordinary resolution of which Special Notice has been given, remove any Director before the expiration of his period of office and may by ordinary resolution of which Special Notice has been given appoint another person in his stead, if the Director so removed was appointed by our company in general meeting or by the Board under Article 109. The person so appointed shall hold office if he had not been so removed. If the vacancy created by the removal of a Director under the provisions of this Article is not so filled by the meeting at which he is removed the Board may at any time thereafter fill such vacancy under the provisions of Article 109.
 109. If any Director appointed by our company in general meeting vacates office as a Director before his term of office will expire in the normal course the resulting casual vacancy may be filled up by the Board at a meeting of the Board but any person so appointed shall retain his office so long only as the vacating Director would have retained the same if no vacancy had occurred. Provided that the Board may not fill such a vacancy by appointing thereto any person who has been removed from his office of Director under Article 108.
 110. No person not being a retiring Director shall be eligible for appointment to the office of Director at any general meeting unless he or some member intending to propose him has not less than fourteen days before the meeting left at the office a notice in writing under his hand signifying his candidature for the office of director or the intention of such member to propose him as a candidate for that office as the case may be and has deposited a sum of Rs. 500 with our company which shall be refunded in case the candidate is elected as Director otherwise the same will be forfeited.

ALTERNATE DIRECTORS

111. The Board may appoint any person to act as Alternate Director for a Director during the latter's absence for a period not less than three months from the State in which meetings of the Board are ordinarily held and such appointment shall have effect and such appointee whilst he holds office as an alternate Director, shall be entitled to notice of meetings of the Board and to attend and vote thereat accordingly, but he shall not require any qualification and shall ipso facto vacate office if and when the absent Director returns to the State in which meetings of the Board are ordinarily held or the absent Director vacates office as a Director.

PROCEEDING OF DIRECTORS

112. The Board shall meet together at least once in every three months for the despatch of business and may adjourn and otherwise regulate its meetings and proceedings as it thinks fit. Notice in writing of every meeting of the Board shall be given to every Director for the time being in India, and at his usual address in India to every other Director. Unless otherwise determined from time to time at any time by the consent of all Directors for the time being in India, meetings of the Board shall take place at the office.
113. A Director may, at any time, convene a meeting of the Board.
114. If at any meeting of the Board, the chairman be not present within five minutes after the time appointed for holding the same, the Directors present shall choose some one of their members to be Chairman of such meeting.
115. The quorum of a meeting of the Board shall be determined from time to time in accordance with the provisions of Section 287 of the Act. If a quorum shall not be present within fifteen minutes from the time appointed for holding a meeting of the Board, it shall be adjourned until such date and time as the Chairman of the Board shall appoint.
116. A meeting of the Board at which a quorum be present shall be competent to exercise all or any of the authorities, power and discretions by or under these Articles for the time being vested in or exercisable by the Board.
117. Subject to the provisions of Section 316, 372(4) and 336 of the Act, questions arising at any meeting shall be decided by a majority of votes, and in case of an equality of votes, the Chairman shall have a second or casting vote.
118. The Board may, subject to the provisions of the Act, from time to time and at any delegate any of its powers to a committee consisting of such Director or Directors as it thinks fit, and may from time to time revoke such delegation. Any Committee so formed shall, in the exercise of the powers so delegated, conform to any regulations that may from time to time be imposed upon it by the Board.
119. The meetings and proceedings of any Committee consisting of two or more members shall be governed by the provisions herein contained for regulating the meetings and proceedings of the Board so far as the same are applicable thereto, and are not superseded by any regulations, made by the Board under the last preceding Article.
120. Acts done by a person as a Director shall be valid, notwithstanding that it may afterwards be discovered that his appointment was invalid by reason of any defect or disqualification or had terminated by virtue of any provisions contained in the Act or in these Articles. Provided that nothing in this Article shall be deemed to give validity to acts done by a Director after his appointment has been shown to our company to be invalid or to have terminated.

121. Save in these cases where a resolutions is required by Sections 262,292,297,316,372(4) and 386 of the Act, to be passed at a meeting of the Board, a resolution shall be as valid and effectual if it had been passed at a meeting of the Board or committee of the Board, as the case may be , duly called and constituted , if a draft thereof in writing is circulated , together with the necessary papers , if any to all the Directors ,or to all the members of the committee of the Board , as the case may be, then in India(not being less in number than the quorum fixed for a meeting of the Board or Committee, as the case may be) and to all other Directors or members of the Committee at their usual address in India, and has been approved by such of them as are then in India or by a majority of such of them, as are entitled to vote on the resolution.

MINUTES

122. (1) The Board shall cause Minutes to be duly entered in books provided for the purpose:
- (a) of the names of the Directors present at each meeting of the Board and of any Committee of the Board and in the cases of each resolution passed at the meeting , the names of the Directors, if any, dissenting from or not concurring in, the resolution:
 - (b) of all orders made by the Board and Committees of the Board;
 - (c) of all appointments of Directors and other officers of our company ; and
 - (d) of all proceedings of general meetings of our company and of meetings of the Board and Committees of the Board.

The Minutes of each meeting shall contain a fair and correct summary of the proceedings thereat. PROVIDED THAT no matter need be included in any such Minutes which the chairman of the meeting, in his absolute discretion, is of opinion:

- (a) is , or could reasonably be regarded as, defamatory of any person;
- (b) is irrelevant or immaterial to the proceedings; of
- (c) is detrimental to the interest of our company

(2) Any such Minutes of any meeting of the Board or of any Committee of the Board or of our company is general meeting, if purporting to be signed by succeeding meeting; shall be evidence of the matters stated in such Minutes. The Minute Books of general meetings of our company shall be kept at the office and shall open to inspection by members on business days between the hours of 10-30 a.m. and 12-30 p.m.

