DRAFT RED HERRING PROSPECTUS
Dated December 21, 2009
Please read Section 60B of the Companies Act, 1956
(The Draft Red Herring Prospectus will be updated upon RoC filing)
100% Book Building Issue

APM TERMINALS PIPAVAV

GUJARAT PIPAVAV PORT LIMITED

(Our Company was incorporated as Gujarat Pipavav Port Limited on August 5, 1992, a public limited company under the Companies Act, 1956. For details of changes in the Registered Office of our Company, see the section titled "History and Certain Corporate Matters" on page 88 of this Draft Red Herring Prospectus)

Registered Office: Pipavav Port, At Post Uchchaiya via Rajula, District Amreli, Gujarat 365 560
Tel: (91 2794) 302 400, **Fax**: (91 2794) 302 402
Corporate Office: Empire Industries Complex, 414, Senapati Bapat Marg, Lower Parel, Mumbai 400 013
Contact Person: Mr. Manish Agnihotri, Company Secretary and Compliance Officer
Tel: (91 22) 3001 1300, **Fax**: (91 22) 3001 1333, **Email**: ipo@portofpipavav.com, **Website**: www.pipavav.com

PROMOTERS OF OUR COMPANY: APM TERMINALS B.V., APM TERMINALS MAURITIUS HOLDING LIMITED AND APM TERMINALS MAURITIUS LIMITED

PUBLIC ISSUE OF [●] EQUITY SHARES OF Rs. 10 EACH OF GUJARAT PIPAVAV PORT LIMITED ("GPPL" OR THE "COMPANY" OR THE "ISSUER") FOR CASH AT A PRICE OF Rs. [●] PER EQUITY SHARE (INCLUDING A SHARE PREMIUM OF Rs. [●] PER EQUITY SHARE) AGGREGATING TO Rs. 5,000 MILLION ("FRESH ISSUE") AND AN OFFER FOR SALE OF UPTO 11,707,369 EQUITY SHARES BY THE INFRASTRUCTURE FUND OF INDIA, LLC AND THE INDIA INFRASTRUCTURE FUND, LLC (THE "SELLING SHAREHOLDERS") ("OFFER FOR SALE" AND TOGETHER WITH THE FRESH ISSUE THE "ISSUE"). THE ISSUE ALSO INCLUDES A RESERVATION OF UPTO [●] EQUITY SHARES OF Rs. 10 EACH AGGREGATING TO Rs. 100 MILLION FOR THE ELIGIBLE EMPLOYEES (THE "EMPLOYEE RESERVATION PORTION"). THE ISSUE LESS THE EMPLOYEE RESERVATION PORTION IS REFERRED TO AS THE "NET ISSUE". THE ISSUE WILL CONSTITUTE [●]% OF THE POST ISSUE PAID UP CAPITAL OF OUR COMPANY. THE NET ISSUE WILL CONSTITUTE [●]% OF THE POST ISSUE PAID UP CAPITAL OF OUR COMPANY.*

**Our Company is considering a pre-IPO placement of an amount aggregating up to Rs. [●] million with various investors ("Pre-IPO Placement"). The Pre-IPO Placement is at the discretion of our Company and will be out of the Fresh Issue portion. Our Company will complete the issuance and allotment of Equity Shares pursuant to the Pre-IPO Placement prior to the filing of the Red Herring Prospectus with the RoC. If the Pre-IPO Placement is completed, the Fresh Issue portion and the Issue size would be reduced to the extent of such Pre-IPO Placement, subject to a minimum Net Issue of 10% of the post Issue paid-up capital being available for allocation to the public.*

THE FACE VALUE OF EQUITY SHARES IS RS. 10 EACH. THE PRICE BAND AND THE MINIMUM BID LOT WILL BE DECIDED BY OUR COMPANY AND THE SELLING SHAREHOLDERS, IN CONSULTATION WITH BOOK RUNNING LEAD MANAGERS AND THE CO-BOOK RUNNING LEAD MANAGER AND ADVERTISED AT LEAST TWO WORKING DAYS PRIOR TO THE BID/ ISSUE OPENING DATE.

THE ISSUE PRICE IS [●] TIMES THE FACE VALUE AT THE LOWER END OF THE PRICE BAND AND [●] TIMES THE FACE VALUE AT THE HIGHER END OF THE PRICE BAND.

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 National Stock Exchange of India Limited ("NSE") and Bombay Stock Exchange Limited ("BSE"), by issuing a press release, and also by indicating the change on the website of the Book Running Lead Manager ("BRLMs") and the Co-Book Running Lead Manager ("CBRLM") and at the terminals of the other members of the Syndicate.

In terms of Rule 19(2)(b) of the Securities Contracts (Regulations) Rules, 1957, as amended from time to time ("SCRR"), this being an Issue for less than 25% of the post-Issue capital, the Issue is being made through the 100% Book Building Process wherein at least 60% of the Net Issue shall be allocated on a proportionate basis to Qualified Institutional Buyers ("QIBs"). 5% of the QIB Portion (excluding Anchor Investor Portion) shall be available for allocation on a proportionate basis to Mutual Funds only, and the remainder of the QIB Portion shall be available for allocation on a proportionate basis to all QIB Bidders, including Mutual Funds, subject to valid Bids being received at or above the Issue Price. Further, not less than 10% of the Issue shall be available for allocation on a proportionate basis to Non-Institutional Bidders and not less than 30% 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. If at least 60% of the Issue cannot be allotted to QIBs, then the entire application money shall be refunded forthwith. Further, upto [●] Equity Shares shall be available for allocation on a proportionate basis to Eligible Employees, subject to valid bids being received at or above the Issue Price. Potential investors may participate in this Issue through an Application Supported by Blocked Amount providing details about the bank account which will be blocked by the Self Certified Syndicate Bank for the same. Only Resident Retail Individual Investors can participate through this process. For details, please see the section entitled 'Issue Procedure' on page 229 of this Draft Red Herring Prospectus.

RISK IN RELATION TO THE FIRST ISSUE

This being the first public issue of Equity Shares, there has been no formal market for the Equity Shares. The face value of the Equity Shares is Rs. 10 per Equity Share. The Floor Price is [●] times of the face value and the Cap Price is [●] times of the face value**.** The Issue Price (as has been determined and justified by our Company, the Selling Shareholders, the BRLMs and the CBRLM as stated under the paragraph on "Basis for Issue Price") should not be taken to be indicative of the market price of the Equity Shares after the Equity Shares are listed. No assurance can be given regarding an active and/or sustained trading in the Equity Shares or regarding the price at which the Equity Shares will be traded after listing.

IPO GRADING

This Issue has been graded by [●] as [●] (pronounced [●]) indicating [●] through its letter dated [●]. For details, please see the section entitled "General Information" on page 10 of this Draft Red Herring Prospectus.

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. Specific attention of the investors is invited to the section entitled "Risk Factors" on page xiv of this Draft Red Herring Prospectus.

ISSUER'S ABSOLUTE RESPONSIBILITY

Our Company, having made all reasonable inquiries, accepts responsibility for and confirms that this Draft Red Herring Prospectus contains all information with regard to our Company and the Issue, which is material in the context of the Issue, that the information contained in this Draft 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 will make this Draft 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 ARRANGEMENT

The Equity Shares offered through this Draft Red Herring Prospectus are proposed to be listed on the NSE and the BSE. We have received 'in-principle' approval from the NSE and the BSE for the listing of the Equity Shares pursuant to letters dated [●] and [●], respectively. For purposes of this Issue, the Designated Stock Exchange shall be the [●].

BOOK RUNNING LEAD MANAGERS		CO-BOOK RUNNING LEAD MANAGER	REGISTRAR TO THE ISSUE
IDFC SSKI	kotak® Investment Banking	IDBI capital	KARVY Karvy Computershare Private Limited
IDFC-SSKI LIMITED 803-4 Tulsiani Chambers, 8th Floor, Nariman Point Mumbai 400 021 Tel: (91 22) 6638 3333 Fax: (91 22) 2282 6615 E-mail: gppl.ipo@idfcsski.com Investor Grievance Email: complaints@idfcsski.com Website: www.sski.co.in Contact Person: Mr. Hiren Raipancholia SEBI Reg. No. INM000011336	**KOTAK MAHINDRA CAPITAL COMPANY LIMITED** 3rd Floor, Bakhtawar, 229 Nariman Point Mumbai 400 021 Tel: (91 22) 6634 1100 Fax: (91 22) 2283 7517 Email: gppl.ipo@kotak.com Investor Grievance Email: kmccredressal@kotak.com Website: www.kotak.com Contact Person: Mr. Chandrakant Bhole SEBI Reg. No. INM000008704	**IDBI CAPITAL MARKET SERVICES LIMITED** 5th Floor, Mafatlal Centre Nariman Point Mumbai 400 021 Tel: (91 22) 4322 1212 Fax: (91 22) 2285 0785 Email: gppl.ipo@idbicapital.com Investor Grievance Email: redressal@idbicapital.com Website: www.idbicapital.com Contact Person: Mr. Hemant Bothra SEBI Reg. No. INM000010866	**KARVY COMPUTERSHARE PRIVATE LIMITED** Plot no. 17 – 24, Vittalrao Nagar Madhapur Hyderabad – 500 081 Tel: (91 40) 2342 0815-24 Fax: (91 40) 2343 1551 Email: gppl_ipo@karvy.com Website: http://karisma.karvy.com Investor Grievance ID: gppl_ipo@karvy.com Contact Person: Mr. M. Murali Krishna SEBI Registration No.: INR000000221
BID/ISSUE PROGRAMME			
BID/ISSUE OPENS ON	[●]*	**BID/ISSUE CLOSES ON**	[●]

** Our Company may consider participation by Anchor Investors. The Anchor Investor Bid / Issue Period shall be one day prior to the Bid / Issue Opening Date.*

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SECTION I: GENERAL

DEFINITIONS AND ABBREVIATIONS

Term	Description
"Our", "We", "us", "the Company", , the Issuer", "Gujarat Pipavav Port Limited" or "GPPL"	Unless the context otherwise requires, refers to Gujarat Pipavav Port Limited, a company incorporated under the Companies Act and having its registered office at Pipavav Port, At Post Uchchaiya via Rajula, District Amreli, Gujarat 365 560

Company Related Terms

Term	Description
APMM Group or A.P. Møller Mærsk Group	Includes A.P. Møller Mærsk A/S together with such entities in which A.P. Møller Mærsk A/S has business and financial interest
APM Terminals	Unless the context otherwise requires refers to APM Terminals B.V., a company incorporated in the Netherlands together with two of its subsidiaries, namely APM Terminals Mauritius Holding Limited and APM Terminals Mauritius Limited
Articles or Articles of Association	The articles of association of our Company, as amended
Auditors	The statutory auditors of our Company, namely, B S R & Associates, Chartered Accountants
Board/ Board of Directors	The board of directors of our Company or committees constituted thereof
Concession Agreement	The concession agreement dated September 30, 1998 with GMB and the GoG (acting as a confirming party) together with the supplementary agreement to the concession agreement dated June 2, 2006
Corporate Office	The corporate office of our Company, located at Empire Industries Complex, 414, Senapati Bapat Marg, Lower Parel, Mumbai 400 013
CDR Scheme	The restructuring package for restructuring the debt of Rs. 2,985.30 million as was availed by our Company and approved by the CDR Empowered Group at its meeting held on October 30, 2003
Director(s)	Director(s) of our Company unless otherwise specified
Group Companies	The companies, firms and ventures enumerated in "Group Companies" on page 116 of this Draft Red Herring Prospectus
Memorandum / Memorandum of Association	The memorandum of association of our Company
Promoters	The promoters of our Company, namely, APM Terminals B.V., APM Terminals Mauritius Holding Limited and APM Terminals Mauritius Limited
Promoter Group	The companies enumerated in "Promoters and Promoter Group" on page 109 of this Draft Red Herring Prospectus
The Port, APM Terminals Pipavav	The APM Terminals Pipavav located at Post Ucchaiya Via Rajula, District Amreli, Gujarat 365 560
Registered Office	The registered office of our Company, located at Port Pipavav, Post

Term	Description
	Ucchaiya Via Rajula, District Amreli, Gujarat 365 560

Issue Related Terms

Term	Description
Allotment/ Allot/ Allotted	Unless the context otherwise requires, the allotment of Equity Shares pursuant to the Issue
Allottee	A successful Bidder to whom the Equity Shares are Allotted
Anchor Investor	A Qualified Institutional Buyer, applying under the Anchor Investor category, with a minimum Bid of Rs. 100 million
Anchor Investor Bid/Issue Period	The day, one day prior to the Bid/Issue Opening Date, on which Bidding by Anchor Investors shall open and allocation to Anchor Investors shall be completed
Anchor Investor Issue Price	The final price at which Equity Shares will be issued and Allotted to Anchor Investors in terms of the Red Herring Prospectus and Prospectus, which price will be equal to or higher than the Issue Price but not higher than the Cap Price. The Issue Price will be decided by our Company and the Selling Shareholders in consultation with the BRLMs and the CBRLM
Anchor Investor Margin Amount	An amount representing 25% of the Bid Amount payable by the Anchor Investors at the time of submission of their Bid
Anchor Investor Portion	Up to 30% of the QIB Portion which may be allocated by our Company and the Selling Shareholders to Anchor Investors on a discretionary basis. One-third of the Anchor Investor Portion shall be reserved for domestic Mutual Funds, subject to valid Bids being received from domestic Mutual Funds at or above the price at which allocation is being done to Anchor Investors
Application Supported by Blocked Amount/ ASBA	An application, whether physical or electronic, used by a Resident Retail Individual Bidder to make a Bid authorizing an SCSB to block the Bid Amount in their specified bank account maintained with the SCSB
ASBA Bidders	Any Resident Retail Individual Bidder who intends to apply through ASBA and, (a) is bidding at Cut-off Price, with single option as to the number of Equity Shares; (b) is applying through blocking of funds in a bank account with the SCSB; (c) has agreed not to revise his/her Bid; and (d) is not Bidding under any of the reserved categories
ASBA Bid cum Application Form or ASBA BCAF	The form, whether physical or electronic, used by an ASBA Bidder to make a Bid, which will be considered as the application for Allotment for the purposes of the Red Herring Prospectus and the Prospectus
ASBA Public Issue Account	A bank account of our Company, under Section 73 of the Act where the funds shall be transferred by the SCSBs from the bank accounts of the ASBA Bidders
Banker(s) to the Issue/Escrow Collection Bank(s)	The banks which are clearing members and registered with SEBI as Bankers to the Issue with whom the Escrow Account will be opened and in this case being [●]
Basis of Allotment	The basis on which Equity Shares will be Allotted to Bidders under the Issue and which is described in "Issue Procedure – Basis of Allotment" on page 251 of the Draft Red Herring Prospectus
Bid	An indication to make an offer during the Bidding/Issue Period by a

Term	Description
	Bidder, or during the Anchor Investor Bid/ Issue Period by the Anchor Investors, to subscribe to the Equity Shares of our Company at a price within the Price Band, including all revisions and modifications thereto. For the purpose of ASBA Bidders, it means an indication to make an offer during the Bidding Period by a Retail Resident Individual Bidder to subscribe to the Equity Shares of our Company at Cut-off Price
Bid Amount	The highest value of the optional Bids indicated in the Bid cum Application Form
Bid/Issue Closing Date	The date after which the members of the Syndicate and SCSBs will not accept any Bids for the Issue, which shall be notified in a English national newspaper, a Hindi national newspaper and a Gujarati newspaper with wide circulation
Bid/Issue Opening Date	The date on which the members of the Syndicate and SCSBs shall start accepting Bids for the Issue, which shall be the date notified in a English national newspaper, a Hindi national newspaper and a Gujarati newspaper with wide circulation
Bid cum Application 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 the Red Herring Prospectus and the Prospectus
Bidder	Any prospective investor who makes a Bid pursuant to the terms of the Red Herring Prospectus and the Bid cum Application Form
Bidding/Issue Period	The period between the Bid/Issue Opening Date and the Bid/Issue Closing Date inclusive of both days and during which prospective Bidders can submit their Bids
Book Building Process/ Method	Book Building process as provided under Schedule XI of the SEBI Regulations, in terms of which the Issue is being made
BRLMs/Book Running Lead Managers	Book Running Lead Managers to the Issue, in this case being IDFC-SSKI and KMCC
Business Day	Any day other than Saturday or Sunday on which commercial banks in Mumbai are open for business
CAN/ Confirmation of Allocation Note	Note or advice or intimation of allocation of Equity Shares sent to the Bidders who have been allocated Equity Shares after discovery of the Issue Price in accordance with the Book Building Process
Cap Price	The higher end of the Price Band, above which the Issue Price will not be finalised and above which no Bids will be accepted
Co-Book Running Lead Manager or CBRLM	IDBI Capital
Controlling Branches	Such branches of the SCSB which coordinate with the BRLMs, the CBRLM, the Registrar to the Issue and the Stock Exchanges
Cut-off Price	Issue Price, finalised by our Company and the Selling Shareholders, in consultation with the BRLMs and CBRLM. Only Retail Individual Bidders whose Bid Amount does not exceed Rs. 100,000 and ASBA Bidders are entitled to Bid at the Cut-off Price. No other category of Bidders is entitled to Bid at the Cut-off Price
Designated Branches	Such branches of the SCSBs which shall collect the ASBA Bid cum Application Forms used by ASBA Bidders and a list of which is available on http://www.sebi.gov.in

Term	Description
Designated Date	The date on which funds are transferred from the Escrow Account to the Public Issue Account or the amount blocked by the SCSB is transferred from the bank account of the ASBA Bidder to the ASBA Public Issue Account, as the case may be, after the Prospectus is filed with the RoC, following which the Board of Directors shall Allot Equity Shares to successful Bidders
Designated Stock Exchange	[●]
DP ID	Depository Participant's Identity
Draft Red Herring Prospectus or DRHP	This draft red herring prospectus dated December 21, 2009 issued in accordance with Section 60B of the Companies Act, which does not contain complete particulars of the price at which the Equity Shares are issued and the number of Equity Shares being offered in the Issue
Eligible Employees	Permanent employees and Directors of our Company, excluding Promoters and their immediate relatives, as on [●], 2009 who are Resident Indians and are present in India on the date of submission of the Bid cum Application Form and who continue to be in the employment of our Company until submission of the Bid cum Application Form
Eligible NRI	NRIs from jurisdictions outside India where it is not unlawful to make an issue or invitation under the Issue and in relation to whom the Draft Red Herring Prospectus constitutes an invitation to subscribe to the Equity Shares Allotted herein
Employee Reservation Portion	The portion of the Issue being up to [●] Equity Shares aggregation upto Rs. 100 million available for allocation to Eligible Employees
Escrow Account	Account opened with the Escrow Collection Bank(s) for the Issue and in whose favour the Bidder (excluding the ASBA Bidders) will issue cheques or drafts in respect of the Bid Amount when submitting a Bid
Escrow Agreement	Agreement to be entered into by our Company, the Registrar to the Issue, the BRLMs, CBRLMs, the Selling Shareholders, the Syndicate Members and the Escrow Collection Bank(s) for collection of the Bid Amounts and where applicable, refunds of the amounts collected to the Bidders (excluding the ASBA Bidders) on the terms and conditions thereof
Equity Shares	Equity shares of our Company of Rs. 10 each unless otherwise specified
Financial Year/ fiscal/ FY	Period of twelve months ended March 31 of that particular year, unless otherwise specified
First Bidder	The Bidder whose name appears first in the Bid cum Application Form or Revision Form or the ASBA Bid cum Application Form
Floor Price	The lower end of the Price Band, at or above which the Issue Price will be finalised and below which no Bids will be accepted
Fresh Issue	The issue of [●] Equity Shares by our Company at Issue Price aggregating to Rs. 5,000 million
GIR Number	General Index Registry Number
IDBI Capital	IDBI Capital Market Services Limited, a company incorporated under the Companies Act, having its registered office at 5th Floor, Mafatlal Centre, Nariman Point, Mumbai 400 021
IDFC-SSKI	IDFC-SSKI Limited, a company incorporated under the Companies Act,

Term	Description
	having its registered office at 803-4 Tulsiani Chambers, 8th Floor, Nariman Point, Mumbai 400 021
IDFC Infrastructure Fund	IDFC Infrastructure Fund is a trust created under the Indian Trust Act, 1882 and registered as a venture capital fund with SEBI under the SEBI (Venture Capital Fund) Regulations, 1996 of which the India Development Fund is a unit scheme
IDFC Infrastructure Fund 2	IDFC Infrastructure Fund 2 is a trust created under the Indian Trust Act, 1882 and registered as a venture capital fund with SEBI under the SEBI (Venture Capital Fund) Regulations, 1996 of which the IDFC Private Equity Fund Fund II is a unit scheme
IDFC Private Equity Group	IDFC Infrastructure Fund being a trust created under the Indian Trust Act, 1882 and registered as a venture capital fund with SEBI under the SEBI (Venture Capital Fund) Regulations, 1996 of which the India Development Fund is a unit scheme and having its principal office at 201, Naman Chambers, C-32, G Block, Bandra Kurla Complex, Bandra (East), Mumbai 400 051, India, and acting through IDFC Private Equity Company Limited, a limited liability company incorporated under the Companies Act, 1956 and having its registered office at 201, Naman Chambers, C-32, G Block, Bandra Kurla Complex, Bandra (East), Mumbai 400 051, India and separately, IDFC Infrastructure Fund 2 being a trust created under the Indian Trust Act, 1882 and registered as a venture capital fund with SEBI under the SEBI (Venture Capital Fund Regulations), 1996 of which IDFC Private Equity Fund II is a unit scheme and having its principal office at 201, Naman Chambers, C-32, G Block, Bandra Kurla Complex, Bandra (East), Mumbai 400 051, India and also acting through IDFC Private Equity Company Limited, a limited liability company incorporated under the Companies Act, 1956 and having its registered office at 201, Naman Chambers, C-32, G Block, Bandra Kurla Complex, Bandra (East), Mumbai 400 051, India (collectively "IDFC Private Equity Group")
Issue	Public Issue of [●] Equity Shares of Rs. 10 each of our Company for cash at a price of Rs. [●] per Equity Share (including a share premium of Rs. [●] per Equity Share) aggregating to Rs. 5,000 million and an Offer for Sale of upto 11,707,369 Equity Shares by The Infrastructure Fund of India, LLC and The India Infrastructure Fund, LLC. The Issue also comprises a Net Issue to the public aggregating to Rs. [●] million and a reservation for Eligible Employees aggregating Rs. 100 million. Our Company is considering a Pre-IPO Placement of an amount aggregating to Rs. [●] million with various investors. The Pre-IPO Placement is at the discretion of our Company and will be out of the Fresh Issue portion. Our Company will complete the issuance and allotment of Equity Shares pursuant to the Pre-IPO Placement prior to the filing of the Red Herring Prospectus with the RoC. If the Pre-IPO Placement is completed, the the Fresh Issue portion and the Issue size would be reduced to the extent of such Pre-IPO Placement, subject to a minimum Net Issue of 10% of the post Issue paid-up capital being available for allocation to the public
Issue Price	The final price at which Equity Shares will be issued and allotted in terms of the Red Herring Prospectus. The Issue Price will be decided by our Company and the Selling Shareholders in consultation with the BRLMs and CBRLM on the Pricing Date
Issue Proceeds	The proceeds of the Issue
KMCC	Kotak Mahindra Capital Company Limited, a company incorporated

Term	Description
	under the Companies Act, having its office at 3rd floor, Bakhtawar, 229 Nariman Point, Mumbai 400 021
Leverage India Fund	Leverage India Fund of the IL&FS Private Equity Trust represented by its trustee IL&FS Trust Company Limited
Margin Amount	The amount paid by the Bidder at the time of submission of his/her Bid, being 10% to 100% of the Bid Amount
Mutual Funds	A mutual fund registered with SEBI under the SEBI (Mutual Funds) Regulations, 1996
Mutual Fund Portion	5% of the QIB Portion (excluding the Anchor Investor Portion), or [●] Equity Shares available for allocation to Mutual Funds only, out of the QIB Portion (excluding the Anchor Investor Portion)
Net Issue	The Issue less the Employee Reservation Portion
Net Proceeds	The Issue Proceeds less the proceeds from the Offer for Sale and the Issue expenses. For further information about use of the Issue Proceeds and the Issue expenses, please see the section entitled "Objects of the Issue" on page 35 of this Draft Red Herring Prospectus
Non-Institutional Bidders	All Bidders that are not QIBs or Retail Individual Bidders and who have Bid for Equity Shares for an amount more than Rs. 100,000 (but not including NRIs other than eligible NRIs)
Non-Institutional Portion	The portion of the Issue being not less than [●] Equity Shares available for allocation to Non-Institutional Bidders
OCB/Overseas Corporate Body	A company, partnership, society or other corporate body owned directly or indirectly to the extent of up to 60% by NRIs including overseas trusts in which not less than 60% of beneficial interest is irrevocably held by NRIs directly or indirectly and which was in existence on October 3, 2003 and immediately before such date was eligible to undertake transactions pursuant to the general permission granted to OCBs under the FEMA. OCBs are not allowed to invest in this Issue
Offer for Sale	The offer for sale of upto 11,707,369 Equity Shares by the Selling Shareholders, pursuant to the terms of the Red Herring Prospectus
Pay-in Date	Bid/Issue Closing Date or the last date specified in the CAN sent to Bidders, as applicable
Pay-in-Period	(i) With respect to Bidders whose Margin Amount is 100% of the Bid Amount, the period commencing on the Bid/ Issue Opening Date; and extending until the Bid/ Issue Closing Date; and (ii) With respect to Bidders whose Margin Amount is less than 100% of the Bid Amount, the period commencing on the Bid/ Issue Opening Date and extending until the closure of the Pay-in Date
Pre-IPO Placement	A pre-IPO Placement of up to Rs. [●] million with various investors undertaken by our Company out of the Fresh Issue portion prior to the filing of the Red Herring Prospectus with the RoC
Preference Shares	1% Optionally Convertible Non-Cumulative Redeemable Preference Shares of our Company of Rs. 10 each
Price Band	Price band of a minimum price (floor of the price band) of Rs. [●] and the maximum price (cap of the price band) of Rs. [●] and includes revisions thereof. The price band will be decided by our Company and the Selling Shareholders in consultation with the Book Running Lead Managers and Co-Book Running Lead Manager and advertised in the English language,