POWERS TO THE BOARD

123. Subject to the provisions of the Act, the control of our company shall be vested in the Board who shall be entitled to exercise and do; Provided that the Board shall not exercise any power or do any act or thing which is directed or required, whether by the Act or any other statute or by the Memorandum of our company in general meeting. Provided further that in exercising any such power or doing any such act or thing, the Board shall be subject to the provisions in that behalf contained in the Act or any other statute or in the Memorandum of our company or in these Articles or in any regulations not inconsistent therewith and duly made there under, including regulations made by our company in general meeting, but not regulation made by our company in general meetings shall invalidate any prior act of the Board which would have been valid if that regulation had not been made.

LOCAL MANAGEMENT

124. Subject to the provisions of the Act, the following regulations shall have effect;
- (1) The Board may, from time to time, provide for the management of the affairs of our company outside India (or in any specific locality in India) in such manner as it shall think fit and the provisions contained in the four next following paragraph shall be without prejudice to the general powers conferred by this paragraph.
 - (2) The Board may , from time to time and at any time, establish any Local Directorates or agencies for managing any of the affairs of our company outside India, or in any specified locality in India, and may appoint any persons to be members of such local Directorate or any managers or agents and may fix their remuneration and , save as provided in Section 292 of the Act, the Board may, from time to time and at any time, delegate to any person so appointed any of the powers, authorities and discretions for the time being vested in the Board and may authorise the members for the time being of any such local Directorate or any of them to fill up any vacancies therein and to act notwithstanding vacancies; and any such appointment or delegation may be made on such terms and subject to such conditions as the Board may think fit and the Board may, at any time, remove any person so appointed and may annual or vary any such delegation.
 - (3) The Board may, at any time and from time to time by power- of - Attorney under Seal, appoint any person to be the Attorneys of our company for such purposes and with such powers, authorities and discretions (not exceeding those which may be delegated by the Board under the Act) and for such period and subject to such conditions as the Board may; from time to time think fit; any such appointment may, if the Board thinks fit, be made in favour of the members or any of the members of any Local Directorate established as aforesaid, or in favour of any company or for the members, directors, nominees, or officers of any company or firm, or in favour of any fluctuating body of persons whether nominated directly or indirectly by the Board and any such Power- of - Attorney may contain such provisions for the protection of convenience of dealing with such Attorneys as the Board thinks fit.
 - (4) Any such delegates or Attorneys as aforesaid may be authorised by the Board to sub-delegate all or any of the powers, authorities and discretions for the time being vested in them.
 - (5) Our company may exercise the powers conferred by Section 50 of the Act with regard to having an Official Seal for the use abroad, and such powers shall be vested in the Board, and our company may cause to be kept in any state or country outside India, as may be permitted by the Act a Foreign Register of members or debenture- holders resident in any such State or country and the Board may from time to time make such regulations as it may think fit respecting the keeping of any such Foreign Register, such regulations not being inconsistent with the provisions of Section 157 and 158 of the Act; and the Board may, from time to time, make such provisions as it may think fit relating thereto and may comply with the requirements of any local law and shall, in any case, comply with the provisions of Sections 157 and 158 of the Act.

MANAGING DIRECTORS

125. Subject to the provisions of Sections 316 and 317 of the Act the Board may from time to time appoint on or more Directors to be Managing Directors of our company, either for a fixed term or without any intimation as to the period for which he or they is or are to hold such office, and may from time to time (Subject to the provisions of any contract between him or them and our company) remove or dismiss him or them from office and appoint another or others in his or their place or places.

126. Subject to the provisions of Section 255 of the Act, a Managing Director shall not while he continues to hold that office, to be subject to retirement by rotation, and he shall not be reckoned as a Director for the purpose of determining the rotation or retirement of Directors or in fixing the number of Directors to retire, but (subject to the provisions of any contract between him and our company) he shall be subject to the same provisions as to resignation and removal as the other Directors, and he shall ipso facto and immediately cease to be a Managing Director, if he ceases to hold office of Director from any cause. If at any time the total number of Managing Directors is more than one-third of the total number of Directors , the Managing Directors who shall not retire shall be determined by and in accordance with their respective senioritis. For the purpose of this Article the senioritis of the Managing Directors shall be determined by the dates of their respective appointments as Managing Directors by the Board.
127. Subject to the provisions of Section 309,310 and 311 of the Act, a managing Director shall, in addition to the remuneration payable to him as a Director of our company under these Articles, receive such additional remuneration perquisites as may from time to time be sanctioned by our company.
128. Subject to the provisions of the Act in particular to the prohibition and restrictions contained in Section 292 thereof , the Board may from time to time, entrust to and confer upon a Managing Director for the time being such of the powers exercisable under these presents by the Board as it may think fit, and may confer such powers for such time, and to be exercised for such objects and purposes, and upon such terms and conditions , and with such restrictions as it thinks fit , and the Board may confer such powers, either collaterally with, or to the exclusion of, and in substitution for all or any of the powers of the Board in that behalf; and may from time to time revoke , withdraw alter or vary all or any of such powers.

THE SEAL

129. The Board shall provide for the safe custody of the Seal and the Seal shall never be used except by the authority previously given of the Board or a Committee of the Board authorities by the Board in that behalf and save as provided in Article 16(A) hereof one Director shall sign every instrument to which the seal is affixed. Provided nevertheless, that any instrument bearing the Seal of our company, and issued for valuable consideration shall be binding on our company notwithstanding any irregularity touching the authority of the Board to issue the same.