Term	Description
	in the Hindi language and in the Gujarati language at least two working days prior to the Bid/Issue Opening Date
Pricing Date	The date on which our Company and the Selling Shareholders, in consultation with the BRLMs and the CBRLM finalizes the Issue Price
Prospectus	The Prospectus to be filed with the RoC in accordance with Section 60 of the Companies Act, containing, inter alia, the Issue Price that is determined at the end of the Book Building process, the number of Equity Shares and certain other information
Public Issue Account	Account opened with the Bankers to the Issue to receive monies from the Escrow Account on the Designated Date
QIB Margin Amount	An amount representing at least 10% of the Bid Amount that QIBs are required to pay at the time of submitting their Bid
QIB Portion	The portion of the Issue being at least [●] Equity Shares of Rs. 10 each to be Allotted to QIBs
Qualified Institutional Buyers or QIBs	Public financial institutions as specified in Section 4A of the Companies Act, scheduled commercial banks, mutual fund registered with SEBI, FII and sub-account registered with SEBI, other than a sub-account which is a foreign corporate or foreign individual, multilateral and bilateral development financial institution, venture capital fund registered with SEBI, foreign venture capital investor registered with SEBI, state industrial development corporation, insurance company registered with IRDA, provident fund with minimum corpus of Rs. 250 million, pension fund with minimum corpus of Rs. 250 million, National Investment Fund set up by Government of India and insurance funds set up and managed by army, navy or airforce of the union of India
Red Herring Prospectus or RHP	The red herring prospectus to be issued in accordance with Section 60B of the Companies Act, which will not have complete particulars of the price at which the Equity Shares are offered and the number of Equity Shares offered in the Issue. The Red Herring Prospectus will be filed with the RoC at least three days before the Bid/Issue Opening Date and will become a Prospectus upon filing with the RoC after the Pricing Date
Refund Account	The account opened with Escrow Collection Bank(s), from which refunds, if any, of the whole or part of the Bid Amount (excluding to the ASBA Bidder) shall be made
Refund bankers	[●]
Refunds through electronic transfer of funds	Refunds through ECS, Direct Credit, NEFT, RTGS or the ASBA process, as applicable
Registrar to the Issue	Karvy Computershare Private Limited
Resident Retail Individual Bidder	Retail Individual Bidder who is a person resident in India as defined in the Foreign Exchange Management Act, 1999 and who has not Bid for Equity Shares for an amount more than Rs. 100,000 in any of the bidding options in the Issue
Retail Individual Bidder(s)	Individual Bidders (including HUFs applying through their karta, Eligible NRIs and Resident Retail Individual Bidders) who have not Bid for Equity Shares for an amount more than Rs. 100,000 in any of the bidding options in the Issue
Retail Portion	The portion of the Net Issue to the public being not less than [●] Equity Shares of Rs. 10 each available for allocation to Retail Individual

Term	Description
	Bidder(s).
Revision Form	The form used by the Bidders, excluding ASBA Bidders, to modify the quantity of Equity Shares or the Bid Price in any of their Bid cum Application Forms or any previous Revision Form(s)
RoC	The Registrar of Companies, Gujarat, Dadra and Nagar Haveli located at ROC Bhavan, CGO Complex, Opposite Rupal Park Society, Near Ankur Bus Stand, Naranpura, Ahmedabad 380 013
Self Certified Syndicate Bank/ SCSB	A banker to the Issue registered with SEBI, which offers the facility of ASBA and a list of which is available on http://www.sebi.gov.in
Selling Shareholders	The Infrastructure Fund of India, LLC and The India Infrastructure Fund, LLC
Stock Exchanges	BSE and NSE
Syndicate or members of the Syndicate	The BRLMs, CBRLM and the Syndicate Members
Syndicate Agreement	The agreement to be entered into between the Syndicate, the Selling Shareholders and the Company in relation to the collection of Bids in the Issue (excluding Bids from the ASBA Bidders)
Syndicate Members	[●]
TRS/ Transaction Registration Slip	The slip or document issued by a member of the Syndicate or the SCSB (only on demand), as the case may be, to the Bidder as proof of registration of the Bid
Underwriters	The BRLMs, CBRLM and the Syndicate Members
Underwriting Agreement	The agreement among the Underwriters, the Selling Shareholders and the Company to be entered into on or after the Pricing Date
UTI Unit Scheme 64	Unit Scheme 64 of the Unit Trust of India represented by the Administrator of the specified undertaking of The Unit Trust of India

Technical and Industry Terms

Term	Description
AIS	Automatic Identification System
BP	Bollard Pull
CFS	Container Freight Station
CWC	Central Warehousing Corporation
Chart Datum	The level of water that charted depths displayed on nautical charts are measured from
EDI	Electronic Data Interchange
ELL	Electric Level Luffing
ERP	Enterprise Resource Planning
ISPS	International Code for the Security of Ships and Port Facilities
KV	Kilovolt

Term	Description
LPG	Liquefied Petroleum Gas
mph	Moves per hour
MT	Metric Tonne
RTG	Rubber Tyred Gantry Crane
Shell Gas	Shell Gas (LPG) India Private Limited
SWL	Safe Working Load
TAMP	Tariff Authority for Major Ports
TEUs	Twenty-foot Equivalent Units. In case of APM Terminals, TEUs set forth herein have been calculated by taking into account APM Terminals' economic interest in each project
TOS	Terminal Operating System

Conventional and General Terms/ Abbreviations

Term	Description
Act or Companies Act	Companies Act, 1956, as amended from time to time
AGM	Annual General Meeting
AS	Accounting Standards issued by the Institute of Chartered Accountants of India
AY	Assessment Year
BSE	Bombay Stock Exchange Limited
CAGR	Compounded Annual Growth Rate
CDSL	Central Depository Services (India) Limited
CIN	Corporate Identification Number
Depositories	NSDL and CDSL
Depositories Act	Depositories Act, 1996 as amended from time to time
DP/ Depository Participant	A depository participant as defined under the Depositories Act, 1996
DP ID	Depository Participant's identification
DIPP	Department of Industrial Policy and Promotion, Ministry of Commerce and Industry, Government of India
EBITDA	Earnings Before Interest, Tax, Depreciation and Amortisation
ECS	Electronic Clearing Service
EGM	Extraordinary General Meeting
EPS	Earnings Per Share i.e., profit after tax for a fiscal year divided by the weighted average outstanding number of equity shares at the end of that fiscal year
FCNR Account	Foreign Currency Non-Resident Account established in accordance with the

Term	Description
	FEMA
FDI	Foreign Direct Investment
FEMA	Foreign Exchange Management Act, 1999 read with rules and regulations thereunder as amended from time to time
FEMA Regulations	FEMA (Transfer or Issue of Security by a Person Resident Outside India) Regulations, 2000 as amended from time to time
FII(s)	Foreign Institutional Investors as defined under SEBI (Foreign Institutional Investor) Regulations, 1995 registered with SEBI under applicable laws in India
FIPB	Foreign Investment Promotion Board
FVCI	Foreign Venture Capital Investor registered under the Securities and Exchange Board of India (Foreign Venture Capital Investor) Regulations, 2000, as amended from time to time
GDP	Gross Domestic Product
GoI/Government	Government of India
GoG	Government of Gujarat
GMB	Gujarat Maritime Board
HUF	Hindu Undivided Family
IFRS	International Financial Reporting Standard
IT	Information Technology
ITES	Information Technology Enabled Services
I.T. Act	The Income Tax Act, 1961, as amended from time to time
Indian GAAP	Generally Accepted Accounting Principles in India
IPO	Initial public offering
JNPT	Jawaharlal Nehru Port Trust
MICR	Magnetic Ink Character Recognition
Mn / mn	Million
MoU	Memorandum of Understanding
NA	Not Applicable
NAV	Net Asset Value
NCR	National Capital Region
NEFT	National Electronic Fund Transfer
NOC	No Objection Certificate
NR/Non Residents	Non Resident
NRE Account	Non Resident External Account
NRI	Non Resident Indian, is a person resident outside India, as defined under

Term	Description
	FEMA and the FEMA Regulations
NRO Account	Non Resident Ordinary Account
NSDL	National Securities Depository Limited
NSE	National Stock Exchange of India Limited
p.a.	per annum
P/E Ratio	Price/Earnings Ratio
PAN	Permanent Account Number allotted under the Income Tax Act, 1961, as amended from time to time
PIO	Persons of Indian Origin
PRCL	Pipavav Railways Corporation Limited
PLR	Prime Lending Rate
RBI	Reserve Bank of India
RoNW	Return on Net Worth
Rs.	Indian Rupees
SCRA	Securities Contracts (Regulation) Act, 1956, as amended from time to time
SCRR	Securities Contracts (Regulation) Rules, 1957, as amended from time to time
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 Regulations	SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2009, as amended from time to time
SEBI Takeover Regulations	Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 1997, as amended from time to time
Stamp Act	The Indian Stamp Act, 1899, as amended from time to time
State Government	The government of a state of India
UIN	Unique Identification Number
US / USA	United States of America
US GAAP	Generally Accepted Accounting Principles in the United States of America
USD/ US$	United States Dollars
VCFs	Venture Capital Funds as defined and registered with SEBI under the SEBI (Venture Capital Fund) Regulations, 1996, as amended from time to time

PRESENTATION OF FINANCIAL, INDUSTRY AND MARKET DATA

Financial Data

Unless stated otherwise, the financial data in this Draft Red Herring Prospectus is derived from the restated financial statements of our Company, prepared in accordance with Indian GAAP and which are included in this Draft Red Herring Prospectus.

The fiscal year of our Company commences on January 1 of each year and ends on December 31 of the same year. However, our year ended December 31, 2005 reflects a nine month period due to a change in our fiscal year end closing from March 31 to December 31 from fiscal 2005 onwards.

There are significant differences between Indian GAAP, IFRS and US GAAP. We have not attempted to quantify their impact on the financial data included herein and we urge you to consult your own advisors regarding such differences and their impact on the financial data. Accordingly, the degree to which the Indian GAAP financial statements included in this Draft Red Herring Prospectus will provide meaningful information is entirely dependent on the reader's level of familiarity with Indian accounting practices. Any reliance by persons not familiar with Indian accounting practices on the financial disclosures presented in this Draft Red Herring Prospectus should accordingly be limited.

Any percentage amounts, as set forth in "Risk Factors", "Business", "Management's Discussion and Analysis of Financial Condition and Results of Operations" and elsewhere in this Draft Red Herring Prospectus unless otherwise indicated, have been calculated on the basis of the audited financial statements prepared in accordance with Indian GAAP.

In this Draft Red Herring Prospectus, any discrepancies in any table between the totals and the sum of the amounts listed are due to rounding off.

Currency and Units of Presentation

All references to "Rupees" or "Rs." are to Indian Rupees, the official currency of the Republic of India. All references to "US$" or are to United States Dollars, the official currency of the United States of America.

In this Draft Red Herring Prospectus, we have presented certain numerical information in 'million' (or 'mio') and 'billion' units. One million/mio represents 1,000,000 and one billion represents 1,000,000,000.

Exchange Rates

This Draft Red Herring Prospectus contains translations of certain U.S. Dollar and other currency amounts into Indian Rupees that have been presented solely to comply with the requirements of the SEBI Regulations. These convenience translations should not be construed as a representation that those U.S. Dollar or other currency amounts could have been, or can be converted into Indian Rupees, at any particular rate or at all.

Industry and Market Data

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

The extent to which the market and industry data used in this Draft Red Herring Prospectus is meaningful depends on the reader's familiarity with and understanding of the methodologies used in compiling such data.

FORWARD-LOOKING STATEMENTS

This Draft Red Herring Prospectus contains certain "forward-looking statements". These forward looking statements can generally be identified by words or phrases such as "aim", "anticipate", "believe", "expect", "estimate", "intend", "objective", "plan", "project", "shall", "will", "would", "will continue", "will pursue", "will likely result", "contemplate", "seek to", "future", "goal", "should" or other words or phrases of similar import. Similarly, statements that describe the objectives, plans or goals of our Company are also forward-looking statements.

All forward-looking statements are subject to risks, uncertainties, and assumptions that could cause actual results to differ materially from those contemplated by the relevant forward-looking statement. Actual results may differ materially from those suggested by the forward looking statements due to risks or uncertainties associated with our expectations with respect to, but not limited to, regulatory changes pertaining our business and our ability to respond to them, our ability to successfully implement business strategy, its growth and expansion, technological changes, its exposure to market risk, general economic and political conditions in India which have an impact on its business activities or investments, the monetary and fiscal policies of India, inflation, deflation, unanticipated turbulence in interest rates, foreign exchange rates, the performance of the financial markets in India and globally, changes in domestic laws, regulations and taxes and changes in competition in our industry. Important factors that could cause actual results to differ materially from our expectations include, among others:

- Our failure to meet our traffic volume obligations under the Traffic Guarantee Agreement;
- Decline in our business and growth in the event we cannot benefit from our relationship with our Promoter, APM Terminals in the future;
- Risk relating to reliance on concessions and licenses from government and quasi-governmental organisations;
- Our inability to effectively manage our growth or successfully implement our business plan and growth strategy; and
- If we are required to contribute additional capital for maintaining our equity interest in PRCL.

For a further discussion of factors that could cause the actual results of our Company to differ, see "Risk Factors" on page xiv of this Draft Red Herring Prospectus. By their nature, certain market risk disclosures are only estimates and could be materially different from what actually occurs in the future. As a result, actual future gains or losses could materially differ from those that have been estimated.

Neither our Company, our Directors, the Selling Shareholders, the Underwriters nor any of their respective affiliates have any obligation to update or otherwise revise any statements reflecting circumstances arising after the date hereof or to reflect the occurrence of underlying events, even if the underlying assumptions do not come to fruition. In accordance with SEBI requirements, we, the Selling Shareholders (in relation to the Equity Shares offered by them under the Offer for Sale), the BRLMs and the CBRLM 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

The risks and uncertainties described below, together with the other information contained in this Draft Red Herring Prospectus, should be carefully considered before making an investment decision in our Equity Shares. These risks are not the only ones relevant to our Company and our business, the industry and geographic regions in which we operate, or the Equity Shares. Additional risks, not presently known to us or that we currently deem immaterial may also impair our business and operations. To obtain a complete understanding of our Company and prior to making an investment decision, prospective investors should read this section in conjunction with the sections titled "Business" and "Management's Discussion and Analysis of Financial Condition and Results of Operations" beginning on pages 66 and 170, respectively, as well as the other financial and statistical information contained in this Draft Red Herring Prospectus. If any of the risks described below actually occur, our business, prospects, financial condition and results of operations could be seriously harmed, the trading price of our Equity Shares could decline, and investors could lose all or part of their investment.

Prospective investors should pay particular attention to the fact that we are incorporated under the laws of India and are subject to a legal and regulatory environment that differs in certain respects from that of other countries.

Unless specified or quantified in the relevant risk factors below, we are not in a position to quantify the financial or other implication of any of the risks described in this section.

Risks Related To Our Business

1. ***Failure to meet our traffic volume obligations under the Traffic Guarantee Agreement could materially affect our business, cash flows and results of operation.***

   We have entered into a Traffic Guarantee Agreement dated January 10, 2003 with the Ministry of Railways/Western Railways and PRCL. Pursuant to the terms of the Traffic Guarantee Agreement, we have guaranteed to provide rail freight traffic of one million tonnes in the first year of operations, two million tonnes in the second year of operations and three million tonnes from the third year of operations onwards ("Minimum Guaranteed Quantity") to PRCL until June 2034. As of March 31, 2008 and 2009, we had been unable to meet the Minimum Guaranteed Quantity and as per the terms of the Traffic Guarantee Agreement total compensation of Rs. 1,076.9 million and Rs. 316.6 million, respectively, was payable to PRCL. Further to our negotiations with PRCL, we have made payments of Rs. 924.4 million (including TDS) in relation to liability arising as of March 31, 2008 and Rs. 157.2 million (including TDS) in relation to liability arising as of March 31, 2009. In addition, compensation of Rs. 311.9 million is still payable to PRCL and adequate provisions in relation to such compensation payable to PRCL have been made in our books of accounts. There can be no assurance that we will achieve the Minimum Guaranteed Quantity freight arrangements with PRCL in the future. Failure to meet these standards could have an adverse effect on our cash flows, business, financial condition and results of operations.

   Further, the term of the Traffic Guarantee Agreement extends beyond the term of the Concession Agreement for the Port, which expires on September 30, 2028. If we are unable to extend the term of the Concession Agreement or renegotiate the terms of the Traffic Guarantee Agreement, we will be obligated to compensate PRCL the Minimum Guaranteed Quantity up to June 2034, even if we cease to operate the Port, which could have an adverse effect on our business, financial condition and results of operations.

2. ***We benefit from our relationship with our Promoter, APM Terminals. Our business and growth prospects may decline if we cannot benefit from this relationship in the future.***

   Our Promoter, APM Terminals, currently owns a 57.9% equity interest in us. APM Terminals is one of the largest container terminal operators in the world with a global network of 49 terminals in 32 countries and five continents. In the year ended December 31, 2008, APM Terminals handled 34.0 million TEUs and had revenues of over US$ 3.00 billion. APM Terminals is part of the APMM Group, which has significant experience in development of ports and terminals, container and related activities, oil and gas activities, tankers, offshore and other shipping activities, and logistics activities. For the year ended December 31, 2006, 2007, 2008 and the nine month period ended September 30, 2009, APMM Group accounted for approximately 36.8%, 34.2%, 22.5% and 28.0% of our operating revenues, respectively. In addition, we receive benefits such as access to modern technology, operational know-how, best industry practices, increased bargaining power and competitive rates for purchase of port equipment, and access to experienced personnel resources from APM Terminals and benefits such as developing business with shipping lines and assistance in developing relationships with third parties in the shipping industry from APMM Group.

Any reduction in our business with APMM Group companies, or decrease in the direct or indirect benefit we receive from such companies could adversely affect our financial condition and results of operations.

3. ***We face various risks relating to our reliance on concessions and licences from government and quasi-governmental organisations. Further, we may be adversely affected by increases and/or changes in royalties and fees payable by us.***

We rely on concessions, licenses and key contracts in the operation of our business. We operate and manage our business at APM Terminals Pipavav under concessions and licences granted by the relevant government agencies. On September 30, 1998, GMB and the GoG entered into the Concession Agreement with us, which grants us the right during the term of the Concession Agreement to develop, finance, construct, operate and maintain our Port for 30 years, which is extendable by a maximum period of two years or by such period until the transport infrastructure linkages as provided under certain approved detailed project reports are in place. Pursuant to the Concession Agreement, we have leased approximately 1,056 acres of land located at APM Terminals Pipavav.

Cancellation, early termination or non-renewal of the Concession Agreement or any such concessions, sub-concessions or land lease agreements or licences or imposition of any restrictive regulatory controls could have an adverse effect on our ability to operate and manage our business at APM Terminals Pipavav and may have an adverse effect on our business, financial condition and results of operations. There can be no assurance that if the concessions, leases or licences are renewed, the terms of such concessions, leases or licences would be on similar terms or on terms favourable to us. See "History and Certain Corporate Matters – Concession Agreement with GMB and the GoG" on page 92 of this Draft Red Herring Prospectus.

Further, we require certain approvals, licenses, registrations and permissions for operating our business, some of which may have expired and for which we may have either made or are in the process of making an application for obtaining the approval or its renewal. We may not receive such approvals or renewals in the time frame anticipated by us or at all, which could adversely affect our business. Our failure to obtain any of these or any other applicable approvals or licenses, or renewals thereof, required to operate our business in a timely manner, or at all, may have an adverse effect on the continuity of our business and may hinder our operations in the future. See "Government and Other Approvals" on page 205 of this Draft Red Herring Prospectus.

The Concession Agreement requires us to pay GMB a royalty calculated based on the tonnage of cargo handled at the leased land and waterfront. For the years ended December 31, 2007 and 2008 and the nine month period ended September 30, 2009, we paid royalties of Rs. 23.24 million, or 1.5% of our operating revenue, Rs. 26.62 million, or 1.6% of our operating revenue and Rs. 33.42 million, or 2.2% of our operating revenue, respectively. The royalty fees will increase by 20.0% every three years. Pursuant to the terms of the Concession Agreement, we are required to obtain GMB's prior approval for any expansion at our Port which is outside the scope of the approved layout plan or the approved detailed project report, and any disallowance in the capital cost already incurred will not be available for set-off from our royalty payments. See "History and Certain Corporate Matters – Concession Agreement with GMB and the GoG" on page 92 of this Draft Red Herring Prospectus. In the event we do not obtain such approval from GMB, we will not be able to undertake our proposed expansion as planned, which could have an adverse effect on our business, financial condition and results of operations. In addition, we are required under the Concession Agreement to make an aggregate investment of Rs. 10,000.00 million for the development of the Port by December 31, 2009 and such investment is required to be approved by GMB. Our ongoing expansion plan has been under implementation and since April 1, 2003, we have invested approximately Rs. 11,702.03 million up to July 31, 2009. If we fail to obtain GMB's approval for any expenditure incurred we may suffer financial loss which could have an adverse effect on our business, financial condition and results of operations.

4. ***We have incurred losses in the past and we cannot assure you that we will make dividend payments.***

We incurred net losses for the year ended December 31, 2005, 2006, 2007, 2008 and the nine month period ended September 30, 2009 of Rs. 467.52 million, Rs. 518.34 million, Rs. 460.22 million, Rs. 696.74 million and Rs. 824.89 million, respectively. We anticipate that we may not yet operate to full capacity in the immediate future, and as a result, our operating losses may continue. In addition, our future ability to pay dividends will depend upon a number of factors, including our results of operations, earnings, capital requirements and surplus, general financial conditions, contractual restrictions, applicable Indian legal restrictions and other factors considered relevant by the Board.

5. ***We may be required to contribute additional capital for maintaining our equity interest in PRCL and may not control PRCL's dividend payment decisions.***

We own a 38.8% equity interest in PRCL and may be required to contribute additional capital for maintaining our equity interest in PRCL. Certain aspects of PRCL's operations have been delegated to the control of other parties. For example, rail haulage and freight rates payable for using the PRCL network are determined by the Ministry of Railways. If these rates are increased, our customers may not use the PRCL network for evacuation of cargo from APM Terminals Pipavav, which may adversely affect our results of operations.

Our ability to receive dividends from PRCL is constrained by corporate laws and regulations governing the payment of dividends to shareholders. Also, we do not control dividend decisions by PRCL as decisions regarding dividend payment require majority consent. If dividend payments do not materialise in the amounts that we expect, we may not be able to recover our investment in PRCL, which could have an adverse effect on our financial condition and results of operations.

6. ***We have in the past entered into related party transactions with entities forming part of APMM Group, and are likely to continue to do so in the future which could result in conflict of interests.***

We have entered into transactions with entities forming part of APMM Group for container cargo and related marine services. We also derived 36.8%, 34.2%, 22.5% and 28.0% of our operating revenue for the year ended December 31, 2006, 2007, 2008 and the nine month period ended September 30, 2009, respectively, from Maersk Line and Safmarine Container Lines, each of which is part of APMM Group. While we believe that all such transactions have been conducted on, and have commercial terms consistent with, an arm's length basis, there can be no assurance that we could not have achieved more favourable terms had such transactions not been entered into with related parties. Further, 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 the aggregate, will always be in the best interests of our minority shareholders. Commercial transactions in the future between us and related parties could result in conflicting interests. See "Related Party Transactions" on page 122 of this Draft Red Herring Prospectus.

7. ***A venture promoted by our Promoter, APM Terminals, is engaged in a line of business similar to ours.***

Our Promoter, APM Terminals, also operates Gateway Terminals India Private Limited, a container terminal at Mumbai engaged in a line of business similar to ours. In addition, APM Terminals has been shortlisted for the development of a container terminal at Ennore port, in the state of Tamil Nadu. We cannot assure you that our Promoter will not favour the interests of Gateway Terminals India Private Limited over our interests or that APM Terminals may not in the future invest in other ports in India, which may increase our competition.

8. ***Our inability to effectively manage our growth or successfully implement our business plan and growth strategy could have an adverse effect on our business, results of operations and financial condition.***

We have experienced considerable growth in operating revenue over the past five years. Our operating revenue for the years ended December 31, 2006, 2007, 2008 and for the nine month period ended September 30, 2009 was Rs. 1,349.63 million, Rs. 1,516.04 million, Rs. 1,674.89 million and Rs. 1,508.60 million, respectively. We intend to pursue a growth strategy to explore existing and potential market opportunities. Our future prospects will depend upon our ability to grow our business and operations further.

In order to manage growth effectively, we must implement and improve our operating systems, procedures and internal controls on a timely basis, create additional facilities and infrastructure and make timely and adequate investments at competitive rates. If we fail to implement these systems, procedures and controls or add additional facilities and infrastructure on a timely basis, we may not be able to meet our customers' needs, hire and retain new employees, pursue new business, complete future strategic agreements or operate our business effectively. Failure to manage growth effectively could have an adverse effect on our business, results of operations and financial condition.

9. ***If EDI is not implemented at APM Terminals Pipavav or we face technical problems after implementation of EDI, our results of operations could be affected.***

The customs and excise authorities in India have commenced implementation of EDI facilities at Indian ports to facilitate electronic filing of bills of entry (import goods declarations), shipping bills (export goods declarations) and communications with cargo carriers such as shipping lines. We have incurred costs for installation of hardware for implementation of EDI facilities at APM Terminals Pipavav, but such facilities have not yet been fully implemented. There can be no assurance that the Government will continue to place emphasis on EDI implementation. If there is any change in the Government or budgetary allocations by Government for EDI implementation, as a result of shifts in Government policies or priorities, our financial results and business prospects may be adversely affected. In addition, once implemented, EDI may not work smoothly and if we face major technical problems, our results of operations could be adversely affected.

10. ***Our operations are subject to extensive environmental and other related regulations.***

Our business and operations are subject to various environmental risks such as oil spills and disposal of hazardous waste and chemicals. We, like other port operators and manufacturers in India, are subject to various central, state and local environmental, health and safety laws and regulations concerning issues such as accidents, damage caused by air emissions, wastewater discharges, solid and hazardous waste handling and disposal. These laws, rules and regulations also prescribe the punishments for any violations. While we believe that our facilities are in compliance in all material respects with applicable environmental laws and regulations and we have obtained the requisite permissions and clearances in this regard, we may incur additional costs and liabilities in relation to environmental concerns and compliance with these laws and regulations or any remedial measures in relation thereto. These additional costs and liabilities could be on account of penalties, fines, remedial measures and clean up liabilities or due to compliance with more onerous laws or regulations. Any non-compliance with such laws and regulations may force us to close our Port operations until such time as we are in compliance with these laws and regulations and in that event our business, results of operations and financial condition could be adversely affected.

Generally, insurance coverage in India may be less comprehensive than that in certain developed countries such as the United States. Although we maintain insurance coverage against pollution and related liabilities, in such amounts and against such risks as we believe are in accordance with industry practice in India, our insurance may not be adequate to cover all losses or liabilities that may arise from our operations and any additional costs or liabilities could adversely affect our business, financial condition and results of operations.

11. ***The inhabitants of Shial Bet island expose us to additional risk and may themselves be exposed to risks due to our operations.***

The inhabitants of the island of Shial Bet, which is located near our Port, use public transport on the roads within our leased property and a thoroughfare which gives them access to Port premises. Our operations at APM Terminals Pipavav may expose the inhabitants of Shial Bet to risks such as personal injury and damage to or destruction of property. In addition, we are required to comply with the International Code for Security of Ships and Port Facilities requirements which place additional security, safety and other such obligations on us.