ANNUAL RETURNS

130. Our company shall comply with the provisions Sections 159 and 161 of the Act as to the making of Annual Returns.

RESERVES

131. The Board may, from time to time before recommending any dividend set apart any such portion of the profits of our company as it thinks fit as Reserve to meet contingencies or for the liquidation of any debentures, debts or other liabilities of our company for equalization of dividends, for repairing, improving or maintaining any of the property of our company and for such other purpose of our company as the Board in its absolute discretion thinks conducive to the interests of our company; and may , subject to the provisions of section 372 of the Act, invest the several sums so set aside upon such investments (other than shares of our company) as it may think fit, and from time to time deal with and vary such investments and dispose of all or any part thereof for the benefit of our company and may divide the Reserve into such special funds as it thinks fit, with full power to employ the Reserve or any part thereof in the business of our company, and that without being bound to keep separate from the other assets.

132. All moneys carried to the reserves shall nevertheless remain and be profits of our company applicable, subject to due provisions being made for actual loss or depreciation, for the payment of dividends and such moneys and all the other moneys of our company not immediately required for the purpose of our company, may subject to the provisions of Sections 370 and 372 of the Act, be invested by the Board in or upon such investments or securities as it may select or may be used as working capital or may be kept at any Bank on deposit or otherwise as the Board may from time to time think proper.

CAPITALISATION OF RESERVES

133. Any general meeting may resolve that any moneys, investments, or other assets, forming part of the undivided profits of our company standing to the credit of the Reserves or any Capital Redemption Reserve Fund, or in the hands of our company and available dividend or representing premium 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 and unissued shares, debentures or debenture-stock of our company which shall be distributed accordingly or in 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 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 our company as fully paid bonus shares.
134. A general meeting may resolve that any surplus moneys arising from the realisation of any capital assets of our company or any investments representing the same, or any other undistributed profits of our company not subject to charge for income-tax, be distributed among the members on the footing that they receive the same as capital.
135. For the purpose of giving effect to any resolution under the two last preceding Articles and Article 144 hereof the Board may settle any difficulty which may arise in regard to the distribution as it thinks expedient and in particular may issue fractional certificates and may fix the value for distribution of any specific assets, and may determine the cash payments 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 dividend or capitalised fund as may seem expedient to the Board. Where requisite a proper control shall be filled in accordance with Section 75 of the Act, and the Board may appoint any person to sign such a control on the behalf of the persons entitled to the dividend or capitalised fund, and such appointment shall be effective.

DIVIDENDS

136. Subject to the rights of members entitled to shares (if any with preferential or special rights attached thereto), the profits of our company which it shall from time to time be determined to divide in respect of any year or other period shall be applied in the payment of a dividend on the ordinary shares of our company but so that a partly paid up share shall only entitle the member in respect thereof such a proportion of the distribution upon a fully paid up shares as the amount paid thereon bears to the nominal amount of such share and so that where capital is paid up in advance of calls upon the footing that the same shall carry interest, such capital shall not, whilst carrying interest, rank for dividend confer a right to participate in profits.
137. Our company in general meeting may declare a dividend to be paid to the members according to their rights and interest in the profits and may, subject to the provisions of Section 207 of the Act, fix the time for payment.

138. No longer dividend shall be declared than is recommended by the Board but our company in general meeting may declare a smaller dividend.
139. No dividend shall be payable except out of the profits of our company or out of the moneys provided by the General or State Government for the payment of the dividend in pursuance of any guarantee given by such Government.
140. The declaration of the Board as to the amount of the net profits of our company shall be conclusive.
141. The Board may, from time to time, pay to the members such interim dividends as appears to the Board to be justified by the profits of our company.
142. The Board may deduct from any dividend payable to any member all sums of moneys, if any, presently payable by him to our company on account of calls or otherwise in relation to the shares of our company
143. Any general meeting declaring a dividend may 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 payable to him and so that the call be made payable at the same time as the dividend and the dividend may, if so arranged between our company and the member , be set off against the call.
144. Any general meeting declaring a dividend may resolve that such dividend be paid wholly or in part by the distribution of specific assets and in particular of paid up shares, debentures or debenture-stock of our company or paid up shares, debentures or debenture-stock of any other company, or in any one or more of such ways.
145. A transfer of shares shall not pass the rights to any dividend declared thereon before the registration of the transfer by our company.
146. No dividend shall be paid respect of any share except to the member registered in respect of such shares or to his orders or to his bankers but nothing contained in this Article shall be deemed to require the bankers of a member to make a separate application to our company for the payment of the dividend.
147. Any one of several persons who are members registered jointly in respect of any share may give effectual receipts for all dividends, bonuses and other payments in respect of such share.
148. Notice of any dividend whether interim or otherwise ,shall be given to the persons entitled to share there in the manner hereinafter provided.
149. Unless otherwise directed in accordance with Section 206 of the Act, any dividend , interest or other moneys payable in cash in respect of a share may be paid by cheque or warrant sent through the post to the registered address of the member or in the case of members registered jointly to the registered address of the first named in the Register or to such person and such address as the member or members , as the case may be, may direct, and every cheque or warrant so sent shall be made payable to the order of the person to whom it is sent.
150. When our company has declared a dividend but which has not been paid or the dividend warrant in respect thereof has not been posted within 30 days
151. from the date of declaration to any shareholder entitled to the payment of the dividend, our company shall within 7 days from the date of expiry of the said period of 30 days, open a special account in that behalf in any scheduled bank called "unpaid Dividend of M/s. Austral coke projects limited. and transferred to the said account the total amount of dividend which remains unpaid or in relation to which no dividend warrant has been posted. Any money transferred to the unpaid dividend account of our company which remains unpaid or unclaimed for a period of seven years from the date of such transfer, shall be transferred by our company to the Investor Education and Protection Fund established by the Central Government. A claim to any money so transferred to the above fund may be referred to Central Government Committee appointed by the Central Government by the Shareholders to whom the money is due.

No unclaimed or unpaid dividend shall be forfeited by the Board.

BOOKS AND DOCUMENTS

152. The Board shall cause to be kept in accordance with Section 209 of the Act proper book of accounts with respect to:
- (a) All sums of money received and expended by our company and the matters in respect of which the receipt and expenditure takes place
 - (b) All sales and purchases of goods by our company
 - (c) The assets and liabilities of our company
152. The books of account shall be kept at the office or at such other place in India as the Board think fit, and shall be open to inspection by any Director during business hours.
153. The Board shall, from time to time, determine whether and to what extent, and at what times and places and under what conditions or regulations, the books of accounts and books documents of our company other than those referred to in Articles 122(1) and 177 hereof or any of them, shall be open to the inspection of the members not being Directors; and no member (not being a Director) shall have any right of inspecting any books of account or book or document of our company except as conferred by law or authorised by the Board or by our company in general meeting.

BALANCE SHEET AND PROFIT AND LOSS ACCOUNT

154. At every annual general meeting the Board shall lay before our company a Balance Sheet and Profit and Loss Account made up in accordance with the provisions of Section 210 of the Act and such Balance Sheet and Profit and Loss Account shall comply with the requirements of Section 210, 211, 212, 215 and 221 and of Schedule VI to the Act so far as they are applicable to our company but, save as aforesaid, the Board shall not be bound to disclose greater details of the result or extent of the trading and transactions of our company than it may deem expedient.
155. There shall be attached to every Balance Sheet laid before our company a report by the Board complying with Section 217 of the Act.
156. A copy of every Balance Sheet (including the Profit and Loss Account, the Auditors Report and every document required by law to be annexed or attached to the Balance Sheet) shall as provided by Section 219 of the Act, not less than twenty-five days before the meeting be sent to every such member, debenture-holder, trustee and other person to whom the same is required to be sent by the said Section.
157. Our company shall comply with Section 220 of the Act as to filing copies of the Balance Sheet and Profit and Loss Account and documents required to be annexed or attached thereto with the Register.

AUDIT

158. Once at least in every year the books of account of our company shall be examined by one or more Auditor or Auditors.
159. The first Auditors of our company shall be appointed by the Board of Directors within one month from the date of incorporation and that they shall hold office until the conclusion of the first annual general meeting of our company.

160. Our company at each annual general meeting shall appoint an Auditor or Auditors to hold office until the next Annual General Meeting and their appointment, remuneration rights and duties shall be regulated by Sections 224 to 227 of the Act.
161. Where our company has a branch office the provisions of Section 228 of the Act shall apply.
162. All notices of , and other communications relating to any general meeting of our company which any member of our company is entitled to have sent to him also be forwarded to the Auditor of our company; and the Auditor shall be entitled to attend any general meeting and to the heard at any general meeting which he attends on any part of the business which concerns him as Auditor.
163. The Auditor's Report shall be read before our company in general meeting and shall be open to inspection by any member of our company.
164. Every Balance Sheet and Profit and Loss Account of our company when audited and adopted by our company in general meeting shall be conclusive except as regard any error discovered within three months next after the adoption thereof. When ever any such error is discovered within the period the account shall forthwith be corrected and thenceforth shall be conclusive.

SERVICE OF NOTICE AND DOCUMENTS

165. (1) A notice or other document may be given by our company to any member personally of by sending it by post to him to his registered address or (if he has no registered address in India) to the address if any, within India supplied by him to our company for the giving of notices to him.
 - (a) Where a notice or other document is sent by post.
 - (b) Service hereof shall be deemed to be effected by properly addressing, prepaying and posting a letter containing the notice or document, provided that where a member has intimated to our company in advance that notice or documents should be sent to him under a certificate of posting or by registered post with company a sufficient sum to defray the expenses of doing so, or without acknowledgement due and has deposited with the service of the notice or document shall be deemed to be effected unless it is sent in the manner intimated by the member and
 - (c) Unless the contrary is proved, such service shall be deemed to have been effected:
 - (I) In the case of a notice of a meeting at the expiration of forty-eight Hours after the letter containing the same is posted and
 - (II) In any other case , at the time at which the letter would be delivered in the ordinary course of post.
166. A notice or other document advertised in a newspaper circulating in the neighborhood of the office shall be deemed to be duly served on the day on which the advertisement appears on every member of our company who has no registered address in India and has not supplied to our company an address within India for the giving of notices to him. Any member who has no registered address in India shall, if so required to do by our company, supply our company with an address in India for the giving of notices to him.
167. A notice or other document may be served by our company on the members registered jointly in respect of a share by giving the notice to the joint-holder named first in the Register.

168. A notice or other document may be served by our company on the persons entitled to a share in consequence of the death or insolvency of a member by sending it through the post in a prepaid letter addressed to them by name, or by the title representative of the deceased, or assignee of the insolvent or by any like description, at the address in India supplied for the purpose by the persons claiming to be so entitled, or until such and address has been so supplied by giving the notice in any manner in which the same might have been given if the death or insolvency had not occurred.
169. Any notice required to be given by our company to the members or any of them and not expressly provided for by these Articles or by the Act shall be sufficiently given if given by advertisement.
170. Any notice required to be or which may be given by advertisement shall be advertised once in one or more newspapers circulating in the neighborhood of the office.
171. Any notice given by advertisement shall be deemed to have been given on the day on which the advertisement shall first appear.
172. Every person who by operation of law, transfer or other means whatsoever shall become entitled to any share shall be bound by every notice in respect of such share which previously to his name and address being entered on the Register shall be duly given to the person from whom the derives his title to such share.
173. Subject to the provisions of Articles 168 any notice or document delivered or sent by post to or left at the registered address of any member in pursuance of these Articles shall, notwithstanding such member be then deceased and whether or not our company have notice of his decease, be deemed to have been duly served in respect of any share, whether registered solely or jointly with other persons, until some other persons be registered in his stead as the member in respect thereof and such service shall for all purpose of these presents be deemed a sufficient service of such notice or document on his or her heirs, executors or administrators and all persons, if any, jointly interested with him or her in any such share.
174. Subject to the provisions of Section 497 and 509 of the Act, in the event of a winding up of our company, every member of our company who is not for the time being in Bombay shall be bound, within eight weeks after the passing of an effective resolution to wind up our company voluntarily or the making of an order for the winding up of our company to serve notice in writing on our company appointing some householder residing in the neighborhood of the office upon whom all summonses, notices process orders and judgments in relation to or order the winding up of our company may be served and in default of such nominations, the Liquidator of our company shall be at liberty, on behalf of such member, to appoint some such person, and service upon any such appointee whether appointed by the member or the Liquidator of shall be deemed to be good personal service on such member for all purposes, and where the Liquidator makes any such appointment he shall, with all convenient speed, give notice thereof to such member by advertisement in some daily newspaper circulating in the neighborhood of the office or by a registered letter sent by post and addressed to such member at his address as registered in the Register and such notice shall be deemed to be served on the day on which the advertisement appears or the letter would be delivered in the ordinary course of the post. The provisions of this Article shall not prejudice the right of the Liquidator of our company to serve any notice or other document in any other manner prescribed by these Articles.