12. ***We rely on a small number of customers and partners for a large proportion of our revenue.***

We have derived and believe that we will continue to derive in the near term a significant portion of our revenue from a few major carrier customers. For the year ended December 31, 2006, 2007, 2008 and the nine month period ended September 30, 2009, our five largest customers accounted for approximately

68.1%, 57.5%, 45.5% and 49.6% of our operating revenue, respectively. The revenue from these customers may vary from year to year. Any loss of our major customers or any significant decreases in spending by some or all of our top five customers on our services may reduce the demand for our Port and the services we offer and may adversely affect our revenue, profitability and results of operations. We expect that a significant portion of our income will continue to be attributable to a limited number of customers in the foreseeable future and if any of these customers reduce their business with us, it may result in low capacity utilization of our resources, which could adversely affect our profitability and results of operations.

In addition, our income may be affected by competition, increases in fuel prices, the cyclical nature of the shipping industry and decreasing tariffs in the port and related services industry and a number of factors, other than our performance, that could cause the loss of a customer and that may not be predictable such as financial difficulties, bankruptcy or insolvency affecting our customers. Our customers, some of whom have experienced substantial competition and other pressures on their profitability, may demand price reductions and/or other value-added services for no additional charge, which could reduce our profitability. Any significant reduction in or the elimination of the use of the services we provide to any of our customers, or any requirement to lower our prices, could harm our business.

13. ***We do not have adequate power back-up to operate our facilities in an event of prolonged or frequent power break-down or grid failure.***

Our Port is connected through the national power grid on a 220 KV line. Our Port facilities are connected to a three megawatt diesel generator set to provide back-up electricity in case of a power break-down or grid failure. This diesel generator set is sufficient to provide power back-up for our reefer services and the limited operation of our quay cranes only. Prolonged or frequent power cuts or shortages or grid failure at APM Terminals Pipavav could disrupt our business and schedules or cause our Port to remain unusable for the duration of the power cut or shortage or grid failure.

14. ***Our funding requirements and deployment of the net proceeds of the Issue are based on management estimates and have not been independently appraised.***

Our funding requirements and the deployment of the net proceeds of the Issue are based on management estimates and have not been appraised by any bank or financial institution. The deployment of funds as stated in “Objects of the Issue” on page 35 of this Draft Red Herring Prospectus is entirely at the discretion of our Board. All the figures included under “Objects of the Issue” are based on our own estimates. In view of the highly competitive nature of the industry in which we operate, we may have to revise our management estimates from time to time and consequently our funding requirements may also change. This may result in the rescheduling of our expenditure programmes and an increase or decrease in our proposed expenditure for a particular matter.

15. ***Our senior management team and other key personnel in our business units are critical to our continued success and the loss of, or the inability to attract and retain, such personnel in the future could harm our business.***

Our success substantially depends on the continued service and performance of the members of our senior management team and other key personnel in our business for the management and running of our daily operations and the planning and execution of our business strategy.

Our ability to implement our business strategy will depend, in large part, on our ability to attract, train, motivate and retain highly skilled personnel. There is intense competition for experienced senior management and other key personnel with technical and industry expertise in the port business and if we lose the services of any of these or other key individuals to competitors and are unable to find suitable replacements in a timely manner, our ability to realise our strategic objectives could be impaired. Further, as our Port is located in a remote location in Gujarat, with limited access to schools, hospitals and other facilities, we may find it difficult to attract and retain skilled personnel. Any shortage of skilled personnel or loss of services of our senior management could adversely affect our business and results of operations.

Additionally, we rely on our relationship with our Promoter for utilizing the services of certain members of our senior management. If there is a change in our relationship with our Promoter, we may also lose the services of some of our senior management, which could adversely affect our business and results of operations.

16. ***Our performance depends on our employees, sub-contractors and contract workers and the inability to attract such persons or any shortage of labour could adversely affect our business.***

The port industry is capital intensive. However, it is dependent on skilled personnel to carry out port operations. Continuous access to skilled personnel is critical to our business. However, due to the location of our Port we find it difficult to attract such skilled personnel. As of September 30, 2009, we had 517 full-time employees. In addition to our full-time employees, we utilise temporary contract workers provided to us by sub-contractors. Although we maintain satisfactory relations with the sub-contractors and the contract workers and continue to engage them at rates which are acceptable to us, there can be no assurance that we will be able to continue to engage them on reasonable terms in the future. Any disruption in the steady and regular supply of workers may adversely affect our business and operations. In addition, our business relies on a number of third-party companies involved in activities such as stevedoring, power supply, hiring of equipment and vehicles, survey of cargo, provision of information technology systems, equipment maintenance and repair services and transportation services. The failure or inability of certain of these companies to provide the required services efficiently could disrupt our operations. Additionally, our operations may also be affected by circumstances beyond our control including work stoppages, labour disputes, shortage of qualified skilled labour and lack of adequate infrastructure services.

17. ***Container shipping lines generally operate under fixed schedules and any change in their vessel calling patterns may have an adverse effect on our business, results of operations and financial condition.***

Container shipping lines tend to operate on fixed schedules and generally review their calling patterns periodically and accordingly book time-slots for docking and undocking. We currently do not charge shipping lines the agreed time-slot rate for a failure to arrive at a scheduled time-slot. The increase or decrease in calls and the stay period depends on trade patterns and volume growth. Any decrease or change in the vessel calling patterns of these lines at our Port could result in our port berths remaining unoccupied for certain durations, which will have an adverse effect on our business, results of operations and financial condition.

18. ***The lack of an efficient and reliable transportation infrastructure or delays in the improvement of the connectivity of APM Terminals Pipavav to the Indian road and rail network may have an adverse effect on our business, results of operations and financial condition.***

Our Port has an approximately 269 kilometre-long dedicated broad gauge railway link and a road link to National Highway-8E for transporting cargo to and from the Port. We rely on and benefit from transportation and logistics networks, and the connectivity and conditions of the road, rail and general transportation infrastructure in India is important to our business. Generally, the investment in and maintenance of transportation infrastructure in India has been poor compared to developed countries. Inadequacies in the transportation infrastructure in India may result in delays in deliveries or schedules.

We have made, and will continue to make, transportation and infrastructure investments to improve the connectivity of APM Terminals Pipavav with the inland regions of India. In particular, we entered into an agreement with the Ministry of Railways/Western Railways to set up PRCL to undertake the construction, operation and maintenance of the broad gauge railway link, which was completed in 2003. We presently own a 38.8% equity interest in PRCL. Our efforts in improving the connectivity between APM Terminals Pipavav and the inland regions of India may not be successful or could require greater capital expenditure than we anticipate, which could adversely affect our business, results of operations and financial condition.

19. ***Our net income would decrease if the tax benefits and other incentives we currently expect to be available to us are reduced or withdrawn.***

We commenced comprehensive commercial port operations in April 2002. Being an infrastructure company, we benefit from certain tax incentives under section 80-IA of the Income Tax Act, 1961, as amended, for a period of 10 consecutive years in a block of 15 years starting from the commencement of business for a deduction equivalent to 100.0% of profits derived from developing or operating APM Terminals Pipavav. This tax exemption would result in tax savings for us once APM Terminals Pipavav becomes profitable. There can be no assurance that these tax incentives will continue in the future or that such tax credits shall be available to us for the durations mentioned above or at all. The non-availability of these tax incentives could adversely affect our results of operations and financial condition.

The EPCG scheme in India facilitates import of capital goods at a concessional rate of duty with an obligation to export an amount equal to eight times the duty saved and maintain export obligations based on the average turnover of the last three years. Importing secondhand capital goods without any restriction on age is also allowed under the Foreign Trade Policy announced on August 31, 2004. We have imported certain of our equipment under license pursuant to the EPCG scheme. Under this scheme we are required to refund an amount to the Government of India equivalent to the duty benefit enjoyed by us under the said scheme, plus interest, if we fail to make the required exports within the required time period. As of September 30, 2009, we had outstanding export obligations of Rs. 1,616.88 million, Rs. 2,966.95 million and Rs. 2,675.78 million which are required to be met by December 31, 2014, 2015 and 2017, respectively, under the EPCG Scheme. The consequences for non-fulfillment of the export obligations or other conditions include a retroactive levy of import duty on items previously imported duty-free for these facilities. Additionally, the respective authorities have rights to levy penalties for any defaults on a case-by-case basis. Any such levy or penalty imposed could adversely affect our financial condition and results of operations.

20. ***Our operating results may experience significant variability and as a result it may be difficult for us to make accurate financial forecasts.***

Our operating results may fluctuate significantly from period to period due to various factors, such as customer losses, the mix of cargo handled at our Port (for example, the margins for handling bulk cargo such as fertilisers and iron-ore are generally lower as compared to other types of cargo handled at our Port), delays or failure by us or our partners to generate the projected level of business, variations in our operating efficiency and manpower, delays or difficulties in expanding our operations at APM Terminals Pipavav (including constructing new facilities), changes to our pricing structure or that of our competitors, seasonal changes and other fluctuations in the operations of our customers and other events identified under "Forward-Looking Statements" on page xiii of this Draft Red Herring Prospectus. In addition, the timing and speed of commencement of revenue-generating operations from our projects and capital expenditures, such as the expansion of our cargo handling capacity or the addition of other services, may vary considerably from our expectations based upon the size and complexity of the project being implemented. These factors may make it difficult to make accurate financial forecasts or replace anticipated income that we do not receive as a result of delays in implementing our services or due to losses of customers. If our actual results do not meet estimates or expectations, or if we under-perform market expectations as a result of such factors, trading prices for our Equity Shares could be adversely affected.

21. ***Our port handling and other operations are subject to operational risks.***

The operation of our port handling, comprising handling of bulk cargo, LPG, container handling, warehousing, customs inspection and other operations may be adversely affected by many factors, such as the breakdown of equipment, damage or loss of cargo, labour disputes, accidents, natural disasters, changes in government regulations, lack of qualified equipment operators and a downturn in the overall performance of the container and shipping industry. We are currently covered by insurance policies for loss caused by accident, fire, flood, riot, strike and malicious damage, for liability to our customers and third parties and for anticipated loss of profit. However, such insurance may not be adequate to cover all losses or liabilities that may arise.

22. ***We operate in a highly competitive environment and if we are not able to compete effectively, our income and profitability will be adversely affected.***

In our port business, we compete with both domestic and international companies, including ports located on the northwest coastline of India, non-Major Ports located in Gujarat including ports managed by GMB, global port operators with a presence in India and port service providers and intermediaries that operate at existing ports such as handling, stevedoring, clearing and forwarding agents. See "Our Business – Competition" on page 79 of this Draft Red Herring Prospectus. Presently we are not covered within the regulatory purview of TAMP, which provides us with considerable flexibility in determining the tariff rates at our Port. In future, if we are unable to determine the tariff rates at our Port or are required to levy rates specified by any regulatory authorities, our business, financial condition and results of operations could be adversely affected.

In India, some domestic competitors may have extensive local knowledge and business relationships and a longer operational track record in selected areas of the domestic market than us. Some of these companies have significant financial resources, marketing and other capabilities. Some of our international competitors are able to capitalise on their overseas experience to compete in the Indian market. As a result, there can be no assurance that we will be able to compete successfully in the future against our existing or potential competitors or that our business, financial condition and results of operations will not be adversely affected by increased competition.

Competition may increase as a result of the development of new ports in India as GMB has invited bids for the development of additional ports in Gujarat, which may force us to lower our tariffs. In addition, port operator companies from other countries that establish operations in India may compete with us, particularly if they are more efficient and have lower costs such as cheaper access to skilled manpower. Current and future competitors may also introduce new and more competitive port services, make strategic acquisitions or establish cooperative relationships among themselves or with third parties, thereby increasing their ability to address the needs of our target customers. If we cannot compete in providing competitive port services or expanding into new markets, this could have an adverse effect on our business, financial condition and results of operations. There can be no assurance that we will be able to retain our customers in the face of increased competition.

23. ***Our business and facilities may be adversely affected by severe weather conditions or natural disasters in Gujarat or elsewhere.***

Our business and operating facilities may be adversely affected by severe weather conditions, such as heavy rains and flooding, dense fog and low visibility, climatic changes or natural disasters such as earthquakes, tsunamis and hurricanes.

Severe weather conditions or climatic changes, resulting in conditions such as dense fog, low visibility, heavy rains, wind and waves, may force us to temporarily suspend operations at APM Terminals Pipavav. In some cases, we may temporarily suspend operations based on warnings from local and national meteorological departments. If weather conditions or climatic changes of any type were to force APM Terminals Pipavav to close for an extended period of time, our business could be adversely affected. In addition, any weather condition or climatic change, including but not limited to severe monsoons or flooding, affecting ports that serve as starting points or final destinations for shipping lines calling at APM Terminals Pipavav could harm our business.

Our operating facilities may be damaged in natural disasters such as earthquakes, tsunamis, tornados, hurricanes and cyclones. Such natural disasters in India, or in Southeast Asia may lead to a disruption of transportation networks, information systems and telephone service for sustained periods of time. Further prolonged spells of below normal rainfall or other natural calamities could have a negative impact on the Indian economy, adversely affecting our business. Damage or destruction that interrupts our operations may cause us to incur substantial additional expenses to repair or replace damaged facilities or equipment. We may also be liable to our customers for disruption in our operations resulting from such damage or destruction. While we are currently covered under a comprehensive port package insurance policy for losses on account of property damage, business interruptions and liabilities to third parties, our insurance coverage may not be sufficient. Furthermore, we may be unable to secure such insurance coverage at premiums acceptable to us in the future or secure such insurance coverage at all. Prolonged disruption of our operations as a result of natural disasters would also entitle our customers to terminate their contracts with us.

24. ***We may not have adequate insurance to cover all losses we may incur in our business operations or otherwise.***

Operations in our port business, and specifically the cargo handling operations, carry inherent risks of personal injury and loss of life, damage to or destruction of property, plant and equipment and damage to the environment, and are subject to risks such as fire, theft, flood, earthquakes and terrorism. In addition, although we believe we maintain adequate levels of safety standards and are in compliance with safety laws and regulations, due to the nature of our business and the use of heavy machinery such as mobile harbour cranes and mobile bagging machines, there are inherent risks of accidents at our Port. In addition, an accident involving a ship in our channel could result in temporary closure of Port operations, which could harm our business, results of operations and financial condition. We currently maintain insurance coverage in such amounts and against such risks that we believe are in accordance with industry practice in India. However, such insurance may not be adequate to cover all losses or liabilities that may arise, including when the loss suffered is not easily quantifiable and in the event of severe damage to our reputation.

In addition, in the future, we may not be able to maintain insurance of the types or at levels that we deem necessary or adequate or at rates that we consider reasonable. The occurrence of an event for which we are not adequately or sufficiently insured or the successful assertion of one or more large claims against us that exceeds available insurance coverage, or changes in our insurance policies (including premium increases or the imposition of large deductibles), could have an adverse effect on our business, reputation, results of operations, financial condition and cash flows.

25. ***Any breach of the terms under our financing arrangements could trigger cross-defaults under our other financing arrangements, lead to termination of one or more of our financing arrangements and/or force us to sell assets.***

Our financing arrangements contain restrictive covenants whereby we are required to obtain approval from our lenders, regarding, among other things, our reorganisation, amalgamation or merger, our incurrence of additional indebtedness, declaring or making any restricted payments, making any investments by way of deposits, loans and share capital, revaluing our assets and the disposition of assets beyond permissible limits. We are required to intimate the lenders of any change in our business plans. Our financing documents also require us to maintain certain financial ratios. Although we have generally not encountered difficulties in obtaining consents from our lenders in the past, there can be no assurance that such consents will be granted in the future. Further, our lenders have certain rights following a default to appoint nominee directors on the Board, review the management set up and require the Company to restructure, if considered necessary, and to seek early repayments of our loans. Any failure to service our indebtedness, maintain the required security interests, comply with requirements to obtain consents or otherwise perform our obligations under our financing agreements could lead to default under our loan agreement and terminate our right to make drawdowns, or result in penalties of amounts due under such facilities, which may adversely affect our business, financial condition and results of operations. See "Indebtedness" on page 130 of this Draft Red Herring Prospectus.

Any additional financing that we require to fund our capital expenditures, if met by way of additional debt financing, may place restrictions on us which may, among other things, increase our vulnerability to general adverse economic and industry conditions, limit our ability to pursue our growth plans, require us to dedicate a substantial portion of our cash flow from operations to make payments on our debt, thereby reducing the availability of our cash flow to fund capital expenditures, meet working capital requirements and use for other general corporate purposes, and limit our flexibility in planning for, or reacting to, changes in our business and our industry, either through the imposition of restrictive financial or operational covenants or otherwise.

26. ***If our contingent liabilities materialise, our financial condition and results of operations could be adversely affected.***

Our contingent liabilities, as disclosed in our restated financial statements as per Indian GAAP as of September 30, 2009, were as follows:

Particulars	Amount (in Rs. million)
Bank guarantees outstanding	280.52
Claims against our Company not acknowledged as debt, including claims from project contractors	813.53
Total	**1,094.05**

In the event that any of our contingent liabilities crystallise, our financial condition and results of operations may be adversely affected. Our capital commitments not provided for could adversely affect our financial condition if such commitments are not executed according to the terms and conditions of the respective contracts. See Annexure IV, note 5 (VIII), "Contingent Liabilities", to our restated financial statements.

27. ***Our Company has issued Equity Shares within the last 12 months at a price that may be lower than the Issue Price.***

Our Company has made a preferential allotment of Equity Shares to APM Terminals Mauritius Limited on December 13, 2009. For further details, please see section titled "Capital Structure" on page 21 of this Draft Red Herring Prospectus.

28. ***One of our Promoters, APM Terminals Mauritius Limited, will continue to retain substantial shareholding in us after the Issue, which will allow it to exercise significant influence over us.***

The majority of the issued and outstanding Equity Shares are currently owned by one of our Promoters, APM Terminals Mauritius Limited. Pursuant to the terms of our loan agreement dated May 19, 2009 with Infrastructure Development Finance Company and other members of the syndicate, our Promoters are required to, subject to certain conditions, own at least 44.0% of our post Issue Equity Share capital until the loan remains outstanding. Accordingly, APM Terminals Mauritius Limited will continue to exercise significant influence over our business policies and affairs and all matters requiring shareholders' approval, including the composition of our Board of Directors, the adoption of amendments to our certificate of incorporation, the approval of mergers, strategic acquisitions or joint ventures or the sales of substantially all of our assets, and the policies for dividends, lending, investments and capital expenditures. This concentration of ownership also may delay, defer or even prevent a change in control of our company and may make some transactions more difficult or impossible without the support of these shareholders. The interests of APM Terminals Mauritius Limited as our substantial shareholder could also conflict with our interest or the interests of our other shareholders. We cannot assure prospective investors that APM Terminals Mauritius Limited will act to resolve any conflicts of interest in our favour.

29. ***Our Promoter APM Terminals Mauritius Limited and certain of our other shareholders have a right to appoint nominee directors on the Board under a shareholders agreement with the Company.***

We have entered into a shareholders agreement with our Promoter APM Terminals Mauritius Limited and certain of our other shareholders, pursuant to which APM Terminals Mauritius Limited and these shareholders have agreed that the day-to-day management of the APM Terminals Pipavav will be undertaken by APM Terminals Mauritius Limited or such other entities that are a part of the APMM Group pursuant to the terms of the Concession Agreement. Further, in terms of the Shareholders Agreement, APM Terminals Mauritius Limited has a right to appoint up to four nominee Directors on the Board of Directors of the Company. IDFC Private Equity Group will have the right, so long as it holds at least 22,399,419 Equity Shares, to appoint one nominee Director on the Board of Directors of the Company. If IDFC Private Equity Group's shareholding falls below 22,399,419 Equity Shares, such right to appoint a nominee Director will be exercisable by the shareholder that holds the largest number of Equity Shares (subject to a minimum shareholding of 4% of the equity share capital of the Company) out of the following: (i) Administrator of the Specified Undertakings of the Unit Trust of India and UTI Trust Company Private Limited; (ii) IIF and TIFOI (being funds advised and managed by AMP Capital); (iii) NYLIIF Group; and (iv) IL&FS Trust Company Limited. The nominee Director appointed by IDFC Private Equity Group or one of the other shareholders as specified above will not be liable to retire by rotation. In addition, certain resolutions of the Board of Directors will be effective only with the consent of three-fourths of the Board of Directors. These include resolutions approving amendments to the Concession Agreement, changing the terms of the conflict committee or alteration of the share capital. See "History and Certain Corporate Matters" on page 88 of this Draft Red Herring Prospectus.

30. ***We are involved in certain legal proceedings and claims that, if determined against us, could adversely affect our business and financial condition.***

There are certain ongoing legal proceedings against us pending at different levels of adjudication before various courts and tribunals. Such litigation diverts management time and attention and consumes financial resources in their defence or prosecution. No assurance can be given as to whether these matters will be settled in our favour or against us. If we are held liable under any of these matters it may have an adverse effect on our business, financial condition and results of operations. See "Outstanding Litigation and Material Developments" on page 191 of this Draft Red Herring Prospectus.

31. ***We do not own our corporate and registered offices.***

We do not own the premises on which our corporate office and registered offices are located. Our corporate office is situated on premises rented from a APMM Group company and our registered office is situated on premises leased from GMB. If such leases are terminated, we may suffer a disruption in our operations and incur costs related to moving offices. See "Our Business – Properties" on page 81 of this Draft Red Herring Prospectus.

32. ***We have not applied for trademark registration of our logo.***

We have not applied for a trademark registration for the logo that appears on the cover page of this Draft Red Herring Prospectus. If we fail to successfully obtain or enforce our trademark, we may need to change our logo. Any such change could adversely affect our business and require us to incur additional costs.

33. ***Our results of operations could be adversely affected by strikes, work stoppages or increased wage demands by our employees.***

We have two labour unions at APM Terminals Pipavav. There was a strike for 11 days between July 5, 2002 and July 15, 2002 at our Port. While we consider our current labour relations to be satisfactory, there can be no assurance that we will not experience future disruptions to our operations due to disputes or other problems with our work force, which may adversely affect our business and results of operations. Additionally, any disruptions of transportation services due to weather-related problems, strikes (such as strikes by truckers), inadequacies in the road infrastructure and port facilities, or other events could impair our customers' ability to use our Port. Any such disruptions could adversely affect our business, financial condition and results of operations.

34. ***Some of our Promoters and Group companies have incurred losses in the last three fiscal years.***

Some of our Promoters and Group companies have incurred losses in the last three fiscal years as set forth in the tables below:

APM Terminals B.V.

(In USD million)

Particulars	**For the Year Ended December 31, 2008**	**2007**	**2006**
Profit/ (Loss) after tax	(55.55)	-	-

APM Terminals Mauritius Limited

(In USD million)

Particulars	**For the Year Ended December 31, 2008**	**2007**	**2006**
Profit/ (Loss) after tax	(11.24)	(13.47)	(8.72)

APM Terminals Mauritius Holdings Limited

(In USD million)

Particulars	**For the Year Ended December 31, 2008**	**2007**	**2006**
Profit/ (Loss) after tax	(0.009)	-	-

Loss making Group Companies

(In USD million)

S. No.	**Name of the Group Company**	**(Loss) after tax**		
		Year ended 2008	**Year ended 2007**	**Year ended 2006**
1.	APM Terminals Zeebrugge NV	(8.12)	(12.14)	(10.38)
2.	Egyptian International Cont Terminal S.A.	(0.45)	-	-
3.	Voltri Terminal 2 Srl	(0.37)	(0.16)	(0.38)
4.	Socimac SA	(0.54)	(0.69)	(0.69)
5.	Douala International Holding S.A.S.	(0.002)	-	-

S. No.	Name of the Group Company	(Loss) after tax		
		Year ended 2008	Year ended 2007	Year ended 2006
6.	West Africa Container Terminal (Nigeria) Ltd.	(0.02)	-	(0.96)
7.	Meridian Port Services Limited	-	(0.24)	(0.62)
8.	Meridian Port Holdings Limited	(0.35)	(0.63)	(0.31)
9.	Gateway Terminals India Private Limited	-	-	(13.97)
10.	APM Terminals Bahrain B.S.C.	-	(0.94)	(5.51)
11.	Mobile Container Terminal, LLC	(5.83)	(2.97)	(0.28)
12.	APM Terminals Argentina S.A	(0.18)	(0.34)	(0.21)
13.	APM Terminals (St. Lucia) Holding Ltd.	-	(0.01)	(0.01)
14.	Xiamen Songyu Container Terminal Co. Ltd	-	(2.40)	(1.82)
15.	Tianjin Port Alliance International Container Terminal Co, Ltd.	-	(1.72)	(1.08)
16.	Guangzhou South China Oceangate Container Terminal Co. Ltd.	(7.24)	(5.65)	(3.02)
17.	Cosco Ports (Nansha) Ltd.	(0.49)	(0.14)	(0.05)
18.	APM Terminals Yangshan Company Ltd	(6.29)	(0.13)	(2.02)
19.	APM Terminals China Co. Limited.	(1.42)	(0.63)	(0.75)
20.	APM Terminals Shanghai Co. Ltd.	(3.22)	(1.81)	(1.77)
21.	APM Terminals Dalian Company Limited	(0.59)	(0.47)	(0.36)
22.	APM Terminals Xiamen Co. Ltd	(6.66)	(4.18)	(0.76)
23.	APM Terminals Tianjin International Holding Ltd.	(1.85)	(1.90)	(0.17)
24.	APM Terminals Nansha Holding Ltd.	(1.97)	(3.99)	(2.98)
25.	Dalian Port Container Terminal Co. Ltd.	-	(0.07)	(1.10)
26.	APM Terminals Qingdao Holding Ltd.	(7.19)	(0.09)	-
27.	APM Terminals Shanghai International Holding Ltd.	(0.01)	(0.01)	-
28.	LCMT Company Ltd.	-	-	(0.35)
29.	APM Terminals Maasvlakte II B.V	(1.36)	-	-
30.	Sogester - Soc. Gestora de Terminais SA	-	(2.34)	-
31.	APM Terminals Dachan Holding Co. Limited	-	(0.16)	(0.01)
32.	APM Terminals North America B.V.	(0.003)	-	-
33.	APM Terminals Atlantic B.V.	(0.001)	-	-
34.	APM Terminals Mediterranean B.V.	(0.001)	-	-
35.	APM Terminals Arctic B.V.	(0.001)	-	-

See “Promoters and Promoter Group” and “Group Companies” on pages 109 and 116, respectively, of this Draft Red Herring Prospectus.