KEEPING OF REGISTERS AND INSPECTION

175. Our company shall duly keep and maintain at the office, in accordance with the requirements of the Act in that behalf, the following Registers:
 - (1) A Register of charges pursuant to section 143 of the act.

- (2) A Register of Members pursuant to Section 150 and whenever our company has more than 50 members, unless such Register of Members is in a form which itself constitutes an index of members pursuant to Section 151 of the Act.
 - (3) A Register of Debenture- holders pursuant to Section 152 and whenever the company has more than 50 Debenture-holders, unless such Register of Debenture -holders itself constitutes an index of Debenture-holders pursuant to Section 152(2) of the Act.
 - (4) A Register of Contracts pursuant to Section 301 of the Act.
 - (5) Register of Directors, Secretaries and Treasurers, Manager, Managing Directors and Secretary pursuant to Section 303 of the Act.
 - (6) A Register of Directors 'Share holdings pursuant to Section 307 of the Act.
 - (7) A Register of investments made by our company in shares and debentures of bodies corporate in the same group pursuant to Section 372 of the Act.
 - (8) A Register of Investments not held by our company in its own name pursuant to section 49(7) of the Act.
176. Our company shall comply with the provisions of Section 39,118,163,196 ,219,301,302,304,307,362 and 372 of the Act as to the supplying of copies of the Register, deeds, documents, instruments, returns, certificates and book therein mentioned to the persons therein specified when so required by such persons, on payment of such charges if any, prescribed by the said sections.
177. When under any provisions of the Act any person, whether a member of our company or not, is entitled to inspect any register, returns, certificates, deed instrument or document required to be kept or maintained by our company, the person so entitled to inspection shall be permitted to inspect the same during hours of 11.30 a.m. and 1.30 p.m. on such business days as the Act requires them to be open for inspection.

RECONSTRUCTION

178. On any sale of the undertaking of our company the Board or the Liquidators on a winding -up may, if authorised by a special Resolution, accept fully paid or partly paid up shares, debentures or securities of any other company. Whether incorporated in India or not either then existing or to be formed for the purchase in whole or in part of the property of our company, and the Board (if the profits of our company permit) or the Liquidators (in a winding up) may distribute such shares or securities or any other property of our company amongst the members without realisation or vest the same in trustee for them and any Special Resolution may provide for the distribution or appropriation of the cash, shares or other securities, benefit or property, otherwise than in accordance with the strict legal rights of the members or contributories of our company, and for the valuation of such securities or property at such price and in such manner as the meeting may approve and all holders of shares be bound to accept shall be bound by any valuation or distribution so authorised , and waive all rights in relation thereto, save only in case of the
179. Company is proposed to be or is in course of being wound up, such statutory rights (if any) under Section 494 of the Act as are incapable of being varied or excluded by these Articles.
180. Every Director, Manager, Secretary, Trustees for our company, its members or debenture-holders, members of a committee, officer, servant , agent, accountant or other person employed in or about the business of our company shall, if so required by the Board before entering upon his duties , sign a declaration pledging himself to observe a strict secrecy respecting all transactions of our company with its customers and the state of accounts with individuals and the matters relating thereto, and

shall by such declaration pledge himself not to reveal any of the matters which may come to his knowledge in the discharge of his duties except when required so to do by the Board or by any meeting or by a court of law and except so far as may be necessary in order to comply with any of the provisions in these Articles contained.

181. No member or other person (not being a Director) shall be entitled to enter upon the property of our company or to inspect or examined the premises or properties of our company without the permission of the Board or, subject to Article 153 to require discovery of or any matter which is or may be in the nature of a trade secret, mystery of trade, or secret process or of any matter whatsoever which may relate to the conduct of the business of our company and which in the opinion of the Board it will be inexpedient in the interest of our company to communicate.

WINDING UP

182. If our company shall be wound up and the assets, available for distribution among the members as such shall be insufficient to repay the whole of the paid up capital such assets shall be distributed so that as nearly as may or which ought to have been paid up at the commencement of the winding up on the shares held by them respectively. And if in a winding up the assets
183. available for distribution among the members shall be more than sufficient to repay the whole of the capital paid up at the commencement of the winding up, the excess shall be distributed amongst the members in proportion to the capital at the commencement of the winding up paid up or which ought to have been paid up on the shares held by them respectively. But this Article is to be without prejudice to the rights of members registered in respect of shares issued upon special terms and conditions.
184. If our company shall be wound up, whether voluntarily or otherwise, the Liquidators may with the sanction of a Special Resolution, divide among the contributories, in specie or kind, any part of the assets of our company and may, with the like sanction, vest any part of the assets of our company in Trustees upon such trusts for the Liquidators, with the like sanction shall think fit.

INDEMNITY

185. Every Director, Manager, Secretary or officer of our company or any person (whether an officer of our company or not) employed by our company and any person appointed Auditor shall be indemnified out of the funds of our company against all liability incurred by him as such Director, Manager, Secretary, Officer, Employee or Auditor in defending any proceedings, whether civil or criminal , or in connection with any application under Section 633 of the Act in which relief is granted to him by the court.

SECTION IX: OTHER INFORMATION

LIST OF MATERIAL CONTRACTS AND DOCUMENTS FOR INSPECTION

The following contracts (not being contracts entered into in the ordinary course of business carried on by our Company or entered into more than two years before the date of this Red Herring Prospectus) which are or may be deemed material have been entered into by our Company. These contracts, copies of which have been attached to the copy of this Red Herring Prospectus, delivered to the Registrar of Companies, West Bengal, Kolkata for registration and also the documents for inspection referred to hereunder, may be inspected at the Registered Office of our Company situated at : Diamond Chambers, 4 Chowringhee Lane, Block No. 2, 7th Floor, Unit No.-7-I, Kolkata 700016 from 10.00 am to 4.00 pm on any working days from the date of this Red Herring Prospectus until the Bid Closing Date / Issue Closing Date.

MATERIAL CONTRACTS

1. Engagement Letters dated July 12, 2007, December 12, 2007, December 11, 2007, and July 9, 2008 appointing Allbank Finance Limited, Saffron Capital Advisors Private Limited, PL Capital Markets Private Limited and Elara Capital (India) Private Limited as Book Running Lead Managers to the Issue.
2. Memorandum of Understanding dated September 24, 2007, June 16, 2008, June 16, 2008, and July 9, 2008 entered into with, All Bank Finance Limited, Saffron Capital Advisors Private Limited, PL Capital Markets Private Limited and Elara Capital (India) Private Limited appointing them as Book Running Lead Manager to the Issue.
3. Memorandum of Understanding dated September 17, 2007 entered into with Intime Spectrum Registry Limited, appointing them as the Registrar to the Issue.
4. Copy of tripartite agreement dated June 04, 2008 between NSDL, our Company and Intime Spectrum Registry Limited.
5. Copy of tripartite agreement dated June 04, 2008 between CDSL, our Company and Intime Spectrum Registry Limited.
6. Stabilising Agreement dated December 14, 2007 between us, the Green Shoe Lender and the Stabilising Agent.
7. Escrow Agreement dated [•] between our Company, the BRLM, Escrow Collection Bank and the Registrar to the issue.
8. Syndicate Agreement dated [•] between our Company, the BRLM, and the Syndicate Members.
9. Underwriting Agreement dated [•] between our company, the BRLM and the Syndicate Members

DOCUMENTS FOR INSPECTION

1. Memorandum and Articles of Association of our company as amended from time to time
2. Copy of certificate of incorporation dated April 22, 1994, issued by the Registrar of Companies, West Bengal, Kolkata.
3. Copy of certificate of commencement of business no. 21-63008 of 94 issued by the Registrar of Companies, West Bengal, Kolkata, dated September 01, 1994.
4. Copy of fresh certificate of incorporation dated June 16, 1998, issued by the Registrar of Companies, West Bengal, Kolkata, consequent to change of name to Net Interactive Limited.

5. Copy of fresh certificate of incorporation dated September 14, 2005, issued by the Registrar of Companies, West Bengal, Kolkata, consequent to change of name to Austral Coke & Projects Limited.
6. Copy of the resolution passed at the meeting of the Board of Directors held on August 10, 2007, authorizing the issue.
7. Copy of the resolution passed by the shareholders of our Company under section 81 (1A) at the Extra Ordinary General Meeting held on September 04, 2007.
8. Copy of resolution dated April 05, 2006, appointing Mr. Ratan Lal Tamakhuwala as the Wholetime Executive Director of our Company.
9. Copy of resolution dated April 05, 2006, appointing Mr. Rishi Raj Agarwal as the Managing Director of our Company.
10. Consents of the Directors, Company Secretary, Compliance Officer, Auditors, Book Running Lead Manager(s) to the Issue, Underwriters, Syndicate members, Legal Advisors, Bankers to our Company, Bankers to the Issue, Appraising agency, IPO grading agency, Statutory Auditors and Registrars to the Issue, to include their names in the Draft Red Herring Prospectus to act in their respective capacities.
11. IPO Grading rationale from CARE dated January 16, 2008 and revalidated on June 11, 2008 in respect of IPO Grade.
12. Audit report issued by our statutory auditors T.N. Datta & Associates, Chartered Accountants, dated June 16, 2008 , included in the Red Herring Prospectus and copies of Balance Sheet referred to in the said report.
13. Letter dated June 16, 2008 from the statutory auditors of our Company, T.N. Datta & Associates, Chartered Accountants detailing the tax benefits.
14. Copy of certificate from the statutory auditors of our Company, T.N. Datta & Associates, Chartered Accountants, dated June 16, 2008, regarding the sources and deployment of funds as on May 31, 2008.
15. Due Diligence Certificate dated November 01, 2007 to SEBI from Book Running Lead Manager, Allbank Finance Limited.
16. Power of Attorney executed by Directors viz. Dr. M. K. Sinha, Mr. S.K. Chowdhary, Mr. Rajendra Kumar Khaitan in favour of Mr. Rishi Raj Agarwal for signing and making necessary changes in the Draft Red Herring Prospectus
17. Non-Compete agreement dated September 24, 2007 between Austral Coke & Projects Limited and Austral Infrastructure (Pvt.) Limited.
18. Copy of agreement dated September 07, 2007 between Gremach Infrastructure Equipments & Projects Limited and Osho Mozambique Coal Mining Limitada, Mozambique.
19. Copy of initial listing application made to BSE dated November 02, 2007.
20. Copy of initial listing application made to NSE dated November 02, 2007.
21. Copy of in-principle listing approval dated November 28, 2007 from BSE.
22. Copy of in-principle listing approval dated December 18, 2007 from NSE.