35. ***We have referred to the data derived from the market study report commissioned from Crisil.***

We have retained the services of an independent third party research agency, Crisil (part of Standard and Poor’s group), to prepare a research report on the port industry in India. The research study report prepared in December 2009 contains an analysis and assessment of the port industry in India, including ports on the western coast of India. However, this report is based upon various limitations and assumptions which are subjective and uncertain. There can be no assurance that the assumptions adopted by Crisil for the purposes of preparing their research report will prove to be accurate. If any of these assumptions are incorrect, the development of the port industry in India could be materially different from that set forth in this report.

Accordingly, investors are advised not to place undue reliance on the data derived from this report in their investment decisions.

36. ***There are outstanding litigations against our Company, its Directors, Promoter and Group Companies.***

There are outstanding legal proceedings involving our Company, its Directors, Promoter and the Group Companies. These proceedings are pending at different levels of adjudication before various courts, tribunals, enquiry officers and appellate tribunals. The brief details of such outstanding litigations are as follows:

Litigation against our Company

S. No.	Nature of the cases/ claims	No. of cases outstanding	Amount involved (In Rs. million)
1.	Criminal Cases	3	0.75
2.	Civil Proceedings	13	427.85
3.	Land related litigation	9	-
4.	Labour proceedings	14	0.21
5.	Arbitration Proceedings	1	204.74
6.	Income Tax Proceedings	3	17.04
7.	Notice issued to the Company	5	17.58
8.	Investor Complaints	1	-

Litigation against our Directors

S. No.	Name of Director	Nature of the cases/ claims	No. of cases outstanding	Amount involved (In Rs. million)
1.	Mr. Luis Miranda	Civil Proceedings	1	-
2.	Mr. Christian Moller Laursen	Civil Proceedings	1	-
3.	Mr. Dinesh Lal	Civil Proceedings	1	-

Risks Related to India and the Nature of our Business

37. ***Our business and results of operations are dependent on economic conditions in India and regional economic conditions and our rate of growth will be affected if the rate of economic development in India is less than the rate projected.***

We operate in India and are dependent on domestic, regional and global economic and market conditions. India is undergoing a period of rapid economic development and capital investment. We believe that our business should benefit from this development in India. However, our projected rate of growth for our business is only sustainable provided that the rate of economic development in India and growth in imports and exports do not slow down materially. Demand for our services may be adversely affected by an economic downturn in domestic, regional and global economies.

Recent global market and economic conditions have been unprecedented and challenging with tighter credit conditions and recession in most major economies continuing into 2009. Continued concerns about the systemic impact of potential long-term and wide-spread recession, geopolitical issues, the availability and cost of credit, and the global housing and mortgage markets have contributed to increased market volatility. These global market and economic conditions have had, and continue to have, an adverse effect on the Indian financial markets and the Indian economy in general, which has had, and may continue to have, a material adverse effect on our business, our financial performance and may adversely affect the prices of our Equity Shares.

There can be no assurance that future fluctuations of Indian economic or business cycles, whether or not related to global economic conditions, will not have an adverse effect on our operating results. Any slowdown in the Indian economy and in particular in the demand for bulk handling and logistics services may have an adverse effect on our financial condition and results of operations. In addition, increases in the prices of oil and petroleum products could result in increased inflation, thereby curtailing the purchasing power of our customers.

38. ***Our assets and operations are located in India and we are subject to regulatory, economic and political uncertainties in India and a significant change in the central and state governments' economic liberalization and deregulation policies could disrupt our business.***

We are incorporated in India, and our operations, assets and personnel are located in India. We intend to continue to develop and expand our facilities in India. In recent years, India has been following a course of economic liberalization and our business could be significantly influenced by economic policies adopted by the Government. Since 1991, successive Indian Governments have pursued policies of economic liberalization and financial sector reforms. The previous coalition-led Government implemented policies and took initiatives that supported the economic liberalization policies that had been pursued by prior Governments. The Government has at various times announced its general intention to continue India's current economic and financial liberalization and deregulation policies. However, Government corruption and protests against privatizations, which have occurred in the past, could slow the pace of liberalization and deregulation. The rate of economic liberalization could change, and specific laws and policies affecting foreign investment, currency exchange rates and other matters affecting investment in India could change as well.

The Government of India and the government of each state of India, including the GoG, have broad powers to affect the Indian economy and our business. In the past, the Government of India and state governments have used these powers to influence, directly and indirectly, Indian import/export trade. Examples of such measures include: (i) imposing import restrictions and customs duties on imported commodities, in particular on coal, (ii) granting concessions for operation of new ports and (iii) allocating Government of India and state government funding for infrastructure programmes. The Government of India also provided significant tax incentives and relaxed certain regulatory restrictions in order to encourage foreign investment in specified industries of the economy.

The new Government, which came to power in May 2009, is headed by the Indian National Congress. Although the previous Government (which was a coalition Government also headed by the Indian National Congress) had announced policies and taken initiatives that supported the economic liberalisation policies pursued by previous Governments, the rate of economic liberalisation could change, and specific laws and policies affecting foreign investment and other matters affecting investment in our securities could also change. While the new Government is expected to continue the liberalisation of India's economic and financial sectors and deregulation policies, there can be no assurance that such policies will be continued. Further, the Government has proposed the introduction of the Direct Tax Code 2009, which if legislated, will have an effect on the taxability of income from capital gains and other income.

A change in the Government's policies in the future could adversely affect business and economic conditions in India and could also adversely affect our financial condition and results of operations. A significant change in India's economic liberalisation and deregulation policies could disrupt business and economic conditions in India generally, and specifically those of the Company.

39. ***We may be adversely affected by increases in taxes and duties.***

Taxes and duties, including those taxes and duties on certain types of trade transactions and industries affecting the movement and transportation of goods in India, may affect our business, financial condition and results of operations. In 2006, the Government of India increased the service tax for all port handling and trucking businesses from 10.0% to 12.0%. In addition, the Minimum Alternate Tax has been increased from 10% to 15% for the year ending March 31, 2010. There can be no assurance that the current levels of taxes, tariffs and duties will not increase in the future, or that State Governments will not introduce additional levies, each of which may result in increased operating costs and lower income. To the extent additional levies are imposed, there can be no assurance that we will be able to pass such cost increases on to our customers.

40. ***Significant fluctuations in exchange rates between the Rupee and foreign currencies may have an adverse effect on our results of operations.***

While a substantial portion of our revenues will be denominated in Rupees, we may enter into certain engineering, procurement and construction contracts for our project development, the price of which could be denominated in foreign currencies. Our results of operations may be adversely affected if the Indian rupee fluctuates significantly against foreign currencies or if our hedging strategy is unsuccessful. To the extent that our income and expenditures are not denominated in Indian rupees, despite us entering into foreign exchange hedging contracts from time to time, exchange rate fluctuations could affect the amount of income and expenditure we recognise. In addition, the policies of the Reserve Bank of India may also change from time to time, which may limit our ability to hedge our foreign currency exposures adequately.

41. ***Our ability to raise foreign capital may be constrained by Indian law.***

As an Indian company, we are subject to exchange controls that regulate borrowing in foreign currencies. Such regulatory restrictions limit our financing sources for the development of our Port and hence could constrain our ability to obtain financings on competitive terms and refinance existing indebtedness. In addition, there can be no assurance that the required approvals will be granted to us without onerous conditions, or at all. Limitations on foreign debt may have an adverse effect on our business growth, financial condition and results of operations.

42. ***Any downgrading of India's debt rating by a domestic or international rating agency could adversely affect our business.***

Any adverse revisions to India's credit ratings for domestic and international debt by domestic or international rating agencies may adversely affect our ability to raise additional financing, and the interest rates and other commercial terms at which such additional financing is available. This could harm our business and financial performance, ability to obtain financing for capital expenditures and the price of our Equity Shares.

43. ***The international nature of our business exposes us to several risks.***

Although our operations are in India, we service customers from around the world, including Asia, Europe and North America. As a result, we are exposed to risks typically associated with conducting business internationally, many of which are beyond our control. These risks include:

- social, political or regulatory developments that may result in an economic slowdown in any of these regions;
- legal uncertainty owing to the overlap of different legal regimes, and problems in asserting contractual or other rights across international borders;
- potentially adverse tax consequences;
- potential tariffs and other trade barriers;
- changes in regulatory requirements;
- the burden and expense of complying with the laws and regulations of various jurisdictions; and
- acts of hostility, violence or war.

The occurrence of any of these events could have an adverse effect on our results of operations and financial condition.

44. ***An outbreak of an infectious disease or any other serious public health concerns in Asia or elsewhere could have an adverse effect on our business and results of operations.***

The outbreak of an infectious disease in Asia or elsewhere or any other serious public health concerns in areas where we or our customers may be located may affect demand for the services of our Port. In addition, these factors may affect our employees' living or working in the affected areas and thus reduce their productivity, resulting in an adverse effect on our business and operations. The potential impact of a natural disaster such as the H5N1 "avian flu" virus, or H1N1, the "swine flu" virus, on our results of operations and financial condition is highly speculative, and would depend on numerous factors. We cannot assure prospective investors that such events will not occur in the future or that our results of operations and financial condition will not be adversely affected.

45. ***If more stringent labour laws or other industry standards in the jurisdictions in which we operate become applicable to us, our profitability may be adversely affected.***

We are subject to a number of stringent labour laws and restrictive contractual covenants related to levels of employment. India has stringent labour legislation that protects the interests of workers, including legislation that sets forth detailed procedures for dispute resolution and employee removal, payment of overtime to employees and legislation that imposes financial obligations on employers upon retrenchment. In addition, the Government of India is considering introducing a reservation policy to the private sector in India, pursuant to which all private sector companies operating in India would be required to reserve a certain percentage of jobs for the economically underprivileged population in the states where such companies are incorporated. Further, the Government of India has also proposed caste-based reservations in private sector companies. If such policies are adopted, our ability to hire employees of our choice may be affected due to restrictions on our pool of potential employees and competition for these employees.

If labour laws become more stringent or are more strictly enforced, it may become difficult for us to maintain flexible human resource policies, discharge employees or downsize, any of which could adversely affect our business, results of operations, financial condition and cash flows.

46. ***Acts of violence involving India, the United States, the United Kingdom or other countries could adversely affect the financial markets, result in a loss of customer confidence and adversely affect our business, results of operations, financial condition and cash flows.***

Certain events that are beyond our control, including the attacks in Mumbai in November 2008, in London in July 2005, in New Delhi on December 13, 2001 and in New York City and Washington, D.C. on September 11, 2001, and other acts of violence or war, including those involving India, the United Kingdom, the United States or other countries, may adversely affect worldwide financial markets and could potentially lead to economic recession or loss of investor confidence, which could adversely affect our business, results of operations, financial condition and cash flows, and more generally, any of these events could lower confidence in India's economy. Southern Asia has, from time to time, experienced instances of civil unrest and political tensions and hostilities among neighbouring countries, including India, Pakistan and China. The terrorist attack in Mumbai in 2008 led to an escalation of political tensions between India and Pakistan. Political tensions could create a perception that there is a risk of disruption of operations provided by India-based companies, which could have an adverse effect on the market for our services. Further, if India were to become engaged in armed hostilities, particularly hostilities that were protracted or involved the threat or use of nuclear weapons, we might not be able to continue to operate.

47. ***Our inability to create mortgages on land leased from the GoG could have an adverse affect on our results of operations.***

In addition to the land we received pursuant to the terms of the Concession Agreement from GMB, we leased an additional approximately 395 acres of land from the GoG. However, we do not have authority to create mortgages on the property without the prior approval of the GoG. While we have submitted an application to the District Collector, Amreli, on April 1, 2009 seeking approval to create a mortgage, the application is still pending. Our lenders have granted us time until December 31, 2009 to complete the process of creating security, however in case the approval from the GoG is not received in time, the lenders, at their discretion, can charge penal interest of 1.0% per annum on the amount of debt drawn. In case we are unable to create security on or before December 31, 2009 and our lenders do not waive their right to levy penal interest, our results of operations could be adversely affected.

48. ***Significant land-related disputes could hamper our expansion and development activities*.**

We are involved in certain significant land-related disputes which are pending in various courts in India. If any of these disputes are resolved against us, we could face difficulties in pursuing our expansion plans and development activities which could have an adverse impact on our business, financial condition and results of operations. See "Outstanding Litigation and Other Material Developments" on page 191 of this Draft Red Herring Prospectus.

Risks Related to this Issue

49. ***After this Issue, the price of Equity Shares may be volatile and an active trading market for the Equity Shares may not develop.***

The prices of the Equity Shares on the Indian stock exchanges may fluctuate after this Issue as a result of several factors, including volatility in the Indian and global securities market our operations and performance, performance of our competitors, and the perception in the market about investments in the port industry adverse media reports about us or the port industry changes in the estimates of our performance or recommendations by financial analysts, significant developments in India's economic liberalisation and deregulation policies and significant developments in India's fiscal regulations.

There has been no public market for the Equity Shares and there can be no assurance that an active trading market for the Equity Shares will develop or be sustained after this Issue, or that the prices at which the Equity Shares are initially traded will correspond to the prices at which the Equity Shares will trade in the market subsequent to this Issue.

50. ***There is no guarantee that the Equity Shares will be listed on the BSE and the NSE in a timely manner or at all, and any trading closures at the BSE and the NSE may adversely affect the trading price of our Equity Shares.***

In accordance with Indian law and practice, permission for listing of the Equity Shares will not be granted until after those Equity Shares have been issued and allotted. Approval requires all other relevant documents authorizing the issuing of Equity Shares to be submitted. There could be a failure or delay in listing the Equity Shares on the BSE and the NSE. Any failure or delay in obtaining the approval would restrict your ability to dispose of your Equity Shares.

The regulation and monitoring of Indian securities markets market participants differ, in some cases significantly, from those in Europe and the U.S. The BSE and the NSE have in the past experienced problems, including temporary exchange closures, broker defaults, settlements delays and strikes by brokerage firm employees, which, if continuing or recurring, could affect the market price and liquidity of the securities of Indian companies, including the Equity Shares, in both domestic and international markets. A closure of, or trading stoppage on, either of the BSE or the NSE could adversely affect the trading price of the Equity Shares.

51. ***Because the initial public offering price per Equity Share is higher than our book value per Equity Share, purchasers in this Issue will immediately experience a dilution in net tangible book value.***

Purchasers of our Equity Shares will experience an immediate dilution in net tangible book value per share from the initial public offering price per Equity Share. After giving effect to the issuance of [●] Equity Shares in this Issue, and following the deduction of underwriting discounts and commissions and estimated offering expenses payable by us and the application of the net proceeds, our pro forma as adjusted net tangible book value as of September 30, 2009, would have been Rs. [●] million, or Rs. [●] per Equity Share. This represents an immediate dilution in pro forma net tangible book value of Rs. [●] per Equity Share to new investors purchasing Equity Shares in this Issue. Substantial future sales of our Equity Shares in the public market could cause our share price to fall.

52. ***Any future issuance of Equity Shares may dilute your shareholding and sale of our Equity Shares by our Promoters or other major shareholders may adversely affect the trading price of Equity Shares.***

Any future equity issuances by us, including in a primary offering or pursuant to a preferential allotment or issuances of stock options under employee stock option plans, or any perception by investors that such issuances or sales might occur may lead to the dilution of investor shareholding in our Company or affect the trading price of the Equity Shares and could affect our ability to raise capital through an offering of our securities. Any future equity issuances by us or sales of our Equity Shares by our Promoter or other major shareholders may also adversely affect the trading price of the Equity Shares.

Notes to Risk Factors

1. Investors may contact any of the BRLMs and CBRLM who have submitted due diligence certificates to SEBI for complaints, information or clarifications pertaining to the Issue.

2. Public Issue of [●] Equity Shares of Rs. 10 each of our Company for cash at a price of Rs. [●] per Equity Share (including a share premium of Rs. [●] per Equity Share) aggregating to Rs. 5,000 million and an Offer for Sale of upto 11,707,369 Equity Shares by the Selling Shareholders. The Issue includes an Employee Reservation Portion of upto [●] Equity Shares of Rs. 10 each, aggregating to Rs. 100 million. The Issue will constitute [●]% of the post Issue paid up capital of our Company. The Net Issue will constitute [●]% of the post Issue paid up capital of our Company. Our Company is considering a Pre-IPO Placement of an amount aggregating to Rs. [●] million with various investors. The Pre-IPO Placement is at the discretion of our Company and will be out of the Fresh Issue portion. The Pre-IPO Placement shall be at a price to be decided by Company. Our Company will complete the issuance and allotment of such Equity Shares pursuant to the Pre-IPO Placement prior to the filing of the Red Herring Prospectus with the RoC. If the Pre-IPO Placement is completed, the Fresh Issue portion and the Issue size would be reduced to the extent of such Pre-IPO Placement, subject to a minimum Net Issue of 10% of the post Issue paid-up capital being available for allocation to the public.

3. In terms of Rule 19 (2) (b) of the SCRR, this is an Issue for less than 25% of the post–Issue capital, therefore, the Issue is being made through the 100% Book Building Process wherein at least 60% of the Net Issue shall be Allotted to QIBs on a proportionate basis. Provided that, our Company may, allocate up to 30% of the QIB Portion to Anchor Investors at the Anchor Investor Issue Price on a discretionary basis, out of which at least one-third will be available for allocation to Mutual Funds only. In the event of under-subscription in the Anchor Investor Portion, the balance Equity Shares shall be added to the Net QIB Portion. 5% of the Net QIB Portion shall be available for allocation to Mutual Funds on a proportionate basis. The remainder of the Net QIB Portion shall be available for allocation on a proportionate basis to QIBs and Mutual Funds, subject to valid Bids being received from them at or above the Issue Price. If at least 60% of the Net Issue cannot be allocated to QIBs, then the entire application money will be refunded forthwith. Further, not less than 10% and 30% of the Net Issue will be available for allocation on a proportionate basis to Non-Institutional Bidders and Retail Individual Bidders, respectively subject to valid Bids being received at or above the Issue Price.

4. For details of the related party transactions entered into by our Company with the Group Companies, please see the section entitled "Related Party Transactions" on page 122 of this Draft Red Herring Prospectus.

5. The average cost of acquisition of per Equity Share by the Promoters, which has been calculated by taking the average amount paid by them to acquire the Equity Shares, is 44.30.

6. Our Company's net worth as at September 30, 2009 was Rs. 2,496.20 million.

7. The net asset value per Equity Share was Rs. 8.41 as at September 30, 2009 as per our Company's audited financial statements.

8. For information on the interests of our Company's Directors and Key Management Personnel, see "Management" beginning on page 96 of this Draft Red Herring Prospectus. For more information on the interests of our Company's Promoters and promoter Group Entities, see "Promoters and Promoter Group" and "Group Companies" beginning on page 109 and 116 respectively of this Draft Red Herring Prospectus.

9. Except as disclosed in "Capital Structure" beginning on page 21 of this Draft Red Herring Prospectus, our Company has not issued any Equity Shares for consideration other than cash.

10. Trading in the Equity Shares shall be in dematerialised form only.

SECTION III – INTRODUCTION

SUMMARY OF BUSINESS, STRENGTHS AND STRATEGY

Overview

We are the developer and operator of APM Terminals Pipavav, India's first private sector port, which has multi-cargo and multi-user operations. We have the exclusive right to develop and operate APM Terminals Pipavav and related facilities until September 2028 pursuant to the Concession Agreement with GMB and the GoG.

We are promoted by APM Terminals, one of the largest container terminal operators in the world with a global network of 49 terminals in 32 countries and five continents. In the year ended December 31, 2008, APM Terminals handled 34.0 million TEUs and had revenues of over US$ 3.00 billion. Since acquisition of management control by APM Terminals in March 2005, we have expanded facilities to handle up to 0.60 million TEUs of container cargo as well as approximately five million tonnes of bulk cargo per year, which varies depending on the type of cargo handled. Presently, APM Terminals owns a 57.9% equity interest in us.

APM Terminals Pipavav is one of the principal gateways on the west coast of India and is located in the Saurashtra region of the state of Gujarat. APM Terminals Pipavav is an all weather port and is protected by two islands, which act as a natural breakwater maximizing port safety. We are principally engaged in providing port handling and marine services for: (i) container cargo, (ii) bulk cargo, and (iii) LPG cargo. In addition, we operate a CFS and also generate revenue from land-related and infrastructure activities.

We commissioned the first jetty and commenced cargo handling operations at APM Terminals Pipavav in November 1996. We commenced container handling activities in April 1998 and obtained the exclusive right to develop and operate APM Terminals Pipavav and related facilities under the Concession Agreement on September 30, 1998. We commenced comprehensive commercial port operations in April 2002. See “History and Certain Corporate Matters” beginning on page 88 of this Draft Red Herring Prospectus.

APM Terminals Pipavav currently accepts vessels with up to 14.5 metre draught at chart datum and deploys three tugs for providing pilotage and towage services. We have four berths with a total length of 1,075 metres used for handling bulk and containerised cargo and an LPG berth with a service deck of 65 metres and a length between extreme mooring dolphins of 308 metres. The 4,550 metre channel length at the Port allows day and night marine operations throughout the year. We have also created extensive support infrastructure to handle container, bulk and LPG cargo, such as container yards, yard handling equipment, quay cranes, rubber-tyred gantry cranes, paved rail sidings, warehouses, open stackyards and a port users’ building to accommodate the offices of custom house agents, stevedores’ agents and shipping lines.

In the years ended December 31, 2006, 2007 and 2008, APM Terminals Pipavav handled 2.15, 1.66 and 2.07 million tonnes of bulk cargo and 0.13 million TEUs, 0.19 million TEUs and 0.20 million TEUs of container cargo, respectively. In the nine month period ended September 30, 2009, APM Terminals Pipavav handled 2.38 MTs of bulk cargo and 0.21 million TEUs of container cargo.

APM Terminals Pipavav is strategically located near the entrance of the Gulf of Khambhat (formerly known as the Gulf of Cambay) on the main maritime trade routes, which helps us to serve imports from and exports to the Middle East, Asia, Africa, the United States, Europe and other international destinations. A wide range of customers use our port facilities. Our key customers in container cargo include shipping lines such as Maersk Line, Mitsui O.S.K Lines, Safmarine Container Lines, Samudera Shipping Line Limited, Shreyas Shipping and Logistics Limited, Hyundai Merchant Marine India Private Limited, The Shipping Corporation of India Limited, Emirates Shipping Line, Malaysia International Shipping Corporation, Orient Overseas Container Line Limited and United Arab Shipping Company. We also handle a variety of dry bulk and break bulk cargo such as coal, cement, clinker, gypsum, fertilisers, steel, steel scrap, iron ore, agricultural products, salt and soda ash. Some of our key customers in dry bulk and break bulk cargo are Indian Potash Limited, Bhatia International Limited, Gujarat Heavy Chemicals Limited and Ultratech Cement.

Our operating revenue for the nine month period ended September 30, 2009 was Rs. 1,508.60 million. Container cargo and bulk cargo services accounted for 48.0% and 44.5%, respectively, of our operating revenue for the nine month period ended September 30, 2009.

Our Competitive Strengths

We believe that our future success will be principally attributable to the following competitive strengths:

We are strategically located to serve the growing demand of the landlocked northern and northwestern regions of India

We are in a strategic position to serve the landlocked northern and northwestern regions of India, which have experienced and are expected to continue experiencing significant manufacturing and trade growth. For example, we are closer than JNPT for traffic heading to or coming from northern and northwestern India. These regions currently generate 66.0% of the total container throughput in India propelling significant container volume growth at the ports located on the west coast. We believe that the general economic growth in these regions as well as the growth in demand for cargo services (in particular containerised cargo), provide a strong and growing market for our services.

We enjoy natural location advantages

APM Terminals Pipavav is one of a small number of deep draught gateways on the west coast of India. It is strategically located near the entrance of the Gulf of Khambhat on the main maritime trade routes, which helps us to serve imports from and exports to the Middle East, Asia, Africa and other international destinations.

The wave height in the harbour does not generally exceed 0.5 metres at the berth, and the water currents are between two and a half and three knots during peak tidal condition. These favourable oceanographic conditions enable day and night navigation of ships throughout the year. APM Terminals Pipavav currently has a vessel acceptance draught of 14.5 metres, with outer channel depth of 14.5 metres and turning basin depth of 13.5 metres at chart datum. Our bulk and multi-purpose jetties have a depth of 13.5 metres at chart datum and liquid and container jetties have a depth of 15.5 metres at chart datum. APM Terminals Pipavav has handled bulk vessels carrying approximately 81,600 MTs of bulk cargo and container vessels of 6,200 TEUs capacity.

Our principal location advantages can be summarised as follows:

- APM Terminals Pipavav offers shorter transit times to northwest India for cargo than the ports in Mumbai due to our position near the entrance of the Gulf of Khambhat on the main maritime trade routes in the Arabian Sea.

- APM Terminals Pipavav provides significant logistic and cost advantages to shipping lines that service both the Mumbai area and the developing northern and north western regions of India. Due to its proximity to Mumbai, shipping lines have the flexibility to make an additional call to Pipavav and cater to cargo coming from the north western belt.

- APM Terminals Pipavav is an all weather port and is protected by two islands, which act as a natural breakwater maximizing Port safety.

- APM Terminals Pipavav is located in proximity to the major agriculture-based product export markets of the Saurashtra region.

- The Port layout allows for expansion by way of construction of additional jetties.

We have good road and rail connectivity

We believe that the existing road and rail network from APM Terminals Pipavav to inland regions of northern and northwestern India, including Delhi, and the available land for future transportation initiatives provides us with a competitive advantage for attracting larger volumes of cargo.

APM Terminals Pipavav is connected to the Indian Railways network through an approximately 269 kilometre-long dedicated broad gauge railway link maintained by PRCL, which is 38.8% owned by us. India's first double stack container rake service, with a capacity of 180 TEUs, was provided by PRCL and started operations between APM Terminals Pipavav and Inland Container Depot at Kanakpura (Jaipur) in March 2006. The double stack container train lowers rail freight costs for our customers and ensures faster evacuation of containers from the Port. Indian Railways plans to extend the double stack container rake service further up to the North Indian Inland Container Depots, which will further reduce transportation time for cargo coming to or leaving APM Terminals Pipavav.

Our Port also has a four lane road link of approximately 10 km to National Highway-8E for transporting cargo to and from the Port. The road distances from the Port to key tradings hubs such as Ahmedabad, Jaipur and Delhi are 302 km, 873 km, and 1,115 km, respectively.

We benefit from our relationship with our Promoter, APM Terminals, and its parent, APMM Group

APM Terminals is one of the largest container terminal operators in the world with a global terminal network of 49 terminals in 32 countries and five continents. In the year ended December 31, 2008, APM Terminals handled 34.0 million TEUs and had revenues of over US$ 3.00 billion. APM Terminals is part of APMM Group, which had revenues of US$61.2 billion for the year ended December 31, 2008.

We receive benefits from our relationship with APM Terminals such as access to modern technology, operational know-how, best industry practices, increased bargaining power and competitive rates for purchase of port equipment, and access to experienced personnel resources from APM Terminals. Our employees also attend management and staff development programs organised by APM Terminals to develop and improve competencies with respect to operational and technical skills. In addition, periodic business audits and financial audits of our operations are conducted by APM Terminals and APMM Group, respectively.