23. SEBI Observation letter no CFD/DIL/NB/JAK/125762/2008 dated May 16, 2008.
24. Reply by the Book Running Lead Manager dated July 09, 2008 for the above SEBI observation letter.
25. Appointment letter Dated May 29, 2008 of T.N.Datta & Associates, Board resolution dated May 2, 2008, EOGM dated May 28, 2008 in which appointment of T.N.Datta & Associates, and resignation of Prodip Sarkar & Associates came into effect.

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

DECLARATION

We the Directors of the Company 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, established under Section 3 of the Securities and Exchange Board of India Act, 1992, as the case may be, have been complied with and no statement made in this Red Herring Prospectus is contrary to the provisions of Companies Act, 1956, the Securities and Exchange Board of India Act, 1992 or the rules made there under or guidelines issued, as the case may be. We further certify that all statements in this Red Herring Prospectus are true and correct.

SIGNED BY ALL THE DIRECTORS

Mr. Ratan Lal Tamukuwala

Mr. Rishi Raj Agarwal

Dr. M. K. Sinha

Mr. S. K. Chowdhary

Mr. Rajendra Kumar Khaitan

SIGNED BY THE GENERAL MANAGER (FINANCE)

Mr. Vivek Bharuka

SIGNED BY THE COMPANY SECRETARY

Mr. Navin Choudhary

SIGNED BY THE COMPLIANCE OFFICER

Mr. Vivek Bharuka

Date: July 18th, 2008

Place: Mumbai

IPO Grading CARE IPO Grade 2

CARE has assigned 'CARE IPO Grade 2' to the proposed (initial public offer) IPO of Austral Coke & Projects Limited (ACPL). CARE IPO Grade 2 indicates below average fundamentals. CARE assigns IPO grades on a scale of Grade 5 to Grade 1, with Grade 5 indicating strong fundamentals and Grade 1 indicating poor fundamentals. CARE's IPO grading is an opinion on the relative assessment of the fundamentals of that issuer. ACPL proposes an IPO of 100 lakh equity shares of face value of Rs 10 each, for which the price band is yet to be decided.

The grading is constrained by ACPL's relatively small size of operations, unorganised and highly competitive industry in which the company operates, cyclicity in steel industry, high dependence on IPO proceeds for proposed expansion plans, moderate corporate governance practices and absence of significant professional management.

The grading is also constrained by risks associated with proposed deployment of funds from the IPO in setting up new manufacturing units. However, the grading factors in promoters' experience in setting up coke manufacturing plant, favourable industry scenario for LAM coke and power, proposed backward integration in form of coal mine acquisition by its group company, comfortable gearing levels, and improvement in technology for expansion projects.

Background of the company

Austral Coke & Projects Ltd. (ACPL) was incorporated as NRE Stocknet Ltd on Apr. 22, 1994 as a public limited company. In 1998, the company changed its name to NRE Interactive Ltd and subsequently to the present name, Austral Coke & Projects Ltd in 2005. The promoters of the company are Mr. Ratan Lal Tamakuwala, Mr. Rishi Raj Agarwal, M/s Hanuman Investments Pvt Ltd and M/s Anarcon Resources Pvt Ltd, the latter two being body corporates. The prime objective of the company on incorporation was to carry on businesses related to hire purchase, leasing and rental of all kinds of plants, machinery and other forms of immovable, movable property. Subsequently, under the chairmanship of Mr. Ratan Lal Tamakuwala and Mr. Rishi Raj Agarwal, Managing Director, ACPL started additional business activities such as coke manufacturing, refractory and textile trading since FY06. The company has two operating facilities in Kutch; Gujarat through which it is carrying out its manufacturing activities of coke division and refractory division at village Lunva (Kutch).

Management

As per the organizational structure of ACPL, Mr. Ratan Lal Tamakhuwala, looks after the project design and execution, whereas the day-to-day operations are looked after by Mr. Rishi Raj Agarwal. Both the promoters were associated with Gujarat NRE Coke Ltd, before setting up their own enterprise in 1994. They are supported by a team of senior management personnel at various levels. However, most of the key managerial personnel have been inducted during 2006-07 and possess relatively lesser experience in the segments the company operates into. Majority of the key decisions are taken by the promoters of the company.

Corporate Governance

The company has four independent - non executive directors, out of total number of six directors on its Board. The directors have been appointed to the board in a staggered manner since May 2005. The independent and non-executive directors on ACPL's board have got significant experience in varied sectors like, banking, law, mining and coke manufacturing. Details of the corporate governance practices, in terms of adhering to clause 49 of listing agreements - like audit committee, remuneration committee, shareholders grievance committee have been formed in 2006-07, in view of IPO.

Operations

In 1994, ACPL started its operations with equipment rental and hiring segment. It conceptualized the coke manufacturing divisions in 2004, and subsequently commenced operations in 2006 at Kutch with an installed capacity of 1.75 lakh mtpa. Due to the wide gap between supply and demand, ACPL strategises to focus on coke manufacturing and undertake expansion. Additionally, it diversified into refractory division in FY06, with a capacity of 50000 mtpa, to cater to the companies in steel sector and for captive consumption. Further, it ventured into

textile trading activities in the same period. However going forward, it plans to phase out of the equipment rental and textile trading activities which are relatively low margin businesses.

ACPL sources its raw material (coking coal) requirements through imports from China and Australia on a spot basis. However going forward, with the acquisition of coal mines by its group company in Mozambique, South Africa, it is likely to be equipped with stable raw material supply.