From APMM Group, we receive benefits such as developing business with shipping lines and assistance in developing relationships with third parties in the shipping industry. Maersk Line and Safmarine Container Lines, each part of APMM Group and both strategic customers of APM Terminals, are also among our largest customers and operate regular cargo shipping services from our Port to international destinations, including the Middle East, Europe and the United States. For the years ended December 31, 2006, 2007, 2008 and the nine month period ended September 30, 2009, APMM Group accounted for approximately 36.8%, 34.2%, 22.5% and 28.0% of our operating revenues, respectively.

We have a well-developed port infrastructure

APM Terminals Pipavav has a well-developed port infrastructure. The 4,550 metre channel length at the Port enables day and night marine operations throughout the year due to favourable oceanographic conditions. We have four berths with a total length of 1,075 metres used for handling bulk and containerised cargo and an LPG berth with a service deck of 65 metres and a length between extreme mooring dolphins of 308 metres, which assists in berthing of large vessels.

We have deployed a mobile-harbour crane and a rail mounted crane for the efficient handling of dry bulk and break bulk cargo. We have also installed weighbridges to support the bulk cargo operations, including an in-motion weighbridge on rails. We have converted our harbour crane from fuel-based to electric, thus saving on cost and reducing pollution. The coal yard at APM Terminals Pipavav has a state-of-the-art dust suppression system that is fed directly from the bulk-handling berths through a conveyor system.

Our container berth is equipped with eight quay cranes to handle ship-to-shore operations. These cranes can also be used for handling bulk cargo by replacing the grab, which increases their efficiency. Our container yard is equipped with 18 RTGs, including 10 eco-friendly RTGs, which are expected to achieve fuel savings of up to 45.0% as compared to regular RTGs. We have deployed reach stackers for operations to be carried out at the dedicated container rail siding. We have also developed infrastructure for reefer services which include supply of electricity and monitoring of reefer containers. Our quay crane productivity in relation to mainline vessels calling at our Port has been 21.63 moves per hour ("mph") and 24.66 mph for the year ended December 31, 2008 and the nine month period ended September 30, 2009, respectively.

We have access to land and extensive support infrastructure which provide significant resources for future expansion

We have the right to develop approximately 1,561 acres of land at APM Terminals Pipavav. We have developed approximately 485 acres and plan to utilize the balance of our undeveloped land for further expansion of our port operations, including for additional berthing and cargo handling facilities both at the waterfront and in the back-up areas. The Port has extensive shore-based area to allow development of back-up infrastructure and allied industries. We believe that our available land will help us expand the market for our port services and provide sufficient resources for future expansion. We have entered into a transportation and traffic guarantee agreement with PRCL and are presently in discussions with parties interested in establishing key land-related infrastructure facilities for setting up CFS warehouses and support infrastructure for offshore business companies. We have also developed support infrastructure to enable handling container, bulk and LPG cargo businesses through our container yards, yard handling equipment, quay cranes, fully paved rail sidings, warehouses, open stack yards and two office buildings to help accommodate the commercial offices of shipping lines, custom house agents and stevedoring agents.

We have an experienced management team

We are led by experienced and highly qualified professionals and also benefit from access to APM Terminal's experienced personnel resources. We have also been able to successfully attract senior managerial and technical executives. Our management team has an established track record and knowledge in the Indian and international port and shipping industry. Our present management has demonstrated its ability to significantly grow the business despite the challenging environment. We believe that our management's expertise in managing growth and successfully implementing projects provides us with significant competitive advantages. See "Management" beginning on page 96 of this Draft Red Herring Prospectus.

We enjoy operational and commercial flexibility compared to the Major Ports

APM Terminals Pipavav is not covered by the regulatory purview of the Tariff Authority of Major Ports, and is therefore entitled to determine the tariffs at the Port, subject to the provisions of the Indian Ports Act, 1908, as amended. Our ability to determine tariff rates helps us compete effectively with the Major Ports. In addition, we have flexibility in providing, and pricing, additional value-added services.

We have the ability to handle diverse cargo portfolio

We believe that by outfitting APM Terminals Pipavav to handle a diverse cargo portfolio, we have both minimized our business risks and established operational synergies and economies of scale. Among other things, such diversity makes us less dependent on demand for any particular commodity, and less subject to seasonality in our business.

Our Strategy

We intend to capitalise on our strategic location, developed port infrastructure and high quality service to develop into the leading port operator in Gujarat. In order to grow our cargo volume and to strengthen our market position in India, we primarily rely on the following strategies:

Utilise our existing infrastructure to increase cargo volumes

We intend to optimally utilise current infrastructure at APM Terminals Pipavav. In case of bulk cargo, we plan to pursue long-term strategic arrangements for the use of APM Terminals Pipavav. We believe that strategic relationships through long-term contractual agreements will enhance our business prospects by bringing stable and increased cargo traffic in the future while our continued use of short-term contracts will allow us to capitalise on market spot rates and take advantage of high growth markets. In case of our container cargo business, we intend to further develop our relationship with existing customers and attract new major shipping lines. We believe that growth in our cargo handling operations will also contribute to an increase in rail traffic handled by PRCL.

We also plan to continue to attract investments from port-based industries by further developing APM Terminals Pipavav into a total service provider. We will also continue to benefit from the global relationships and marketing strategies of APM Terminals to capture substantial growth in business volumes and continue to increase our market share in both the container and bulk cargo businesses.

Continue to improve our operating efficiency, quality of service and overall competitiveness

We will continue to strive to improve the operating efficiency and capacity of our existing facilities by continuing to invest in technologically-advanced handling equipment and improving the efficiency of our loading, unloading and stacking operations and our overall margins. In order to increase our operating efficiency and competitiveness, we have also outsourced certain port handling operations to other services providers, including to our affiliates.

We believe our customers value our efficiency, health and safety standards, high quality services and responsiveness to changing trade patterns. Our aim is to be the port of choice on the northwest coast of India by offering timely, efficient and high quality services. We are committed to provide berthing facilities for large bulk carriers and container vessels in line with international shipping industry standards.

Develop land to support the growth of our port operations and attract third parties interested in sub-leases

We have the right to develop approximately 1,561 acres of land at APM Terminals Pipavav. We have developed approximately 485 acres and plan to utilise the balance of our undeveloped land for further expansion of our port operations, including for additional berthing and cargo handling facilities both at the waterfront and in the back-up areas. In order to utilise available waterfront and land area, we also intend to develop and sub-lease land to third parties, including those interested in establishing facilities that utilise our Port, its infrastructure and related services.

SUMMARY OF FINANCIAL INFORMATION

The following tables set forth summary financial information derived from our Company's restated financial statements as of and for the years ended December 31, 2008, 2007, 2006, 2005, 2004 and nine months ended September 30, 2009. These financial statements have been prepared in accordance with Indian GAAP, the Companies Act and the SEBI Regulations and presented under the section titled "Financial Information" beginning on page 134 of this Draft Red Herring Prospectus. The summary financial information presented below should be read in conjunction with our Company's restated stand-alone and consolidated financial statements and notes thereto presented under the section titled "Financial Information" and the section titled "Management's Discussion and Analysis of Financial Condition and Results of Operations" on pages 134 and 170 respectively of this Draft Red Herring Prospectus.

STATEMENT OF RESTATED ASSETS AND LIABILITIES

(Rs. millions)

PARTICULARS	As at 30-Sept-09	As at 30-Sept-08	As at 31-Dec-08	As at 31-Dec-07	As at 31-Dec-06	As at 31-Dec-05	As at 31-Mar-05	As at 31-Mar-04
Fixed Assets								
Gross Block	15,137.35	10,532.40	11,612.59	8,690.18	8,778.01	6,801.82	6,723.73	6,235.05
Less: Accumulated depreciation	1,976.15	1,532.30	1,648.63	1,280.95	1,074.24	891.94	733.72	542.22
Less: Asset impairment	1,375.23	1,375.23	1,375.23	1,375.23	1,593.52	1,603.93	1,603.93	1,603.93
Net Block	**11,785.97**	**7,624.87**	**8,588.73**	**6,034.00**	**6,110.25**	**4,305.95**	**4,386.08**	**4,088.90**
Capital Work in Progress including Capital Advances	**1,408.61**	**2,110.56**	**1,638.31**	**3,090.23**	**791.34**	**498.63**	**102.53**	**170.98**
Investments	**830.00**	**830.00**	**830.00**	**780.00**	**780.00**	**780.00**	**570.00**	**-**
Current Assets, Loans and Advances								
Inventories	62.14	52.02	47.37	45.47	26.66	14.00	18.21	11.62
Sundry Debtors	188.53	57.98	75.12	34.47	97.29	42.99	28.85	7.00
Unbilled revenue	11.00	-	-	-	-	-	-	-
Cash and bank balances	590.91	1,418.60	1,700.21	2,545.21	480.84	820.13	95.22	33.49
Other Current Assets	49.49	104.41	103.11	102.83	19.99	14.87	-	49.75
Loans and Advances	676.11	300.33	494.07	370.06	316.52	372.90	306.75	410.66
Total	**1,578.18**	**1,933.34**	**2,419.88**	**3,098.04**	**941.30**	**1,264.89**	**449.03**	**512.52**
Liabilities and Provisions								
Secured Loans	10,409.26	6,072.49	6,570.92	5,888.60	5,858.37	3,844.39	3,625.64	3,704.21
Unsecured loans	1,118.67	333.27	844.00	279.81	-	137.50	285.00	52.86
Deferred Tax liabilities (net)	-	-	-	-	-	-	-	-
Current liabilities	1,278.79	1,823.12	1,892.83	1,758.84	1,375.64	1,215.09	1,261.19	538.63
Provisions	326.84	322.21	328.21	481.57	453.88	285.83	277.36	180.72
Total	**13,133.56**	**8,551.09**	**9,635.96**	**8,408.82**	**7,687.89**	**5,482.81**	**5,449.19**	**4,476.42**
Net worth	**2,469.20**	**3,947.68**	**3,840.96**	**4,593.45**	**935.00**	**1,366.66**	**58.45**	**295.98**
Net worth represented by								
Share Capital	**2,937.00**	**3,454.80**	**3,454.80**	**3,454.80**	**2,618.76**	**2,481.26**	**2,118.76**	**1,600.96**
Reserves and Surplus								
Securities Premium Account	6,973.07	7,205.09	7,205.09	7,205.09	3,872.49	3,873.04	2,421.94	2,421.94
Less: Premium on redemption	29.07	219.00	232.02	176.27	126.01	75.74	37.87	-
Securities Premium Account	6,944.00	6,986.09	6,973.07	7,028.82	3,746.48	3,797.30	2,384.07	2,421.94
Profit and Loss Account	(7,411.80)	(6,493.21)	(6,586.91)	(5,890.17)	(5,430.24)	(4,911.90)	(4,444.38)	(3,726.92)
Reserves & Surplus	**(467.80)**	**492.88**	**386.16**	**1,138.65**	**(1,683.76)**	**(1,114.60)**	**(2,060.31)**	**(1,304.98)**
Net worth	**2,469.20**	**3,947.68**	**3,840.96**	**4,593.45**	**935.00**	**1,366.66**	**58.45**	**295.98**

Note:
The above statement should be read with Notes to the Summary of Statements of Restated Assets and Liabilities, Profits and Losses and Cash Flows, as restated under Indian GAAP (Refer Annexure IV).

STATEMENT OF RESTATED PROFITS AND LOSSES

(Rs. millions)

PARTICULARS	9 months ended 30-Sept-09	9 months ended 30-Sept-08	12 months ended 31-Dec-08	12 months ended 31-Dec-07	12 months ended 31-Dec-06	9 months ended 31-Dec-05	12 months ended 31-Mar-05	12 months ended 31-Mar-04
Income								
Operating Revenue	1,508.60	1,215.58	1,674.89	1,516.04	1,349.63	676.23	762.07	492.52
Other Income	44.66	168.94	308.44	133.60	74.58	25.50	22.97	37.64
Total Income	**1,553.26**	**1,384.52**	**1,983.33**	**1,649.64**	**1,424.21**	**701.73**	**785.04**	**530.16**
Less: Expenditure								
Operating expenses	627.76	460.09	609.36	597.26	487.40	230.00	259.45	224.95
Repairs and maintenance	101.40	133.11	150.98	112.31	138.81	46.26	42.11	27.43
Staff cost	180.79	151.18	202.40	138.35	106.30	61.71	61.94	64.21
Administrative and other expenses	354.83	439.42	588.91	543.86	414.34	358.11	377.40	172.34
Borrowing cost	781.50	547.60	754.82	404.65	468.20	310.03	438.73	410.40
Depreciation / Amortisation	330.96	253.61	369.97	272.04	241.48	161.42	192.87	249.34
Impairment loss on fixed assets	-	-	-	-	-	-	-	1,603.93
Total expenditure	**2,377.24**	**1,985.01**	**2,676.44**	**2,068.47**	**1,856.53**	**1,167.53**	**1,372.50**	**2,752.60**
Profit / (Loss) before exceptional item and tax	**(823.98)**	**(600.49)**	**(693.11)**	**(418.83)**	**(432.32)**	**(465.80)**	**(587.46)**	**(2,222.44)**
Exceptional item	-	-	-	38.55	83.58	-	130.00	97.51
Profit / (Loss) before tax	**(823.98)**	**(600.49)**	**(693.11)**	**(457.38)**	**(515.90)**	**(465.80)**	**(717.46)**	**(2,319.95)**
Provision for tax								
Current Tax (including fringe benefits tax)	0.91	2.55	3.63	2.84	2.44	1.72	-	-
Deferred Tax	-	-	-	-	-	-	-	(24.47)
Total Provision for Tax	**0.91**	**2.55**	**3.63**	**2.84**	**2.44**	**1.72**	**-**	**(24.47)**
Net Profit / (Loss) as restated	**(824.89)**	**(603.04)**	**(696.74)**	**(460.22)**	**(518.34)**	**(467.52)**	**(717.46)**	**(2,295.48)**
Profit / (Loss) at the beginning of the period / year	(6,586.91)	(5,890.17)	(5,890.17)	(5,430.24)	(4,911.90)	(4,444.38)	(3,726.92)	(1,431.44)
Less: Reversal on account of transitional gratuity liability	-	-	-	(0.29)	-	-	-	-
Balance available for appropriation, as restated	**(7,411.80)**	**(6,493.21)**	**(6,586.91)**	**(5,890.17)**	**(5,430.24)**	**(4,911.90)**	**(4,444.38)**	**(3,726.92)**
Appropriations	-	-	-	-	-	-	-	-
Balance carried forwards restated	**(7,411.80)**	**(6,493.21)**	**(6,586.91)**	**(5,890.17)**	**(5,430.24)**	**(4,911.90)**	**(4,444.38)**	**(3,726.92)**

Note:

The above statement should be read with Notes to the Summary of Statements of Restated Assets and Liabilities, Profits and Losses and Cash Flows, as restated under Indian GAAP (Refer Annexure IV).

THE ISSUE

Issue of Equity Shares#	Rs. [●] million*
Employee Reservation Portion#	Rs. 100 million
Therefore	
Net Issue to the Public#	Rs. [●] million
Of which:	
Fresh Issue by our Company	Rs. 5,000 million
Offer for Sale by the Selling Shareholders	Upto 11,707,369 Equity Shares
Of which:	
QIB Portion**	At least Rs. [●] million*
of which	
Available for Mutual Funds only	At least Rs. [●] million*
Balance of QIB Portion (available for QIBs including Mutual Funds)	Rs. [●] million*
Non-Institutional Portion	Not less than Rs. [●] million*
Retail Portion	Not less than Rs. [●] million*
Pre and post-Issue Equity Shares	
Equity Shares outstanding prior to the Issue	314,864,019 Equity Shares
Equity Shares outstanding after the Issue	[●] Equity Shares
Use of Issue Proceeds	
See the section titled "Objects of the Issue" on page 35 of this Draft Red Herring Prospectus for information about the use of the Issue Proceeds.	

Allocation to all categories (including the Employee Reservation Portion), except Anchor Investor Portion, if any, shall be made on a proportionate basis.

Our Company is considering a Pre-IPO Placement of up to Rs. [●] million with various investors. The Pre-IPO Placement will be at the discretion of our Company and out of the Fresh Issue portion. The Pre-IPO Placement will be at a price to be decided by our Company. Our Company will complete the issuance and allotment of Equity Shares pursuant to the Pre-IPO Placement prior to filing the Red Herring Prospectus with the RoC. If the Pre-IPO Placement is completed, the Fresh Issue portion and the Issue size offered to the public would be reduced to the extent of such Pre-IPO Placement, subject to a minimum Net Issue size of 10% of the post-Issue paid-up capital being offered to the public.

* *Under-subscription, if any, in any category, except the QIB Portion, would be allowed to be met with spill-over from any other category or combination of categories at the discretion of our Company and the Selling Shareholders, in consultation with the BRLMs, the CBRLM and the Designated Stock Exchange. Under-subscription, if any in the Employee Reservation Portion will be added back to the Net Issue. In case of under-subscription in the Net Issue, spill over to the extent of under subscription shall be permitted from the Employee Reservation Portion subject to the Net Issue constituting 10% of the post Issue capital of our Company. If atleast 60% of the Net Issue cannot be allotted to QIBs, then the entire application money shall be refunded.*

** *Our Company and the Selling Shareholders may allocate up to 30% of the QIB Portion to Anchor Investors on a discretionary basis. One-third of the Anchor Investor Portion shall be reserved for domestic Mutual Funds, subject to valid Bids being received from domestic Mutual Funds at or above the price at which allocation is being done to Anchor Investors. For further details, please see the section entitled "Issue Procedure" on page 229 of this Draft Red Herring Prospectus.*

GENERAL INFORMATION

Our Company was incorporated as Gujarat Pipavav Port Limited on August 5, 1992, a public limited company under the Companies Act, 1956. For details of the change in the registered office, please refer to the section titled "History and Certain Corporate Matters" on page 88 of this Draft Red Herring Prospectus.

Registered Office of our Company

Gujarat Pipavav Port Limited
Pipavav Port
At Post Ucchaiya Via Rajula
District Amreli
Gujarat 365 560
Tel: (91 2794) 302 400
Fax: (91 2794) 302 402
Website: www.pipavav.com
Registration Number: 04 18106
Company Identification Number:
U63010GJ1992PLC018106

Corporate Office of our Company

Gujarat Pipavav Port Limited
Empire Industries Complex
414, Senapati Bapat Marg
Lower Parel
Mumbai 400 013
Tel: (91 22) 300 11 300
Fax: (9122) 300 11 333

Address of Registrar of Companies

Our Company is registered with the Registrar of Companies, Gujarat, Dadra and Nagar Haveli situated at the following address:

ROC Bhavan
CGO Complex, Opposite Rupal Park Society
Near Ankur Bus Stand
Naranpura
Ahmedabad 380 013
Tel: (91 79) 2743 8531
Fax: (91 79) 2743 8371
Email: rocahm.sb@sb.nic.in

Board of Directors

The Board comprises the following:

Name and Designation	Age (years)	DIN	Address
Mr. Prakash Tulsiani *Managing Director*	47	02590972	701 702 Satra Residency 14 A Road, Ahimsa Marg, Khar Mumbai 400052
Mr. Per Jorgensen *Chairman and Independent Director*	74	00050532	Vitus Berings Alle 4 2930Klampenborg Denmark

Name and Designation	Age (years)	DIN	Address
Mr. Pravin Laheri, IAS (Retd.) *Non-Executive and Independent Director*	64	00499080	A-404, Bageshwari Flats, Opposite Fun Republic, Ramdevnagar, S. G. Road, Ahmedabad – 380 054 India
Mr. Luis Miranda *Non-Executive Director*	48	01055493	801 B, Deepali, St. Cyril Road, Bandra (West) Mumbai- 400 050 India
Mr. Christian Moller Laursen *Non-Executive Director*	43	00431748	Balistraat10 2585 XS Den Haag The Netherlands
Mr. Dinesh Lal *Non-Executive Director*	57	00037142	34, Lotus Court J. Tata Road Churchgate Mumbai 400 020
Mr. Abhay Bongirwar *Non-Executive Director and Independent Director*	51	00660262	C/O S. P. Amidwar, A1, Sphatik, Abhimanshri So, Pashan, Pune 411 007
Mr. Charles Menkhorst *Non-Executive Director*	44	02660981	Marriott Executive Apartments Green Community, Dubai Investment Park Dubai

For further details of the Directors, see the section titled "Management" on page 96 of this Draft Red Herring Prospectus.

Company Secretary and Compliance Officer

Our Company Secretary and Compliance Officer is Mr. Manish Agnihotri. His contact details are as follows:

Mr. Manish Agnihotri
Gujarat Pipavav Port Limited
Empire Industries Complex
414, Senapati Bapat Marg
Lower Parel
Mumbai 400 013
Tel: (91 22) 300 11 300
Fax: (9122) 300 11 333
Email: ipo@portofpipavav.com
Website: www.pipavav.com

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

Book Running Lead Managers

IDFC-SSKI Limited
803-4 Tulsiani Chambers
8th Floor, Nariman Point
Mumbai 400 021
Tel: (91 22) 6638 3333
Fax: (91 22) 2282 6615
Email: gppl.ipo@idfcsski.com
Website: www.sski.co.in
Investor Grievance ID: complaints@idfcsski.com
Contact Person: Mr. Hiren Raipancholia
SEBI Registration No.: INM000011336

Kotak Mahindra Capital Company Limited
3rd Floor, Bakhtawar
229 Nariman Point
Mumbai 400 021
Tel: (91 22) 6634 1100
Fax: (91 22) 2283 7517
Email: gppl.ipo@kotak.com
Website: www.kotak.com
Investor Grievance ID: kmccredressal@kotak.com
Contact Person: Mr. Chandrakant Bhole
SEBI Registration No.: INM000008704

Co-Book Running Lead Managers

IDBI Capital Market Services Limited
5th Floor, Mafatlal Centre
Nariman Point
Mumbai 400 021
Tel: (91 22) 4322 1212
Fax: (91 22) 2285 0785
Email: gppl.ipo@idbicapital.com
Website: www.idbicapital.com
Investor Grievance ID: redressal@idbicapital.com
Contact Person: Mr. Hemant Bothra
SEBI Registration No.: INM000010866

Certain Information in relation to IDFC-SSKI Limited

Based on the following, IDFC-SSKI Limited, a Book Running Lead Manager ("BRLM") to the Issue is in compliance with sub-regulation 21A of the Securities and Exchange Board of India (Merchant Bankers) Regulations, 1992:

- IDFC Infrastructure Fund of which the India Development Fund is a unit scheme, holds 10.2% of the pre-issue shareholding of the Company and has invested Rs. 1,282 Million in the Company during April 2005 – November 2005.

- IDFC Infrastructure Fund of which IDFC Limited is the Settler, IDBI Trusteeship Services Limited is the trustee and IDFC Private Equity is the Investment Manager.

- IDFC Limited as a Class A investor has committed 11.852% of the capital commitments of IDFC Infrastructure Fund. The balance capital commitments aggregating to 88.158% have been received from various Indian Institutional Investors.

- IDFC Infrastructure Fund 2, of which IDFC Private Equity Fund II is a unit scheme, holds 4.3% of the pre-issue shareholding of the Company and has invested Rs. 638 million in September 2007.

- IDFC Infrastructure Fund 2 of which IDFC Limited is the Settlor and IDFC Trustee Company Limited, a wholly owned (100%) subsidiary of IDFC Limited, is the Trustee and IDFC Private Equity is the Investment Manager.

- IDFC Limited as a Class A investor has contributed towards 6.79% of the capital commitments of IDFC Infrastructure Fund 2 along with other Class A investors aggregating to 24.65% of the total capital commitments. The balance capital commitments aggregating to 75.09% of the total capital commitments have been received from various foreign institutional investors through IDFC Private Equity (Mauritius) Fund II, a public limited, limited liability company incorporated in Mauritius which was sponsored by IDFC Limited for incorporation purposes. The Mauritius Company is a board controlled company and holds a Category I Global Business License.

- IDFC-SSKI Limited is a wholly owned (100%) subsidiary of IDFC-SSKI Securities Limited. IDFC-SSKI Securities Limited is a wholly owned subsidiary of IDFC Limited.

- IDFC Limited has provided debt financing as part of its ordinary course of business to the Company. IDFC Limited does not exercise control over the Company by the virtue of providing debt finance to the same. For further details in relation to corporate information, shareholding patterns and financial information of the Issuer Company see the section titled "Capital Structure" and "Indebtedness" on page 21 and 130, respectively, of the Draft Red Herring Prospectus.

Syndicate Members

[●]

Legal Advisors

Domestic Legal Counsel to the Issue

Amarchand & Mangaldas & Suresh A. Shroff & Co.
Peninsula Chambers
Peninsula Corporate Park
Ganpatrao Kadam Marg
Lower Parel
Mumbai 400 013
Tel: (91 22) 2496 4455
Fax: (91 22) 2496 3666

Legal Counsel to the Selling Shareholders

ALMT Legal
4th Floor, Express Towers
Nariman Point
Mumbai 400 021
Tel: (91 22) 4001 0000
Fax: (91 22) 4001 0001

International Legal Counsel to the Underwriters

Jones Day
29th Floor, Edinburgh Tower
The Landmark
15 Queen's Road Central
Hong Kong
Tel: (852) 2526 6895
Fax: (852) 2868 5871

Registrar to the Issue

Karvy Computershare Private Limited
Plot no. 17 – 24, Vittalrao Nagar,
Madhapur,
Hyderabad – 500 081
Tel: (91 40) 2342 0815-24
Fax: (91 40) 2343 1551
Email: gppl_ipo@karvy.com
Website: http://karisma.karvy.com
Investor Grievance ID: gppl_ipo@karvy.com
Contact Person: Mr. M. Murali Krishna
SEBI Registration No.: INR000000221

Bankers to the Issue and Escrow Collection Banks

[●]

[●]

Self Certified Syndicate Banks

The list of banks that have been notified by SEBI to act as SCSB for the ASBA process are provided on www.sebi.gov.in and for details on designated branches of SCSB collecting as per Bid cum Application Form, please refer to the abovementioned link.

Bankers to our Company

HDFC Bank Limited
Process House,
2nd floor
Kamala Mills Compound
Senapati Bapat Marg
Lower Parel
Mumbai 400 013
Tel: (022) 2496 1616
Fax: (022) 2496 3994
Email: monalisa.chhajer@hdfcbank.com
Website: www.hdfcbank.com

State Bank of India
Gresham House
Sir P. M. Road, Fort
Mumbai 400 001
Tel: (022) 2261 3967
Fax: (022) 2263 0823
Email: sbi.60113@sbi.co.in
Website: www.statebankofindia.com

Dena Bank
Dena Bank Building
1st floor, 17, Horniman Circle,
Fort, Mumbai 400 023
Tel: (022) 2269 5285
Fax: (022) 2269 2176
Email: ifb@denabank.co.in
Website: www.denabank.com

Auditors to our Company

B S R & Associates
KPMG House II
Kamla Mills Compound
Senapati Bapat Marg
Lower Parel
Mumbai 400 013
Tel: (91 22) 3044 0800
Fax: (91 22) 3044 0900
Email: bdhupelia@kpmg.com
Website: www.in.kpmg.com
Firm Membership No.: 116231W
Partner Membership No.: 046768

Inter Se Allocation of Responsibilities between the BRLMs and the CBRLM

The responsibilities and co-ordination for various activities in this Issue are as follows:

S. No.	Activity	Responsibility	Coordinator
1.	Capital structuring with the relative components and formalities etc.	IDFC-SSKI, KMCC, IDBI Capital	IDFC-SSKI
2.	Due diligence of the Company's operations/ management/ business plans/ legal etc. Drafting and design of the Red Herring Prospectus and of statutory advertisement including	IDFC-SSKI, KMCC, IDBI Capital	IDFC-SSKI

S. No.	Activity	Responsibility	Coordinator
	memorandum containing salient features of the Prospectus. The BRLMs shall ensure compliance with stipulated requirements and completion of prescribed formalities with the Stock Exchanges, RoC and SEBI including finalisation of the Prospectus and RoC filing.		
3.	Drafting and approval of all publicity material other than statutory advertisement as mentioned in (2) above including corporate advertisement, brochure, corporate films, etc.	IDFC-SSKI, KMCC, IDBI Capital	IDFC-SSKI
4.	Preparing road show presentation and frequently asked questions;	IDFC-SSKI, KMCC, IDBI Capital	IDFC-SSKI
5.	Appointment of intermediaries viz. Lawyers, Printers, Advertising Agency and IPO Grading Agency	IDFC-SSKI, KMCC, IDBI Capital	IDBI Capital
6.	Appointment of Registrar and Bankers to the Issue	IDFC-SSKI, KMCC, IDBI Capital	KMCC
7.	International institutional marketing of the Issue, which will cover, *inter alia***:**	IDFC-SSKI, KMCC, IDBI Capital	
	• Finalising the list and division of investors for one to one meetings; and	IDFC-SSKI, KMCC, IDBI Capital	IDFC-SSKI
	• Finalising road show schedule and investor meeting schedules;	IDFC-SSKI, KMCC, IDBI Capital	
8.	Domestic institutional marketing of the Issue, which will cover, *inter alia*:	IDFC-SSKI, KMCC, IDBI Capital	
	• Finalising the list and division of investors for one to one meetings;	IDFC-SSKI, KMCC, IDBI Capital	KMCC
9.	Non-Institutional and Retail Marketing of the Issue, which will cover, *inter alia*:	IDFC-SSKI, KMCC, IDBI Capital	KMCC
	• Formulating marketing strategies, preparation of publicity budget;	IDFC-SSKI, KMCC, IDBI Capital	
	• Finalising media and PR strategy;	IDFC-SSKI, KMCC, IDBI Capital	
	• Finalising centres for holding conferences for brokers etc.;	IDFC-SSKI, KMCC, IDBI Capital	
	• Finalising bidding centres; and	IDFC-SSKI, KMCC, IDBI Capital	
	• Follow-up on distribution of publicity and Issue material including form, prospectus and deciding on the quantum of the Issue material.	IDFC-SSKI, KMCC, IDBI Capital	
10.	Finalization of pricing in consultation with company and Managing the Book	IDFC-SSKI, KMCC, IDBI Capital	KMCC
11.	Co-ordination with the Stock Exchanges for book building software, bidding terminals and mock trading	IDFC-SSKI, KMCC, IDBI Capital	IDBI Capital

S. No.	Activity	Responsibility	Coordinator
12.	The Post-Bidding activities including management of escrow accounts, follow-up with bankers to the issue, co-ordination of non-institutional allocation, intimation of allocation and dispatch of refunds to Bidders etc. The post Issue activities will involve essential follow up steps, which include the finalisation of listing of instruments and dispatch of certificates and demat delivery of shares, with the various agencies connected with the work such as the Register to the Issue and Bankers to the Issue and the bank handling refund business. The merchant banker shall be responsible for ensuring that these agencies fulfill their functions and enable it to discharge this responsibility through suitable agreements with the Company.	IDFC-SSKI, KMCC, IDBI Capital	KMCC

Credit Rating

As this is an Issue of Equity Shares, credit rating for this Issue is not required.

IPO Grading

This Issue has been graded by [●], a SEBI registered credit rating agency, as [●], indicating [●] fundamentals. The rationale / description furnished by the IPO grading agency will be updated at the time of filing the Red Herring Prospectus with the Designated Stock Exchange.

Experts

Except the report of [●] in respect of the IPO grading of this Issue annexed herewith and except as stated elsewhere in this Draft Red Herring Prospectus, we have not obtained any expert opinions.

Trustee

As this is an Issue of Equity Shares, the appointment of trustees is not required.

Project Appraisal

There is no project being appraised.

Book Building Process

Book building, with reference to the Issue, refers to the process of collection of Bids on the basis of the Red Herring Prospectus within the Price Band. The Issue Price is finalized after the Bid/Issue Closing Date. The principal parties involved in the Book Building Process are:

- our Company;
- the Selling Shareholders;
- the BRLMs;
- the CBRLM;
- Syndicate Members who are intermediaries registered with SEBI or registered as brokers with BSE/NSE and eligible to act as Underwriters. The Syndicate Member are appointed by the BRLMs;
- Registrar to the Issue;
- Escrow Collection Banks; and
- Self Certified Syndicate Banks.

In terms of Rule 19(2)(b) of SCRR, this being an Issue for less than 25% of the post-Issue capital, the Issue is being made through the 100% Book Building Process wherein at least 60% of the Net Issue shall be allocated on a proportionate basis to QIBs. 5% of the QIB Portion (excluding Anchor Investor Portion) shall be available for allocation on a proportionate basis to Mutual Funds only and the remainder of the QIB Portion shall be available for allocation on a proportionate basis to all QIB Bidders, including Mutual Funds, subject to valid Bids being received at or above the Issue Price. If at least 60% of the Issue cannot be allocated to QIBs, then the entire application money will be refunded forthwith. Further, not less than 10% of the Net Issue shall be available for allocation on a proportionate basis to Non-Institutional Bidders and not less than 30% of the Net Issue shall be available for allocation on a proportionate basis to Retail Individual Bidders, subject to valid Bids being received at or above the Issue Price.

In accordance with the SEBI Regulations, QIBs are not allowed to withdraw their Bid(s) after the Bid/Issue Closing Date.

Our Company and the Selling Shareholders shall comply with the SEBI Regulations and any other ancillary directions issued by SEBI for this Issue. In this regard, our Company and the Selling Shareholders have appointed the BRLMs and the CBRLM to manage the Issue and procure subscriptions to the Issue.

The process of Book Building under the SEBI Regulations is subject to change from time to time and the investors are advised to make their own judgment about investment through this process prior to submitting a Bid in the Issue.

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

Bidders (excluding the ASBA bidders who can only bid at cut-off price) can bid at any price within the price band. For instance, assume a price band of Rs. 20 to Rs. 24 per share, issue size of 3,000 equity shares and receipt of five bids from bidders, details of which are shown in the table below. A graphical representation of the consolidated demand and price would be made available at the bidding centres during the bidding period. The illustrative book below shows the demand for the shares of the issuer company at various prices and is collated from bids received from various investors.

Bid Quantity	Bid Price (Rs.)	Cumulative Quantity	Subscription
500	24	500	16.67%
1,000	23	1,500	50.00%
1,500	22	3,000	100.00%
2,000	21	5,000	166.67%
2,500	20	7,500	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 and the Selling Shareholders, in consultation with the BRLMs and CBRLM 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

1. Check eligibility for making a Bid (For further details see section titled "Issue Procedure - Who Can Bid?" on page 230 of this Draft Red Herring Prospectus;

2. Ensure that you have a demat account and the demat account details are correctly mentioned in the Bid cum Application Form and the ASBA Bid cum Application Form;

3. Except for Bids on behalf of the Central or State Government and the officials appointed by the courts, for Bids of all values ensure that you have mentioned your PAN allotted under the I.T. Act in the Bid cum Application Form and the ASBA Bid cum Application Form (see section titled "Issue Procedure – Permanent Account Number" on page 247 of this Draft Red Herring Prospectus);

4. Ensure that the Bid cum Application Form is duly completed as per instructions given in this Draft Red Herring Prospectus and in the Bid cum Application Form and the ASBA Bid Cum Application Form; and

5. Bids by QIBs (including Anchor Investors) will have to be submitted to the BRLMs and CBRLM only.

6. Bids by ASBA Bidders will have to be submitted to the designated branches of the SCSBs. ASBA Bidders should ensure that their bank accounts have adequate credit balance at the time of submission to the SCSB to ensure that the ASBA Bid cum Application Form is not rejected.

Withdrawal of the Issue

Our Company and the Selling Shareholders, in consultation with the BRLMs and the CBRLM reserve the right not to proceed with the Issue anytime after the Bid/Issue Opening Date but before the Allotment of Equity Shares. In such an event, a public notice would be issued in the newspapers, in which the pre-Issue advertisements were published, within two days of the Bid/Issue Closing Date, providing reasons for not proceeding with the Issue. Our Company shall also inform the same to Stock Exchanges on which the Equity Shares are proposed to be listed.

Any further issue of Equity Shares shall be in accordance with applicable law.

Bid/Issue Programme

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

SEBI has by way of amendment SEBI/CFD/DIL/DIP/36/2009/09/07 dated July 9, 2009 permitted participation by Anchor Investors. Our Company is considering participation by Anchor Investors in terms of the aforementioned SEBI amendment. Anchor Investors shall submit their Bid one day prior to the Bid/Issue Opening Date.

Bids and any revision in Bids shall be accepted **only between 10 a.m. and 3 p.m**. (Indian Standard Time) during the Bidding/ Issue Period as mentioned above at the bidding centres mentioned on the Bid cum Application Form. On the Bid / Issue Closing Date, the Bids (excluding the ASBA Bidders) shall be uploaded until (i) 4.00 p.m. in case of Bids by QIB Bidders and Non-Institutional Bidders and (ii) until 5.00 p.m. or such extended time as permitted by the NSE and the BSE, in case of Bids by Retail Individual Bidders and Employees bidding under the Employee Reservation Portion. It is clarified that the Bids not uploaded in the book would be rejected. Bids by the ASBA Bidders shall be uploaded by the SCSB in the electronic system to be provided by the NSE and the BSE.

In case of discrepancy in the data entered in the electronic book vis-à-vis the data contained in the physical Bid form, for a particular bidder, the details as per physical application form of that Bidder may be taken as the final data for the purpose of allotment. In case of discrepancy in the data entered in the electronic book vis-à-vis the data contained in the physical or electronic Bid cum Application Form, for a particular ASBA Bidder, the Registrar to the Issue shall ask for rectified data from the SCSB.

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 the times mentioned above on the Bid/ Issue Closing Date. All times mentioned in the Draft Red Herring Prospectus are Indian Standard Time. 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, some Bids may not get uploaded due to lack of sufficient time. Such Bids that cannot be uploaded will not be considered for allocation under the Issue. Bids will be accepted only on Business Days, i.e., Monday to Friday (excluding any public holiday).

On the Bid/Issue Closing Date, extension of time will be granted by the Stock Exchanges only for uploading the Bids received by Retail Bidders after taking into account the total number of Bids received up to the closure of the time period for acceptance of Bid-cum-Application Forms as stated herein and reported by the BRLMs and CBRLM to the Stock Exchange within half an hour of such closure.

Our Company and the Selling Shareholders reserve the right to revise the Price Band during the Bid/Issue Period in accordance with the SEBI Regulations provided that the Cap Price is less than or equal to 120% of the Floor Price. The Floor Price can be revised up or down to a maximum of 20% of the Floor Price advertised at least two day before the Bid/Issue Opening Date.

In case of revision of the Price Band, the Issue Period will be extended for three additional working days after revision of the Price Band subject to the total Bid/Issue Period not exceeding 10 business 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 also by indicating the changes on the websites of the BRLMs, CBRLM and at the terminals of the Syndicate.

Steps to be taken by the Bidders for Bidding

1. Check eligibility for making a Bid (For further details, see section titled "Issue Procedure - Who Can Bid?" on page 230 of this Draft Red Herring Prospectus);

2. Ensure that you have a demat account and the demat account details are correctly mentioned in the Bid cum Application Form;

3. Ensure that you have mentioned PAN in you Bid cum Application Form. In accordance with the SEBI Regulations, the PAN would be the sole identification number for participants transacting in the securities market, irrespective of the amount of transaction;

4. Ensure that the Bid cum Application Form is duly completed as per instructions given in this Draft Red Herring Prospectus and in the Bid cum Application Form;

5. Bids by QIBs will only have to be submitted to the BRLMs and the CBRLM; and

6. Bids by ASBA Bidders will only have to be submitted to the SCSB. ASBA Bidders should ensure that their bank accounts have adequate credit balance at the time of submission to the SCSB to ensure that their Bid cum Application Form is not rejected.

Underwriting Agreement

After the determination of the Issue Price and allocation of the Equity Shares but prior to the filing of the Prospectus with the RoC, our Company and the Selling Shareholders will enter into an Underwriting Agreement with the Underwriters for the Equity Shares proposed to be offered through the Issue. It is proposed that pursuant to the terms of the Underwriting Agreement, the BRLMs and CBRLM shall be responsible for bringing in the amount devolved in the event that the Syndicate Members do not fulfil their underwriting obligations. The Underwriting Agreement shall be to the extent of the Bids uploaded by the Underwriter, including through its Syndicate/Sub-Syndicate. The Underwriting Agreement is dated [●]. Pursuant to the terms of the Underwriting Agreement, the obligations of the Underwriter are several and are subject to certain conditions specified therein.

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 the RoC

Name and Address of the Underwriters	Indicative Number of Equity Shares to be Underwritten	Amount Underwritten (In Rs. Million)
[●]	[●]	[●]
[●]	[●]	[●]
[●]	[●]	[●]

The abovementioned is indicative underwriting and this would be finalized after the pricing and actual allocation.

In the opinion of the Board of Directors (based on a certificate given by the Underwriters), the resources of the above mentioned Underwriters are sufficient to enable them to discharge their respective underwriting obligations in full. The abovementioned Underwriters are registered with SEBI under Section 12 (1) of the SEBI Act or registered as brokers with the Stock Exchange(s). The Board of Directors, at its meeting held on [●], has accepted and entered into the Underwriting Agreement mentioned above on behalf of our Company.

Allocation among the Underwriters may not necessarily be in proportion to their underwriting commitments. Notwithstanding the above table, the BRLMs, CBRLM and the Syndicate Member shall be responsible for ensuring payment with respect to Equity Shares allocated to investors procured by them. In the event of any default in payment, the respective Underwriter, in addition to other obligations defined in the Underwriting Agreement, will also be required to procure subscriptions for/subscribe to Equity Shares to the extent of the defaulted amount.

CAPITAL STRUCTURE

The share capital of our Company as of the date of this Draft Red Herring Prospectus is set forth below:

(Rs. in million, except share data)

		Aggregate Nominal Value	Aggregate Value at Issue Price
A)	**AUTHORISED SHARE CAPITAL[1]**		
	600,000,000 Equity Shares of Rs. 10 each	6,000.00	
B)	**ISSUED, SUBSCRIBED AND PAID UP SHARE CAPITAL BEFORE THE ISSUE**		
	314,864,019 Equity Shares of Rs. 10 each	3,148.64	[●]
C)	**PRESENT ISSUE IN TERMS OF THIS DRAFT RED HERRING PROSPECTUS****		
	[●] Equity Shares of Rs. 10 each	[●]	[●]
	Of Which:		
1.	**FRESH ISSUE**		
	Issue of [●] Equity Shares of Rs. 10 each fully paid up	5,000.00	[●]
2.	**OFFER FOR SALE**		
	Issue of upto 11,707,369 Equity Shares of Rs. 10 each fully paid up	[●]	[●]
3.	**EMPLOYEE RESERVATION PORTION**		
	Issue of [●] Equity Shares of Rs. 10 each fully paid up	100.00	[●]
4.	**NET ISSUE TO THE PUBLIC**		
	[●] Equity Shares of Rs. 10 each fully paid up	[●]	[●]
E)	**EQUITY CAPITAL AFTER THE ISSUE**		
	[●] Equity Shares of Rs. 10 each fully paid up	[●]	[●]
F)	**SHARE PREMIUM ACCOUNT**		
	Before the Issue	7,731.36	-
	After the Issue	[●]	[●]

***** *The Issue in terms of this Draft Red Herring Prospectus has been authorised by our Board of Directors and shareholders pursuant to their circular resolution dated October 20, 2009 and resolution dated November 17, 2009, respectively.*

Our Company is also considering a Pre-IPO Placement of an amount aggregating upto Rs. [●] million with various investors. The Pre-IPO Placement is at the discretion of our Company and will be out of the Fresh Issue portion. The Pre-IPO Placement will be at a price to be determined by our Company. Our Company *will complete the issuance and allotment of Equity Shares pursuant to the Pre-IPO Placement prior to the filing of the Red Herring Prospectus with the RoC. If the Pre-IPO is completed, the Fresh Issue portion and the Issue size available for allocation to the public would be reduced to the extent of such Pre-IPO Placement, subject to a minimum Net Issue of 10% of the post Issue paid-up capital being available for allocation to the public.*

Offer for Sale

The Offer for Sale comprises of upto 11,707,369 Equity Shares and these Equity Shares have been held by the Selling Shareholders for a period more than one year prior to filing of the Draft Red Herring Prospectus with SEBI.

(1) Changes in Authorised Share Capital

1) The initial authorised share capital of our Company of Rs. 500,000 divided into 50,000 Equity Shares of Rs. 10 each was increased to Rs. 450,000,000 divided into 45,000,000 Equity Shares of Rs. 10 each by the creation of 44,950,000 Equity Shares of Rs. 10 each pursuant to the resolution passed by the shareholders of our Company on March 30, 1994.

2) The authorised share capital of our Company of Rs. 450,000,000 divided into 45,000,000 Equity Shares of Rs. 10 each was increased to Rs. 1,100,000,000 divided into 110,000,000 Equity Shares of Rs. 10 each by the creation of 65,000,000 Equity Shares of Rs. 10 each pursuant to the resolution passed by the shareholders of our Company on January 12, 1996.

3) The authorised share capital of our Company of Rs. 1,100,000,000 divided into 110,000,000 Equity Shares of Rs. 10 each was increased to Rs. 2,000,000,000 divided into 200,000,000 Equity Shares of Rs. 10 each by the creation of 90,000,000 Equity Shares of Rs. 10 each pursuant to the resolution passed by the shareholders of our Company on March 25, 1998.

4) The authorised share capital of our Company of Rs. 2,000,000,000 divided into 200,000,000 Equity Shares of Rs. 10 each was increased to Rs. 3,000,000,000 divided into 245,000,000 Equity Shares of Rs. 10 each and 55,000,000 Optionally Convertible Cumulative Redeemable Preference Shares of Rs. 10 each by the creation of 45,000,000 Equity Shares of Rs. 10 each and 55,000,000 Optionally Convertible Cumulative Redeemable Preference Shares of Rs. 10 each pursuant to the resolution passed on January 6, 2004.

5) The authorised share capital of our Company of Rs. 3,000,000,000 divided into 245,000,000 Equity Shares of Rs. 10 each and 55,000,000 Optionally Convertible Cumulative Redeemable Preference Shares of Rs. 10 was increased to Rs. 4,000,000,000 divided into 345,000,000 Equity Shares of Rs. 10 each and 55,000,000 Optionally Convertible Cumulative Redeemable Preference Shares of Rs. 10 each by the creation of 100,000,000 Equity Shares of Rs. 10 each pursuant to the resolution on August 13, 2007.

6) The nature of the Preference Shares of our Company was changed from “Cumulative” to “Non-Cumulative” and the coupon rate of 8.4% on the Preference Shares was substituted with a coupon rate of 1% on the Preference Shares pursuant to the resolution of the shareholders dated May 30, 2008.

7) The authorised share capital of our Company of Rs. 4,000,000,000 divided into 345,000,000 Equity Shares of Rs. 10 each and 55,000,000 Optionally Convertible Non-Cumulative Redeemable Preference Shares of Rs. 10 each was increased to Rs. 5,000,000,000 divided into 445,000,000 Equity Shares of Rs. 10 each and 55,000,000 Optionally Convertible Non-Cumulative Redeemable Preference Shares of Rs. 10 each by the creation of 100,000,000 Equity Shares of Rs. 10 each pursuant to a resolution of the shareholders on August 18, 2008.

8) The authorised share capital of our Company of Rs. 5,000,000,000 divided into 445,000,000 Equity Shares of Rs. 10 each and 55,000,000 Optionally Convertible Non-Cumulative Redeemable Preference Shares of Rs. 10 each was increased and reclassified to Rs. 6,000,000,000 divided into 600,000,000 Equity Shares of Rs. 10 each by creation of 100,000,000 Equity Shares of Rs. 10 each pursuant to a resolution of the shareholders on November 17, 2009.

Notes to Capital Structure

1. **Share Capital History of our Company**

(a) **Equity Share Capital History**

Date of allotment of Equity Shares	No. of Equity Shares	Face Value (Rs.)	Issue Price (Rs.)	Nature of Consideration	Reasons for allotment	Cumulative No. of Equity Shares	Cumulative Paid-up Equity Share capital	Cumulative Share Premium (Rs.)
July 27, 1992	700	10	10	Cash	Subscription to the Memorandum of Association	700	7,000	Nil
March 31, 1994	3,000,000	10	10	Consideration other than cash	Allotment to GMB	3,000,700	30,007,000	Nil
March 31, 1994	6,031,850	10	10	Cash	Allotment to individual investors	9,032550	90,325,500	Nil
July 30, 1994	10,644,450	10	10	Cash	Allotment of 380,000 Equity Shares to Seaking Engineers Limited and remaining to individual investors	19,677,000	196,770,000	Nil
July 30, 1994	4,000,000	10	10	Consideration other than cash	Allotment to GMB and Seaking Engineers Limited	23,677,000	236,770,000	Nil
March 31, 1995	1,503,000	10	10	Cash	Allotment of 50,000 Equity Shares to Montana Valves and Compressors Limited and remaining to individual investors	25,180,000	251,800,000	Nil
March 31, 1995	3,997,500	10	10	Consideration other than cash	Allotment to GMB	29,177,500	291,775,000	Nil
July 29, 1995	1,878,800	10	10	Cash	Allotment to Seaking Engineers Limited and Mr. Vasant Shenoy	31,056,300	310,563,000	Nil
July 29, 1995	13,943,700	10	10	Consideration other than cash	Allotment to GMB	45,000,000	450,000,000	Nil
July 30, 1996	1,000,000	10	10	Cash	Allotment to Mr. Nikhil Gandhi	46,000,000	460,000,000	Nil
May 16, 1998	30,753,700	10	10	Cash	Allotment of 1,71,33,700 Equity Shares to Seaking Engineers Limited,	76,753,700	767,537,000	Nil

Date of allotment of Equity Shares	No. of Equity Shares	Face Value (Rs.)	Issue Price (Rs.)	Nature of Consideration	Reasons for allotment	Cumulative No. of Equity Shares	Cumulative Paid-up Equity Share capital	Cumulative Share Premium (Rs.)
					39,20,000 Equity Shares to Grevek Investment and Finance Private Limited and 97,00,000 Equity Shares to Montana Valves and Compressors Limited			
July 23, 1998	20,000,000	10	10	Cash	Allotment to Seaking Engineers Limited	96,753,700	967,537,000	Nil
November 11, 1998	17,445,981	10	62.79	Cash	Allotment to PSA India Pte Limited	114,199,681	1,141,996,810	920,973,336
June 7, 2000	20,000,000	10	10	Cash	Conversion of Fully Convertible Debentures to Industrial Development Bank of India	134,199,681	1,341,996,810	920,973,336
August 4, 2000	4,025,000	10	80	Cash	Allotment to Unit Trust of India	138,224,681	1,382,246,810	1,202,723,336
June 29, 2001	10,000,000	10	70	Cash	Allotment APM Terminals Holding Limited	148,224,681	1,482,246,810	1,802,723,336
September 12, 2001	5,875,000	10	80	Cash	Allotment to UTI India Infrastructure Unit Scheme 1999	154,099,681	1,540,996,810	2,213,973,336
October 19, 2001	5,996,560	10	80	Cash	Allotment to New York International India Fund Mauritius LLC	160,096,241	1,600,962,410	2,633,732,536
April 27, 2005	33,000,981	10	40	Cash	Allotment of 1,32,54,381 Equity Shares to IDFC Infrastructure Fund, 75,00,000 Equity Shares to IL&FS Trust Company Limited, 8,70,000 Equity Shares to Jacob	193,097,222	1,930,972,220	3,623,761,966

Date of allotment of Equity Shares	No. of Equity Shares	Face Value (Rs.)	Issue Price (Rs.)	Nature of Consideration	Reasons for allotment	Cumulative No. of Equity Shares	Cumulative Paid-up Equity Share capital	Cumulative Share Premium (Rs.)
					Ballas Capital India Private Limited, 1,08,75,000 Equity Shares to The Infrastructure Fund of India, 5,01,600 Equity Shares to New York Life International India Fund Mauritius LLC			
June 27, 2005	3,249,019	10	40	Cash	Allotment of 796,535 Equity Shares to IDFC Infrastructure Fund, 24,52,484 Equity Shares to APM Terminals Mauritius Limited	196,346,241	1,963,462,410	3,721,232,536
June 29, 2006	13,750,000	10	40	Cash	Conversion of Fully Convertible Debentures to IDFC Infrastructure Fund	210,096,241	2,100,962,410	4,133,732,536
September 11, 2007	76,341,139	10	50	Cash	Rights Issue*	286,437,380	2,864,373,800	7,187,378,096
September 21, 2007	965,555	10	50	Cash	Rights Issue to individual investors	287,402,935	2,874,029,350	7,226,000,296
October 1, 2007	6,297,063	10	50	Cash	Rights Issue to APM Terminals Mauritius Limited	293,699,998	2,936,999,980	7,477,882,816
December 13, 2009	21,164,021	10	47.25	Cash	Preferential Allotment to APM Terminals Mauritius Limited	314,864,019	3,148,640,190	8,266,242,599

- *Allotment of 43,332,450 Equity Shares to APM Terminals Mauritius Limited, 12,752,302 Equity Shares to IDFC Infrastructure Fund 2, 7,958,615 Equity Shares to Industrial Development Bank of India Limited, 4,327,497 Equity Shares to The Infrastructure Fund of India LLC, 2,984,480 Equity Shares to IL&FS Trust Company Limited, 2,337,843 Equity Shares to The India Infrastructure Fund LLC 805,810 Equity Shares to Administrator of the specified undertaking of UTI AMC Private Limited,700,080 Equity Shares to Maersk India Private Limited, 397,931 Equity Shares to Administrator of the specified undertaking of ASUUTI, UTI Asset Management Company Private Limited,346,200 Equity Shares to Jacob Ballas Capital India Private Limited,298,448 Equity Shares to Administrator of the specified undertaking of UTI AMC Private Limited and 99,483 Equity Shares to UTI – Unit Linked Insurance Plan.*

(b) **Details of Equity Shares of our Company issued for consideration other than cash:**

S. No.	Date of allotment of Equity Shares	Persons to whom the Equity Shares were issued	Issue Price (Rs.)	Benefits to our Company
1.	March 31, 1994	Gujarat Maritime Board	10	No tangible benefits have accrued to our Company from the allotments made to Gujarat Maritime Board and Seaking Engineers Limited. Our Company has entered into a Concession Agreement with Gujarat Maritime Board details of which are provided in the section titled "History and Certain Corporate Matters" on page 88 of this DRHP
2.	July 30, 1994	Gujarat Maritime Board and Seaking Engineers Limited	10	
3.	March 31, 1995	Gujarat Maritime Board	10	
4.	July 29, 1995	Gujarat Maritime Board	10	

2. **Promoters contribution and Lock – in**

(a) History of Equity Shares held by the Promoters

The Equity Shares held by APM Terminals Mauritius Limited were acquired/ allotted in the following manner:

Date of Allotment / Transfer	Nature of Consideration	No. of Equity Shares	Face Value (Rs.)	Issue / Acquisition Price (Rs.)	Nature of acquisition Allotment/Transfer	Cumulative No. of Equity Shares
November 22, 2004	Cash	34,891,962	10	40	Transfer	34,891,962
April 29, 2005	Cash	41,325,000	10	40	Transfer	76,216,962
June 27, 2005	Cash	2,452,484	10	40	Allotment	78,669,446
October 21, 2005	Cash	19,350,000	10	40	Transfer	98,019,446
February 24, 2006	Cash	10,875,000	10	50	Transfer	108,894,446
September 11, 2007	Cash	43,332,450	10	50	Allotment	152,226,896
October 1, 2007	Cash	6,297,063	10	50	Allotment	158,523,959
August 12, 2008	Cash	2,464,380	10	50	Transfer	160,988,339
December 13, 2009	Cash	21,164,021	10	47.25	Allotment	182,152,360

The other Promoters, APM Terminals B.V. and APM Terminals Mauritius Holding Limited do not hold and have never held Equity Shares of our Company.