New Projects: at Sindhudurg-

ACPL proposes to set-up a 1.5 lakh mtpa coke manufacturing facility based on nonrecovery process with a total capital expenditure of Rs 78.12 crore. The upcoming facility is likely to generate revenue from FY09. Besides the above mentioned, the company also intends to set-up a 8 MW captive power plant with a total capital expenditure of Rs 30.77 crore. The said power plant will utilise the waste heat gases emitted from the coke manufacturing unit to convert into power. The surplus power generated through this plant will be sold out to yield additional revenue for the company. Till Nov. 2007, ACPL had already incurred expenditure to the tune of Rs 15.78 crore towards land & site development, plant & machinery and buildings for the said projects. The remaining cost (Rs 84 crore) is to be borne out of the IPO proceeds.

Expansion projects at existing facility (Bhuj):

ACPL is also undertaking expansions at its existing location for two coke manufacturing facilities of 1 lakh mtpa each. The said projects will be commissioned during FY09. These projects will be based on the existing technology but would incorporate increased automation levels.

IPO Issue Details

The proposed issue of 72.60 lakh equity shares will constitute 25.00% of the fully diluted post-issue equity share capital of ACPL. As per the terms of the issue, it is to have a green shoe option of up to 10.89 lakh shares .

The proceeds from the issue are intended to be deployed as follows:

- To set-up coke manufacturing facility,
- captive power plant at Sindhudurg and expansions as mentioned in our previous section.
- Prepayment of high cost debt by end of FY08.
- Acquisition of coal mines, at domestic / international locations
- General corporate purposes and issue expenses.

Industry overview

Coke:- Global demand for LAM coke grew at an average annual rate of 6.4%, during 2000-06, as against global supply at a rate of 6% (avg. annual industry capacity utilisation being 85%) during the same period. 91% of the global demand was from markets situated in Asia, Europe and CIS during the said period. China is the world's largest producer of LAM coke, but with rising domestic demand from steel industries, it has largely cut down its exports thereby resulting in acute shortage of coke availability. On the other hand, India features as the net importer of Met coke due to increasing economic activity and substantial thrust on infrastructure spending. Majority of Indian steel industries do not possess captive coke manufacturing facility and thus rely on imported coke to meet their requirement. World over, the demand supply gap is significantly growing, attracting more players to enter this segment to reap the benefits. However, players owning large technically-compliant manufacturing capacities, possessing strong linkages for raw material sourcing and adopting prudent financial policies can alone withstand the competition and grow consistently in the coke manufacturing segment.

Power:- As per the Ministry of Power (MoP), GOI, the total installed capacity of electric power generating stations was 1,35, 006.63 MW as on Jul. 31, 2007 in India. This total capacity consisted of 33775.76 MW (24.8%) hydro power based capacity, 86,935.84 MW (64.5%) thermal power-based capacity, 4120 MW (3.1%) nuclear power based capacity and 10175.03 MW (7.6%) from other sources (including wind). India is an energy deficit country. During July 2007, India faced an energy shortage of approximately 7.9% of total

energy requirements and 13.4% of peak demand requirements. The peak demand during 2006-07 was around 272 MW which is expected to be 320 MW in FY08, as per industry sources.

Financials

(Rs. crore)

Period ended	FY04	FY05	FY06	FY07
Net Sales	20.24	42.49	121.85	176.38
Toatal Income	20.27	43.21	127.84	186.41
PBILDT	2.42	3.25	8.84	24.52
Interest	0.48	0.31	1.53	5.47
Depreciation	1.66	0.92	4.32	9.22
PAT	0.31	1.28	2.02	9.15
Net Worth	4.22	10.05	39.67	84.34
Total Capital Employed	8.16	26.03	98.07	145.78
PBILDT/Total Income (%)	11.94	7.51	6.92	13.16
PAT/Total Income (%)	1.50	2.95	1.58	4.81
ROCE (%) (Operating)	-	13.58	7.29	12.62
RONW (%)	-	17.89	8.13	14.75
Overall Gearing Ratio (times)	0.93	1.59	1.47	0.73
Current Ratio (times)	1.17	1.38	2.10	1.49
Quick Ratio (times)	1.13	1.32	1.83	1.29
Ave Coll. Period (days)	-	80	70	87
Working Capital turnover Ratio	-	6.13	5.75	3.79

Backed by the increased demand for the equipments from infrastructure sector, the equipment hiring segment along with coke, textile and refractory division, aided the company in posting a compounded growth of 109% in total income for FY04 to FY07. The business model of ACPL incorporated coke manufacturing and refractory activities, as they yield higher profitability margins in comparison to equipment rental operations. To meet the funding requirements of the capital expenditure (Rs 79 crore) for these divisions in FY06 and FY07, ACPL raised funds to the tune of Rs 48 crore thereby resulting into higher depreciation and interest costs. Despite additional borrowings during the two years, equity infusion to the tune of Rs 63.84 crore aided ACPL to maintain low gearing levels. During FY07 increased contribution from coke divisions resulted into high profitability, improved RoNW and RoCE. Liquidity position of the company throughout remained comfortable.

Prospects

Future growth prospects of the company mainly depend on the successful completion of the IPO. The widening gap in demand supply of coke coupled with few players in this segment is likely to provide huge opportunities to the company. Additionally, backward integration in the form of coal mine acquisitions through group support, is likely to extend synergy to its operations.

DISCLAIMER:

CARE's IPO grading is a one time assessment and the analysis draws heavily from the information provided by the issuer as well as information obtained from sources believed by CARE to be accurate and reliable. However, CARE, does not guarantee the accuracy, adequacy or completeness of any information and is not responsible for any errors or omissions or for the results obtained from the use of such information. CARE's IPO grading does not take cognizance of the price of the security and it is not a recommendation to buy, sell or hold shares/securities. It is also not a comment on the offer price or the listed price of the scrip. It does not imply that CARE performs an audit function or forensic exercise to detect fraud. It is also not a forecast of the future market performance and the earnings prospects of the issuer; also it does not indicate compliance/violation of various statutory requirements. CARE shall not be liable for any losses incurred by users from any use of the IPO grading.