(b) Details of Promoters contribution locked in for three years

Pursuant to the SEBI Regulations, an aggregate of 20% of the post Issue equity share capital of our Company held by the Promoters shall be locked in as minimum Promoters' contribution. Such lock-in shall commence from the date of Allotment in the Issue and shall continue for a period of three years from such date. The Equity Shares, which are being locked-in as minimum Promoter's contribution, are eligible for computation of minimum Promoter's contribution in accordance with the provisions of the SEBI Regulations.

The details of the Equity Shares forming part of the promoter's contribution which shall be locked in for a period of three years have been provided below:

Sr. No	Date of Allotment / Transfer	Date when made fully paid up	Consideration (Cash, bonus, kind, etc.)	No. of shares	Face Value (Rs.)	Issue / Acquisition Price (Rs.)		% of Post Issue Paid Up Capital
[●]	[●]	[●]	[●]	[●]	[●]	[●]	[●]	[●]
[●]	[●]	[●]	[●]	[●]	[●]	[●]	[●]	[●]
[●]	[●]	[●]	[●]	[●]	[●]	[●]	[●]	[●]

Our Company has obtained specific written consent from the Promoter for inclusion of the Equity Shares held by them in the minimum Promoters' contribution subject to lock-in. Further, the Promoter has given an undertaking to the effect that it shall not sell/transfer/dispose of in any manner, Equity Shares forming part of the minimum Promoters' contribution from the date of filing this Draft Red Herring Prospectus till the date of commencement of lock-in as per the SEBI Regulations.

Equity Shares held by the Promoter and offered as minimum Promoters' contribution are free from pledge.

(c) Details of Equity Share capital locked in for one year

In terms of the SEBI Regulations, in addition to the lock-in of 20% of the post-Issue shareholding of the Promoters for three years as specified above, the balance pre-Issue share capital of our Company [●] Equity Shares shall be locked in for a period of one year from the date of allotment in the Issue.

In terms of the SEBI Regulations, Equity Shares held by the shareholders who are venture capital funds / venture capital investor for a period of at least one year as on the date of this Draft Red Herring Prospectus will not be subject to lock in as aforesaid. The details of such Equity Shares held by the venture capital funds / venture capital investor are set forth in the table below:

Name of shareholder	Date of acquisition	Nature of acquisition	No. of Equity Shares
IDFC Infrastructure Fund	April 27, 2005	Allotment	13,254,381
	April 29, 2005	Transfer	4,245,619
	June 27, 2005	Allotment	796,535
	June 29, 2006	Allotment	13,750,000
Sub-total (A)			**32,046,535**
IDFC Infrastructure Fund 2	September 11, 2007	Allotment	12,752,302
Sub-total (B)			**12,752,302**
Leverage India Fund	April 27, 2005	Allotment	7,500,000
	September 11, 2007	Allotment	2,984,480
Sub-total (C)			**10,484,480**
Total (A + B + C)			**55,283,317**

(d) Other requirements in respect of lock in

In terms of the SEBI Regulations, the locked in Equity Shares held by the Promoters can be pledged only with banks or financial institutions as collateral security for loans granted by such banks or financial institutions, provided that such pledge of the Equity Shares is in respect of a financial facility which has been granted for the purpose of financing one or more of the objects of the Issue. Further, Equity Shares locked in as minimum promoter contribution may be pledged only in respect of a financial facility which has been granted for the purpose of financing one or more objects of the Issue.

65,786,999 Equity Shares held by the Promoter, APM Terminals Mauritius Limited, have been pledged with Infrastructure Development Finance Company Limited as collateral security in its capacity as a security trustee for loans granted by Infrastructure Development Finance Company Limited, IDBI Bank Limited, Syndicate Bank, Bank of India, Punjab National Bank, Export-Import Bank of India, Housing Development Finance Corporation Limited and Union Bank of India to our Company in terms of loan agreement entered into by us with these lenders. For further details of these loans, see "Indebtedness" on page 130 of this Draft Red Herring Prospectus. The Equity Shares held by APM Terminals Mauritius Limited which are pledged as mentioned above do not constitute the minimum Promoter's contribution which is 20% of the fully diluted post Issue share capital of our Company that will be locked in for a period of three years from the date of Allotment.

As per the SEBI Regulations, the Equity Shares held by persons other than Promoters prior to the Issue may be transferred to any other person holding Equity Shares which are locked-in as per the SEBI Regulations, subject to the continuation of the lock-in in the hands of transferees for the remaining period and compliance with SEBI Takeover Regulations.

In accordance with the SEBI Regulations, the Equity Shares held by the 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 Takeover Regulations.

(e) **Lock-in of Equity Shares to be issued, if any, to the Anchor Investor**

Any Equity Shares allotted to Anchor Investors under the Anchor Investor Portion shall be locked-in for a period of 30 days from the date of Allotment of Equity Shares in the Issue.

3. **Shareholding pattern of our Company**

The table below presents the shareholding pattern before the proposed Issue and as adjusted for the Issue.

	Pre-Issue		**Post-Issue**	
Shareholders	**Number of Equity Shares**	**Percentage of Equity Share capital**	**Number of Equity Shares**	**Percentage of Equity Share capital**
Promoters				
APM Terminals Mauritius Limited	182,152,360	57.9	[●]	[●]
APM Terminals B.V.	0	0	[●]	[●]
APM Terminals Mauritius Holding Limited	0	0	[●]	[●]
Total holding of Promoters (A)	182,152,360	57.9	**[●]**	**[●]**
Promoter Group	0	0	[●]	[●]
Total holding of Promoter Group (B)	0	0	[●]	[●]
Total holding of Promoters and Promoter Group (A + B)	182,152,360	57.9	**[●]**	**[●]**
Institutional shareholders	0	0		
IDBI	32,046,535	10.2	[●]	[●]

Shareholders	Pre-Issue		Post-Issue	
	Number of Equity Shares	Percentage of Equity Share capital	Number of Equity Shares	Percentage of Equity Share capital
Trusteeship Services Limited A/C IDFC Infrastructure Fund - India Development Fund				
IDBI Bank Limited	27,958,615	8.9	[●]	[●]
The Infrastructure Fund of India LLC	15,202,497	4.8	[●]	[●]
New York Life International India Fund (Mauritius) LLC	14,748,160	4.7	[●]	[●]
IDFC Trustee Company Ltd A/C IDFC Infrastructure Fund 2 A/C IDFC Private Equity Fund II	12,752,302	4.1	[●]	[●]
IL and FS Trust Co Ltd A/C IL&FS Private Equity Trust	10,484,480	3.3	[●]	[●]
The India Infrastructure Fund LLC	8,212,843	2.6	[●]	[●]
Administrator of the Specified Undertaking of The Unit Trust Of India-Unit Scheme 1964	2,830,810	0.9	[●]	[●]
UTI – Unit Linked Insurance Plan	349,483	0.1	[●]	[●]
Administrator of the Specified Undertaking of the Unit Trust of India – ARS Bonds	1,397,931	0.4	[●]	[●]
Administrator of the Specified Undertaking of the Unit Trust of India – DRF	1,048,448	0.3	[●]	[●]
Total holding	**127,032,104**	**40.3**	**[●]**	**[●]**

Shareholders	Pre-Issue		Post-Issue	
	Number of Equity Shares	Percentage of Equity Share capital	Number of Equity Shares	Percentage of Equity Share capital
of the Institutional Investors (C)				
Others	-	-		
Bodies Corporate	1,426,384	0.5	[●]	[●]
Non Resident Indians	363,661	0.1	[●]	[●]
Resident Individual	3,889,510	1.2	[●]	[●]
Total holding of Others (D)	**5,679,555**	**1.8**	**[●]**	**[●]**
Total Pre-Issue Share Capital (A+B+C+D)	**314,864,019**	**100.0**		
Eligible Employees (pursuant to the Employee Reservation Portion)	-	-	[●]	[●]
Public (pursuant to the Issue)	-	-	[●]	[●]
Total Post-Issue Share Capital [A+B+C+D]	-	-	**[●]**	**[●]**

4. **The list of the top ten shareholders and the number of Equity Shares held by them is as under:**

(a) As of the date of this Draft Red Herring Prospectus:

S. No.	Shareholder	No. of equity shares held	Percentage
1.	APM Terminals Mauritius Limited	182,152,360	57.9
2.	IDBI Trusteeship Services Limited A/C IDFC Infrastructure Fund - India Development Fund	32,046,535	10.2
3.	IDBI Bank Limited	27,958,615	8.9
4.	The Infrastructure Fund of India LLC	15,202,497	4.8
5.	New York Life International India Fund (Mauritius) LLC	14,748,160	4.7
6.	IDFC Trustee Company Limited A/C IDFC Infrastructure Fund 2 A/C IDFC Private Equity Fund II	12,752,302	4.1

S. No.	Shareholder	No. of equity shares held	Percentage
7.	IL and FS Trust Company Limited A/C IL&FS Private Equity Trust	10,484,480	3.3
8.	The India Infrastructure Fund LLC	8,212,843	2.6
9.	Administrator of the specified undertaking of The Unit Trust Of India-Unit Scheme 1964	2,830,810	0.9
10.	Administrator of the Specified Undertaking of the Unit Trust of India – ARS Bonds	1,397,931	0.4
	Total	**307,786,533**	**97.8**

(b) As of ten days prior to the date of this Draft Red Herring Prospectus are as follows:

S. No.	Shareholder	No. of equity shares held	Percentage
1.	APM Terminals Mauritius Limited	160,988,339	54.8
2.	IDBI Trusteeship Services Limited A/C IDFC Infrastructure Fund - India Development Fund	32,046,535	10.9
3.	IDBI Bank Limited	27,958,615	9.5
4.	The Infrastructure Fund of India LLC	15,202,497	5.2
5.	New York Life International India Fund (Mauritius) LLC	14,748,160	5.0
6.	IDFC Trustee Company Ltd A/C IDFC Infrastructure Fund 2 A/C IDFC Private Equity Fund II	12,752,302	4.3
7.	IL&FS Trust Company Limited A/C IL&FS Private Equity Trust - Leverage India Fund	10,484,480	3.6
8.	The India Infrastructure Fund LLC	8,212,843	2.8
9.	Administrator of the specified undertaking of The Unit Trust Of India-Unit Scheme 1964	2,830,810	1.0
10.	Administrator of the Specified Undertaking of the Unit Trust of India – ARS Bonds	1,397,931	0.5
	Total	**286,622,512**	**97.6**

(c) As of two years prior to the date of this Draft Red Herring Prospectus were as follows:

S. No.	Shareholder	No. of equity shares (of Rs. 10 each) held*	Percentage
1.	APM Terminals Mauritius Limited	158,523,959	54.0
2.	IDBI Trusteeship Services Limited A/C IDFC Infrastructure Fund - India Development Fund	32,046,535	10.9
3.	IDBI Bank Limited	27,958,615	9.5
4.	The Infrastructure Fund of India LLC	15,202,497	5.2
5.	New York Life International India Fund (Mauritius) LLC	14,748,160	5.0
6.	IDFC Trustee Company Ltd A/C IDFC Infrastructure Fund 2 A/C IDFC Private Equity Fund II	12,752,302	4.3
7.	IL and FS Trust Co Ltd A/C IL and FS Pvt Equity Trust -Leverage India Fund	10,484,480	3.6
8.	The India Infrastructure Fund LLC	8,212,843	2.8
9.	Administrator Of The Specified Undertaking Of The Unit Trust Of India-Unit Scheme 1964	2,830,810	1.0
10.	Maersk India Private Limited	2,464,380	0.8
	TOTAL	**285,224,581**	**97.1**

5. Our Company, the Promoters, the Promoter Group and their respective Directors, the BRLMs and CBRLM have not entered into any buy-back and/or standby arrangements for the purchase of Equity Shares from any person.

6. Our Company, the Directors, the Promoter or the Promoter Group shall not make any, direct or indirect, payments, discounts, commissions or allowances under this Issue, except as disclosed in this Draft Red Herring Prospectus.

7. None of the Directors or the Key Management Personnel hold any Equity Shares of our Company.

8. The Promoter, Promoter Group and Directors of our Company have not undertaken any transactions of Equity Shares during a period of six months preceding the date on which this Draft Red Herring Prospectus is filed with SEBI except as stated below:

S. No.	Name of the company	Date of allotment of Equity Shares	No. of Equity Shares	Issue Price (in Rs.)	Nature of payment
1.	APM Terminals Mauritius Limited	December 13, 2009	21,164,021	47.25	Cash

9. Our Company has made the following issue of Equity Shares during a period of one year preceding the date of this Draft Red Herring Prospectus which may be at a price lower than the Issue price:

Sr. No.	Name of person/entity	No. of Equity Shares	Issue price (Rs.)	Reason
1.	APM Terminals Mauritius Limited	21,164,021	47.25	Preferential Allotment

10. A total of upto [●] Equity Shares aggregating to Rs. 100 million, have been reserved for allocation to Eligible Employees, subject to valid Bids being received at or above the Issue Price and subject to the maximum Bid in this portion being Rs. 100,000. Only Eligible Employees as on [●] would be eligible to apply in this Issue under Reservation for Eligible Employees. Eligible Employees may Bid in the Net Issue as well and such Bids shall not treated as multiple Bids.

11. A Bidder cannot make a Bid for more than the number of Equity Shares offered through the Issue, subject to the maximum limit of investment prescribed under relevant laws applicable to each category of Bidder.

12. An oversubscription to the extent of 10% of the Issue can be retained for the purposes of rounding off to the nearer multiple of minimum allotment lot.

13. There are no outstanding warrants, options or rights to convert debentures, loans or other instruments convertible into the Equity Shares.

14. Other than the Pre-IPO Placement, if any, there will be no further issue of Equity Shares, whether by way of issue of bonus shares, preferential allotment, and rights issue or in any other manner during the period commencing from submission of this Draft Red Herring Prospectus with SEBI until the Equity Shares have been listed.

15. Our Company presently does not intend or propose to alter the capital structure for a period of six months from the Bid/Issue Opening Date, by way of split or consolidation of the denomination of Equity Shares or further issue of Equity Shares (including issue of securities convertible into or exchangeable, directly or indirectly for Equity Shares) whether preferential or otherwise, except that if we enter into acquisitions, joint ventures or other arrangements, we may, subject to necessary approvals, consider raising additional capital to fund such activity or use Equity Shares as currency for acquisitions or participation in such joint ventures.

16. There shall be only one denomination of the Equity Shares, unless otherwise permitted by law. We shall comply with such disclosure and accounting norms as may be specified by SEBI from time to time.

17. We have 952 shareholders as of the date of this Draft Red Herring Prospectus.

18. We have not raised any bridge loans against the proceeds of the Issue.

19. No person connected with the Issue shall offer any incentive, whether direct or indirect, in any manner, whether in cash, kind, services or otherwise, to any Bidder.

20. We have not issued any Equity Shares out of revaluation reserves. We have not issued any Equity Shares for consideration other than cash except as stated above.

21. All Equity Shares will be fully paid up at the time of allotment failing which no allotment shall be made.

22. At least 60% of the Net Issue shall be allocated on a proportionate basis to QIB Bidders. 5% of the QIB Portion (excluding Anchor Investor Portion) shall be available for allocation on a proportionate basis to Mutual Funds only and the remainder of the QIB Portion shall be available for allocation on a proportionate basis to all QIB Bidders, including Mutual Funds, subject to valid

Bids being received at or above the Issue Price. Further, not less than 10% of the Net Issue shall be available for allocation on a proportionate basis to Non-Institutional Bidders and not less than 30% of the Net Issue shall be available for allocation on a proportionate basis to Retail Individual Bidders, subject to valid Bids being received at or above the Issue Price. Our Company is considering a Pre-IPO Placement of an amount upto Rs. [●] million with various investors. The Pre-IPO Placement is at the discretion of our Company and will be out of the Fresh Issue portion. Our Company will complete the issuance and allotment of Equity Shares pursuant to the Pre-IPO Placement prior to the filing of the Red Herring Prospectus with the RoC. If the Pre-IPO Placement is completed, the Fresh Issue portion and the Issue size would be reduced to the extent of such Pre-IPO Placement, subject to a minimum Net Issue of 10% of the post Issue paid-up capital being available for allocation to the public.

23. Under-subscription, if any, in the Non-Institutional and Retail Individual categories would be allowed to be met with spill over from any other category at the discretion of our Company, the Selling Shareholders, BRLMs and CBRLM. Under subscription, if any, in the Employee Reservation Portion will be added back to the Net Issue at the discretion of the BRLMs, CBRLM and our Company. If at least 60% of the Net Issue is not allocated to the QIBs, the entire subscription monies shall be refunded.

OBJECTS OF THE ISSUE

The Issue consists of Fresh Issue by our Company and the Offer for Sale by the Selling Shareholders.

Offer for Sale

Our Company will not receive any proceeds from the Offer for Sale by the Selling Shareholders.

Fresh Issue

The proceeds of the Issue, after deducting the proceeds of the Offer for Sale and Issue related expenses (the "**Net Proceeds**"), are estimated to be approximately Rs. [●] million.

The Net Proceeds are proposed to be utilised by our Company for the following objects:

(a) Prepayment of loans of our Company;

(b) Investment in Capital Expenditure;

(c) Investment in Capital Equipment; and

(d) General corporate purposes.

The main objects clause of our Memorandum of Association enable us to undertake our existing activities and the activities for which the funds are being raised through this Fresh Issue. Further, we confirm that the activities it has been carrying out until now are in accordance with the objects clause of its Memorandum of Association.

The details of the Net Proceeds are summarized in the table below:

(In Rs. Million)

	Amount
Gross Proceeds from the Issue	[●]
Issue related Expenses*	[●]
Offer for Sale portion	[●]
Net Proceeds*	[●]

** To be finalised upon determination of the Issue Price*

Utilisation of Net Proceeds

The Net Proceeds will be utilised in accordance with the table set forth below:

(In Rs. Million)

S. No.	**Expenditure Items**	**Amount upto which will be financed from Net Proceeds**	**Estimated schedule of deployment of Net Proceeds for**		
			FY 2009	**FY 2010**	**FY 2011**
1.	Prepayment of loans	3,000.00	-	3,000.00	-
2.	Investment in capital expenditure	885.29	-	885.29	-
2.	Investment in capital equipment	310.82	-	310.82	-
3.	General corporate purposes	[●]	[●]	[●]	[●]
	Total	[●]	[●]	[●]	[●]

The fund requirements and deployment of the funds mentioned above are based on internal management estimates. Our Company may have to revise its expenditure and fund requirements as a result of changes, external factors which may not be within the control of its management and may entail rescheduling and revising the planned expenditure and funding requirement and increasing or decreasing the expenditure for a particular purpose from the planned expenditure at the discretion of its management.

In case of a shortfall in raising requisite capital from the Net Proceeds towards meeting the objects of the Fresh Issue, our Company may explore a range of options including utilising its internal accruals, seeking additional debt from existing and future lenders. Our Company believes that such alternate arrangements would be available to fund any such shortfalls.

Details of the Objects of the Fresh Issue

1. Prepayment of loan

Our Company has entered into a loan agreement dated May 19, 2009 (the "**Loan Agreement**") with Infrastructure Development Finance Company Limited, IDBI Bank Limited, Syndicate Bank, Bank of India, Punjab National Bank, Export-Import Bank of India, Housing Development Finance Corporation Limited, Union Bank of India (together the "**Lenders**") with Infrastructure Development Finance Company Limited as lenders agent and security trustee for an amount of Rs. 12,000.00 million. As on December 10, 2009 a sum of Rs. 10,599.26 million has been disbursed by the Lenders.

Our Company intends to utilize a portion of the Net Proceeds towards prepayment of a sum of up to Rs. 3,000.00 million out of the amount outstanding under the Loan Agreement. The details of the loans proposed to be prepaid out of Net Proceeds are provided in the table below:

(Rs. in million)

Sr. No.	Date of the loan facility agreement	Name of the lender	Amount Sanctioned	Principal amount outstanding as on December 10, 2009*	Repayment Date/ schedule	Interest (%)	Purpose of loan	Amount proposed to be repaid out of the Net Proceeds
1.	Consortium loan agreement dated May 19, 2009	Infrastructure Development Finance Company Limited	2,445.00	10,599.26	To be made in 48 structured quarterly instalments starting from June 1, 2012.	Spread of 2.5% pa over and above IDFC one year benchmark rate prevailing on the date of each disbursement. The aggregate loan amount outstanding upon the last disbursement shall carry interest at the weighted average rate of interest from the date of the last disbursement of the loan	Project finance	3,000.00
		Punjab National Bank	2,000.00			Punjab National Bank BPLR + 0.5% + term premia of 0.5% pa		
		Export-Import Bank of India	750.00			Export-Import Bank of India PLR		

Sr. No.	Date of the loan facility agreement	Name of the lender	Amount Sanctioned	Principal amount outstanding as on December 10, 2009*	Repayment Date/ schedule	Interest (%)	Purpose of loan	Amount proposed to be repaid out of the Net Proceeds
						prevailing on the date of each disbursement less 0.5% p.a.		
		IDBI Bank Limited	2,350.00			IDBI BPLR as prevailing on the date of each disbursement		
		Bank of India	2,000.00			Spread of 1% pa over and above Bank of India PLR		
		Syndicate Bank	1,000.00			Spread of 1% pa over and above Syndicate Bank PLR		
		Housing Development Finance Corporation Limited	1,000.00			Spread of 4% pa over and above benchmark rate prevailing on the date of each disbursement. Provided that the aggregate loan outstanding upon the last disbursement shall carry interest at weighted average rate of interest from the date of last disbursement of the loan.		
		Union Bank of India	455.00			Spread of 1% pa over and above Union Bank of India PLR		
	Total		12,000.00	10,599.26				3,000.00

* *As per certificate from V. Sankar Aiyar & Co., Chartered Accountants dated December 10, 2009.*

In accordance with the provisions of the Loan Agreement any prepayment of the Loan shall be subject to payment of a prepayment penalty equal to 2% of the amount to be prepaid. However, we shall have the right to prepay the loan amount in full or in part, without payment of any prepayment penalty if the prepayment is made:

(a) within 45 days after the reset date(s), as defined in the Loan Agreement (being the initial reset date falling on June 01, 2010 and June 1st of every year thereafter), after giving at least 7 days prior written notice to Infrastructure Development Finance Company Limited, the lenders' agent, or

(b) on the reset date(s) after giving at least 5 days prior notice in writing to Infrastructure Development Finance Company Limited.

In view of the requirements of our business and the dynamic nature of our industry, we may have to revise our business plan from time to time and consequently our fund requirement may also change. Thus, we may reduce or increase the amount of prepayments of loan.

Our Company has also received the consent for this Issue from all the banks/financial institutions with which it has existing financing arrangements.

2. Investment in Capital Expenditure

Our Company proposes to utililse a sum of Rs. 885.29 million from the Net Proceeds for the purpose of investment in capital expenditure to improve and enhance the infrastructure facilities at APM Terminals Pipavav.

The following table sets out the outlay for capital expenditure that is currently proposed at APM Terminals Pipavav:

Sr. No.	Description	Total Cost* (In Rs. million)	Total Amount (In Rs. million)		Quotations/ Contracts obtained from
			Fiscal 2009	Fiscal 2010	
1.	Bulk Stack Yard	65.93	-	65.76	M/s S. Patel & Co dated November 11, 2009 for an amount of Rs. 37.22 million; December 1, 2009 for an amount of Rs. 1.62 million; M/s Vyara Tiles Private Limited dated November 28, 2009 for an amount of Rs. 13.17 million and M/s Sarjan Construction Private Limited dated December 3, 2009 for an amount of Rs. 1.75 million; Dec 1, 2009 for an amount of Rs. 2.58 million; Dec 2, 2009 for an amount of Rs. 7.41 million.
2.	Container Yard	100.59	-	100.59	Scott Wilson Kirkpatrick India Private Limited dated June 19, 2009 for an amount of Rs. 100.59 million.
3.	Buildings and Sheds	138.24	-	138.24	Tata Bluescope Steel Limited dated November 18, 2009 for an amount of Rs. 71.68 million; and Steelfab Building Systems dated November 20, 2009 for an amount of Rs. 66.56 million.
4.	Roads	367.66	-	367.66	BackBone dated September 19, 2008 for an amount of Rs. 367.66 million.
5.	Rail Siding	26.00	-	26.00	Pipavav Railway Corporation Limited dated September 29, 2009 for an amount of Rs. 26.00 million.
6.	Terminal Operating System	81.73	-	81.73	Zebra Enterprise Solutions LLC dated September 29, 2009 for an amount of $0.75 million; Bluestar LXE dated November 14, 2009 for an amount of $0.35 million and Rs. 4.86 million; Redington Exports Pte Limited dated Oct 26, 2009 for an amount of $ 0.04 million; Hewlett-Packard India Sales Private Limited dated October 29, 2009 for an amount of Rs. 0.5 million; Zebra Enterprise Solutions dated September 7, 2009 for an amount of $ 0.05 million, dated September 30, 2009 for an amount of $ 0.29 million and dated November 27, 2009 for an amount of $ 0.11 million.
7.	Electrical Distribution System	29.53	-	29.53	Siemens dated June 26, 2009 for an amount of Rs. 2.73 million and dated October 24, 2009 for an amount of

Sr. No.	Description	Total Cost* (In Rs. million)	Total Amount (In Rs. million)		Quotations/ Contracts obtained from
			Fiscal 2009	Fiscal 2010	
					Rs. 26.80 million.
8.	Land and Site development	75.61	-	75.61	M/s Bajaj Electricals Limited dated November 12, 2009 for an amount of Rs. 1.61 million; M/s Sarjan Construction Private Limited dated April 7, 2009 for an amount of Rs. 74.00 million.
Total		**885.29**		**885.29**	-

Subject to applicable taxes and duties.

The estimated capital expenditure plan has not been appraised by an independent organization. In addition, our capital expenditure plans are subject to a number of variables, including possible cost overruns, construction delays or defects and changes in the management's views of the desirability of current plans, among others.

3. Investment in Capital Equipment

Our Company is required to make investments in capital equipment on a recurring basis to augment its cargo handling capacity. Our Company intends to use Rs. 310.82 million from the Net Proceeds for the purchase of a Mobile Harbour Crane at APM Terminals Pipavav.

The following table sets out the outlay for proposed expenditure on equipment that is currently under consideration for placement of order:

Sr. No.	Description	Purchase Quantity		Unit Cost* (In Rs. million)	Total Amount (In Rs. million)		Quotation obtained from
		Fiscal 2009	Fiscal 2010		Fiscal 2009	Fiscal 2010	
1.	Mobile Harbour Crane	-	1	310.82	-	310.82	Liebherr-Werk Nenzing GmbH dated November 11, 2009 for an amount of Rs. 310.82 million
Total				**310.82**		**310.82**	-

Subject to applicable taxes and duties.

The prices for the equipments proposed to be purchased as set out above are as per quotations received from the respective suppliers in November 2009. Our Company will obtain fresh quotations at the time of actual placement of the order for the respective equipment.

Means of Finance

The stated objects of investment in capital expenditure and capital equipment are proposed to be entirely financed from the Net Proceeds. Thus, our Company is in compliance with the SEBI Regulations for firm arrangement of finance through verifiable means towards 75% of the stated means of finance, excluding the amount to be raised through the proposed Fresh Issue.

4. General Corporate Purposes and other strategic initiatives

Our Company intends to deploy the balance Net Proceeds aggregating Rs. [●] million for General Corporate Purposes, including but not restricted to, meeting working capital requirements, capital expenditure towards the various facilities owned by our Company, repayment of certain of our debt obligations, strategic initiatives, partnerships, joint ventures and acquisitions, meeting exigencies, which we may face in the ordinary course of business, or any other purposes as approved by our Board.

Bridge Financing Facilities

Our Company has not raised any bridge loans from any bank or financial institution as on the date of this Draft Red Herring Prospectus, which are proposed to be repaid from the proceeds of this Fresh Issue.

Interim use of Net Proceeds

Our Company, in accordance with the policies established by the Board, will have flexibility in deploying the Net Proceeds. Pending utilization for the purposes described above, our Company intends to temporarily invest the funds from the Fresh Issue in interest bearing liquid instruments including deposits with banks and investments in mutual funds and other financial products, such as principal protected funds, derivative linked debt instruments, other fixed and variable return instruments, listed debt instruments and rated debentures.

Issue Expenses

The Issue related expenses consist of underwriting fees, selling commission, fees payable to BRLMs and CBRLM to the Issue, legal counsels, Bankers to the Issue, Escrow Bankers and Registrars to the Issue, printing and stationery expenses, advertising and marketing expenses and all other incidental and miscellaneous expenses for listing the Equity Shares on the Stock Exchanges. Our Company intends to use approximately Rs. [●] million towards these expenses for the Issue. Other than listing fees, which will be paid by our Company, all expenses with respect to the Issue will be shared between the Selling Shareholders and our Company in proportion to the Equity Shares contributed to the Issue. The break-up for the Issue expenses is as follows:

Activity	Expenses* (In Rs. million)	Percentage of the Issue Expenses*	Percentage of the Issue size*
Lead Management, Underwriting and Selling Commission	[●]	[●]	[●]
SCSB Commission	[●]	[●]	[●]
Advertising and marketing expenses	[●]	[●]	[●]
Printing and stationery (including courier, transportation charges)	[●]	[●]	[●]
Others (Registrar fees, legal fees, listing costs etc)	[●]	[●]	[●]
Fees paid to rating agency	[●]	[●]	[●]
Total	[●]	[●]	[●]

**Will be incorporated after finalisation of the Issue Price.*

Monitoring of Utilization of Funds

The Board will monitor the utilization of the proceeds of the Fresh Issue. Our Company will disclose the utilization of the proceeds of the Fresh Issue under a separate head along with details, for all such proceeds of the Fresh Issue that have not been utilized. Our Company will indicate investments, if any, of unutilized proceeds of the Fresh Issue in our Balance Sheet for the relevant Financial Years subsequent to the listing.

Pursuant to clause 49 of the Listing Agreement, our Company shall on a quarterly basis disclose to the Audit Committee the uses and applications of the proceeds of the Fresh Issue. On an annual basis, our Company shall prepare a statement of funds utilised for purposes other than those stated in this Draft Red Herring Prospectus and place it before the Audit Committee. Such disclosure shall be made only until such time that all the proceeds of the Fresh Issue have been utilised in full. The statement will be certified by the statutory auditors of our Company.

Our Company shall be required to inform material deviations in the utilisation of Net Proceeds to the stock exchanges and shall also be required to simultaneously make the material deviations/adverse comments of the Audit committee public through advertisement in newspapers.

Except as stated above, no part of the proceeds from the Fresh Issue will be paid by our Company as consideration to its Promoter, Directors, Group Companies or key managerial employees, except in the normal course of our business.

BASIS FOR ISSUE PRICE

The Price Band for the Issue shall be decided prior to the filing of the Red Herring Prospectus with the RoC. The Issue Price will be determined by our Company and the Selling Shareholders in consultation with the BRLMs and CBRLM on the basis of the assessment of market demand for the offered Equity Shares by the book building process. The face value of the Equity Shares of our Company is Rs. 10 each and the Issue Price is [●] times of the face value at the lower end of the Price Band and [●] times the face value at the higher end of the Price Band. The EPS and NAV presented in this section are based on the face value of Rs. 10 per equity share.

Qualitative Factors

1. Strategic location of APM Terminals Pipavav to serve the demand of the landlocked northern and northwestern regions of India;
2. Well developed port infrastructure at APM Terminals Pipavav;
3. Good rail and road connectivity from APM Terminals Pipavav;
4. Access to land and extensive support infrastructure which provide significant resources for future expansion;
5. Relationship with the Promoter, APM Terminals and its parent, APMM Group;
6. Experienced management team; and
7. Ability to handle diverse cargo portfolio.

For a detailed discussion on the qualitative factors which form the basis for computing the price, see the sections "Business" and "Risk Factors" beginning on pages 66 and xiv of this Draft Red Herring Prospectus.

Quantitative Factors

Information presented in this section is derived from our audited financial statements prepared in accordance with Indian GAAP. The last three financial years for our Company are not uniform and hence the numbers cannot be strictly compared across the years.

Financial Period	Duration
April 1, 2005 – December 31, 2005	9 months
January 1, 2006 – December 31, 2006	12 months
January 1, 2007 – December 31, 2007	12 months
January 1, 2008 – December 31, 2008	12 months
January 1, 2009 – September 30, 2009	9 months

1. Adjusted Earning (Loss) Per Share (EPS)

Financial Period	Rs.
Period ended December 31, 2005*	(2.44)
Year ended December 31, 2006	(2.55)
Year ended December 31, 2007	(1.96)
Year ended December 31, 2008	(2.37)
Period ended September, 2009*	(2.81)

** For 9 months*

Notes:

(a) The earnings per share has been computed on the basis of adjusted profits and losses for the respective years / periods after considering the impact of accounting policy changes, prior period adjustments / regroupings pertaining to earlier years as per the auditors report, and have been annualized.

(b) The face value of each equity share is Rs. 10.

2. *Price to Earnings Ratio (P/E) in Relation to Issue Price of Rs. [•]*

(a) Based on year ended December 31, 2008 adjusted EPS is Rs. (2.37)

(b) P/E based on profits / (losses) after taxes, for the year ended December 31, 2007 is [●]

(c) Industry P/E*: 39.2

** Source: "Capital Market" Volume XXIV/20, dated November – December 13, 2009*

3. *Return on Net Worth*

Financial Period	Return on Net Worth (%)
Period ended December 31, 2005	-*
Year ended December 31, 2006	-*
Year ended December 31, 2007	-*
Year ended December 31, 2008	-*
Period ended September 30, 2009	

** Not applicable as the return/ net worth is negative for the year/period as at the balance sheet date.*

Net Worth is defined as equity share capital + preference share capital + other reserves and surplus – debit balance in profit and loss account

Return on Net Worth has been calculated as per the following formula:

(*Net profit / (loss) after tax / Net Worth*)

4. *Net Asset Value (NAV) per Equity Share (of face value Rs. 10 each)*

(a) As of December 31, 2008: Rs. 11.31

(b) After the Issue: Rs. [●]

NAV has been calculated as per the following formula:

(Net worth less Preference Share Capital / Number of equity shares outstanding at the end of the period / year)

5. *Comparison with Industry Peers*

We have chosen the companies which we believe are our peers for our Company:

	Face Value per share (Rs.)	EPS (Rs.)	P/E (times)	Return on Net Worth (%)	Book Value (Rs.)
Gujarat Pipavav Port Limited**	10	(2.37)	[●]	-*	11.31
Peer Group[(1)]					
Mundra Port and SEZ Limited	10	10.6	39.2	16.6	73.4

** Not applicable as the return/ net worth is negative for the year/period as at the balance sheet date.*
***EPS and Book Value as on December 31, 2008*
(1) All figures for peer group are from "Capital Market" Volume XXIV/20, dated November – December 13, 2009

The BRLMs and the CBRLM believe that the Issue Price of Rs. [●] is justified in view of the above qualitative and quantitative parameters. For details, see "Risk Factors" on page xiv of the Draft Red Herring Prospectus and the audited financial statements of our Company, as set out in the Auditors Report stated on page 134 of the Draft Red Herring Prospectus to have a more informed view.

STATEMENT OF TAX BENEFITS

Statement of general direct tax benefits available to the Company and the shareholders

The following tax benefits shall be available to the Company and the prospective shareholders under Direct Tax.

1. To the Company - Under the Income-tax Act, 1961 ('the Act')

General Tax Benefits

1.1 Under section 10(34) of the Act, any income by way of dividends referred to in Section 115-O (i.e. dividends declared, distributed or paid on or after April 1, 2003 by domestic companies) received on the shares of any company is exempt from tax.

1.2 Under Section 32 of the Act, the Company can claim depreciation allowance at the prescribed rates on tangible assets such as building, plant and machinery, furniture and fixtures, etc. and intangible assets such as patent, trademark, copyright, know-how, licenses, etc. if acquired after March 31, 1998.

1.3 Under Section 35D of the Act, the Company will be entitled to a deduction equal to 1/5th of the expenditure incurred of the nature specified in the said section, including expenditure incurred on present issue, such as under writing commission, brokerage and other charges, as specified in the provision, by way of amortization over a period of 5 successive years, beginning with the previous year in which the business commences, subject to the stipulated limits.

1.4 Under Section 35DD of the Act, the company will be entitled to a deduction equal to 1/5th of the expenditure incurred in connection with Amalgamation of an undertaking by way of amortization over a period of 5 successive years, beginning with the previous year in which the amalgamation or demerger takes place.

1.5 The company is entitled to deduction under section 80G of the Act in respect of amounts contributed as donations to various charitable institutions and funds covered under that section, subject to fulfillment of conditions specified therein.

Special Tax Benefits

1.1 The company is eligible for deduction under section 80-IA for a period of 10 consecutive years in a block of 15 years starting from the commencement of business. The deduction is equivalent to 100 per cent of profits derived from developing, or operating and maintaining or developing, operating and maintaining any infrastructure facility. Infrastructure facility has been defined to include a port, air port, inland waterway or inland port.

2. To the Members of the Company – Under the Income Tax Act

2.1 Resident Members

General Tax Benefits

a) 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.

b) Under Section 10(38) of the Act, long term capital gain arising to the shareholder from transfer of a long term capital asset being an equity share in the company (i.e. equity shares held for the period of more than twelve months) entered into in a recognized stock exchange in India and being such a transaction, which is chargeable to Securities Transaction Tax, shall be exempt from tax. However, as per Finance Act 2006 long term capital gains of a company shall be taken into account in computing tax payable under section 115JB.

c) In terms of Section 36(1)(xv) of the Act, the Securities Transaction Tax paid by the shareholder in respect of the taxable securities transactions entered into in the course of the business would be eligible for deduction from the income chargeable under the head 'Profits and Gains under Business or Profession' arising from taxable securities transactions.

d) As per the provisions of Section 10(23D) of the Act, all mutual funds set up by public sector banks, public financial institutions or mutual funds registered under the Securities and Exchange Board of India(SEBI) or authorized by the Reserve Bank of India (RBI) are eligible for exemption from income-tax, subject to the conditions specified therein, on their entire income including income from investment in the shares of the company.

e) Under Section 54EC of the Act, capital gain arising from transfer of long term capital assets [other than those exempt u/s 10(38)] shall be exempt from tax, subject to the conditions and to the extent specified therein, if the capital gain are invested within a period of six months from the date of transfer in the bonds redeemable after three years and issued by –

(i) National Highways Authority of India ('NHAI') constituted under Section 3 of National Highways Authority of India Act, 1988 and notified by the Central Government in the Official Gazette for the purpose of this section;

(ii) Rural Electrification Corporation Limited ('RECL'), a company formed and registered under the Companies Act, 1956 and notified by the Central Government in the Official Gazette for the purpose of this section;

If only part of the capital gain is so reinvested, the exemption shall be proportionately reduced. However, the amount so exempted shall be chargeable to tax subsequently, if the new bonds are transferred or converted into money within three years from the date of their acquisition.

f) Under Section 54F of the Act, where in the case of an individual or HUF capital gain arise from transfer of long term assets [other than a residential house and those exempt u/s 10(38) of the Act] then such capital gain, subject to the conditions and to the extent specified therein, will be exempt if the net sales consideration from such transfer is utilized for purchase of residential house property within a period of one year before or two year after the date on which the transfer took place or for construction of residential house property within a period of three years after the date of transfer. If only a part of the net consideration is so reinvested, the exemption shall be proportionately reduced.

g) Under Section 111A of the Act, capital gains arising from transfer of short term capital assets, being an equity share in a company which is subject to Securities Transaction Tax will be taxable under the Act at 10% (plus applicable surcharge and educational cess).

h) Under Section 112 of the Act and other relevant provisions of the Act, long term capital gains [not covered under Section 10(38) of the Act] arising on transfer of listed shares in the Company, if shares are held for a period exceeding 12 months, shall be taxed at a rate of 20% (plus applicable surcharge and educational cess on income-tax) after indexation as provided in the second proviso to Section 48 or at 10% (plus applicable surcharge and educational cess on income-tax) (without indexation), at the option of the Shareholders.

Special Tax Benefits

There are no special tax benefits available to the resident members.

2.2 Non Resident Indians/Members other than Foreign Institutional Investors and Foreign Venture Capital Investors

General Tax Benefits

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

b) Under Section 10(38) of the Act, long term capital gain arising to the shareholder from transfer of a long term capital asset being an equity share in the company or unit of an equity oriented mutual fund (i.e. capital asset held for the period of more than twelve months) entered into in a recognized stock exchange in India and being such a transaction, which is chargeable to Securities Transaction Tax, shall be exempt from tax.

c) In terms of Section 36(1)(xv) of the Act, the Securities Transaction Tax paid by the shareholder in respect of the taxable securities transactions entered into in the course of the business would be eligible for deduction from the income chargeable under the head 'Profits and Gains under Business or Profession' arising from taxable securities transactions.

d) Under the first proviso to section 48 of the Act, in case of a non resident, in computing the capital gains arising from transfer of shares of the company acquired in convertible foreign exchange (as per exchange control regulations), protection is provided from fluctuations in the value of rupee in terms of foreign currency in which the original investment was made. Cost indexation benefits will not be available in such a case.

e) Under Section 54EC of the Act, capital gain arising from transfer of long term capital assets [other than those exempt u/s 10(38)] shall be exempt from tax, subject to the conditions and to the extent specified therein, if the capital gain are invested within a period of six months from the date of transfer in the bonds redeemable after three years and issued by –

   (i) National Highways Authority of India ('NHAI') constituted under Section 3 of National Highways Authority of India Act, 1988 and notified by the Central Government in the Official Gazette for the purpose of this section;

   (ii) Rural Electrification Corporation Limited ('RECL'), a company formed and registered under the Companies Act, 1956 and notified by the Central Government in the Official Gazette for the purpose of this section;

   If only part of the capital gain is so reinvested, the exemption shall be proportionately reduced. However, the amount so exempted shall be chargeable to tax subsequently, if the new bonds are transferred or converted into money within three years from the date of their acquisition.

f) Under Section 54F of the Act, where in the case of an individual or HUF capital gain arise from transfer of long term assets [other than a residential house and those exempt u/s 10(38) of the Act] then such capital gain, subject to the conditions and to the extent specified therein, will be exempt if the net sales consideration from such transfer is utilized for purchase of residential house property within a period of one year before or two year after the date on which the transfer took place or for construction of residential house property within a period of three years after the date of transfer. If only a part of the net consideration is so reinvested, the exemption shall be proportionately reduced.

g) Under Section 111A of the Act, capital gains arising from transfer of short term capital assets, being an equity share in a company which is subject to Securities Transaction Tax will be taxable under the Act at 10% (plus applicable surcharge and educational cess).

h) Under Section 112 of the Act and other relevant provisions of the Act, long term capital gains [not covered under Section 10(38) of the Act] arising on transfer of shares in the Company, if shares are held for a period exceeding 12 months, shall be taxed at a rates.

i) Taxation of Income from investment and Long Term Capital Gains [other than those exempt u/s 10(38)]

(i) A non-resident Indian, i.e. an individual being a citizen of India or person of Indian origin has an option to be governed by the special provisions contained in Chapter XIIA of the Act, i.e. "Special Provisions Relating to certain incomes of Non-Residents".

(ii) Under Section 115E of the Act, where shares in the company are subscribed for in convertible Foreign Exchange by a non-resident Indian, capital gains arising to the non resident on transfer of shares held for a period exceeding 12 months shall [in cases not covered under Section 10(38) of the Act] be concessionally taxed at a flat rate of 10% (plus applicable surcharge and educational cess) without indexation benefit but with protection against foreign exchange fluctuation under the first proviso to Section 48 of the Act.

(iii) Under provisions of section 115F of the Act, long term capital gains [not covered under section 10(38) of the Act] arising to a non-resident Indian from the transfer of shares of the company subscribed to in convertible Foreign Exchange shall be exempt from income tax if the net consideration is reinvested in specified assets within six months of the date of transfer. If only part of the net consideration is so reinvested, the exemption shall be proportionately reduced. The amount so exempted shall be chargeable to tax subsequently, if the specified assets are transferred or converted within three years from the date of their acquisition.

(iv) Under provisions of Section 115-G of the Act, it shall not be necessary for a non-resident Indian to furnish his return of income if his only source of income is investment income or long term capital gains or both arising out of assets acquired, purchased or subscribed in convertible foreign exchange and tax deductible at source has been deducted there from.

(v) Under Section 115-I of the Act, a non resident Indian may elect not to be governed by the provisions of Chapter XII-A of the Act for any assessment year by furnishing his return of income under section 139 of the Act declaring therein that the provisions of the Chapter shall not apply to him for that assessment year and if he does so the provisions of this Chapter shall not apply to him. In such a case the tax on investment income and long term capital gains would be computed as per normal provisions of the Act.

Special Tax Benefits

There are no special tax benefits available to the non resident members.

2.3 Foreign Institutional Investors (FIIs)

General Tax Benefits

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

b) Under Section 10(38) of the Act, long term capital gain arising to the shareholder from transfer of a long term capital asset being an equity share in the company or unit of an equity oriented mutual fund (i.e. capital asset held for the period of more than twelve months) entered into in a recognized stock exchange in India and being such a transaction, which is chargeable to Securities Transaction Tax, shall be exempt from tax.

c) In terms of Section 36(1)(xv) of the Act, the Securities Transaction Tax paid by the shareholder in respect of the taxable securities transactions entered into in the course of the business would be eligible for deduction from the income chargeable under the head ‘Profits and Gains under Business or Profession’ arising from taxable securities transactions.

d) Under Section 111A of the Act, capital gains arising from transfer of short term capital assets, being an equity share in a company which is subject to Securities Transaction Tax will be taxable under the Act at 10% (plus applicable surcharge and educational cess).

e) Under Section 115AD capital gain arising on transfer of long term capital assets, being shares in a company (other than those mentioned in point b) above), are taxed at the rate of 10% (plus applicable surcharge and education cess). Such capital gains would be computed without giving effect to the first and second proviso to Section 48 of the Act. In other words, the benefit of indexation, direct or indirect, as mentioned under the two provisos would not be allowed while computing the capital gains.

d) Under Section 54EC of the Act, capital gain arising from transfer of long term capital assets [other than those exempt u/s 10(38)] shall be exempt from tax, subject to the conditions and to the extent specified therein, if the capital gain are invested within a period of six months from the date of transfer in the bonds redeemable after three years and issued by –

(i) National Highways Authority of India ('NHAI') constituted under Section 3 of National Highways Authority of India Act, 1988 and notified by the Central Government in the Official Gazette for the purpose of this section;

(ii) Rural Electrification Corporation Limited ('RECL'), a company formed and registered under the Companies Act, 1956 and notified by the Central Government in the Official Gazette for the purpose of this section;

If only part of the capital gain is so reinvested, the exemption shall be proportionately reduced. However, the amount so exempted shall be chargeable to tax subsequently, if the new bonds are transferred or converted into money within three years from the date of their acquisition.

Special Tax Benefits

There are no special tax benefits available to the Foreign Institutional Investors.

2.4 Venture Capital Companies / Funds

General Tax Benefits

As per the provisions of section 10(23FB) of the Act, income of

- Venture Capital Company which has been granted a certificate of registration under the Securities and Exchange Board of India Act, 1992 and notified as such in the Official Gazette; and

- Venture Capital Fund, operating under a registered trust deed or a venture capital scheme made by Unit Trust of India, which has been granted a certificate of registration under the Securities and Exchange Board of India Act, 1992 and fulfilling such conditions as may be notified in the Official Gazette, from investment in a Venture Capital Undertaking, is exempt from income tax. The definition of "venture capital undertaking" means a domestic company whose shares are not listed in a recognized stock exchange of India.

Special Tax Benefits

There are no special tax benefits available to the Venture Capital Companies / Funds.

3. Wealth Tax Act, 1957

Shares in a company held by a shareholder will not be treated as an asset within the meaning of Section 2(ea) of Wealth tax Act, 1957; hence, wealth tax is not leviable on shares held in a company.

4. Benefits available under the Gift Tax Act, 1958

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

5. Tax Treaty benefits

In accordance with section 90(2) of the Act, 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.

Notes

a) All the above benefits are as per the current tax law and will be available only to the sole/ first named holder in case the shares are held by joint holders.

b) In respect of non-residents, taxability of capital gains mentioned above shall be further subject to any benefits available under the Double Taxation Avoidance Agreement, if any between India and the country in which the non-resident has fiscal domicile.

c) In view of the individual nature of tax consequence, each investor is advised to consult his/ her own tax adviser with respect to specific tax consequences of his/ her participation in the scheme.

SECTION IV: ABOUT OUR COMPANY

INDUSTRY

The information in this section is derived from various publicly available documents and government and industry sources. Neither we nor any other person connected with the Issue have verified this information. The information contained herein has been obtained from sources generally believed to be reliable, but the accuracy, completeness and underlying assumptions of this information is not guaranteed and its reliability cannot be assured.

The Company had commissioned CRISIL RESEARCH to conduct a study on the Indian port industry and the relevant extracts from the CRISIL RESEARCH report dated December 2009 (the "CRISIL RESEARCH 2009 Report") have been reproduced in this document with the permission from CRISIL and with the understanding that CRISIL is not held liable. Neither we nor any other person connected with the Issue has verified the information sourced from this CRISIL RESEARCH 2009 Report. Prospective investors are advised not to place undue reliance on the information sourced from this report when making their investment decision.

Information sourced from London-based Drewry Shipping Consultants Limited contained in this document is used with the permission of Drewry and with the understanding that Drewry is not held liable.

Overview of the World and Indian Economy

The International Monetary Fund's ("IMF") most recent global economic outlook update (July 2009) has seen forecasts for both calendar year ("CY") CY2009 and CY2010 revised upwards – indicating that the international strategy to stimulate the global economy through low interest rates, quantitative easing and economic stimulus packages has begun to succeed. *(Source: Drewry, Container Forecaster – Sept: 3Q09, September 30, 2009)*

India is the world's largest democracy by population size and one of the fastest growing economies in the world. India had an estimated GDP on a purchasing power parity basis of approximately US$3.30 trillion in 2008, making it the fifth largest economy in the world after the European Union, the United States of America, China and Japan. *(Source: CIA World Factbook)* In the past, India has experienced rapid economic growth, with GDP growing at an average growth rate of 8.8% between fiscal 2003 and fiscal 2008. This high growth trajectory was impeded in fiscal 2009, as a result of the global economic downturn. *(Source: RBI, Macroeconomic and Monetary Developments: First Quarter Review, 2009-10)* The IMF expects India to be one of the fastest growing economy in the world and its GDP forecast estimates are as summarised below.

	IMF CY2009 GDP Forecast			IMF CY2010 GDP Forecast		
Date of Forecast	**Jan-09**	**Apr-09**	**Jul-09**	**Jan-09**	**Apr-09**	**Jul-09**
Global Output	0.50%	-1.30%	-1.40%	3.00%	1.90%	2.50%
Industrial World	-2.00%	-3.80%	-3.80%	1.10%	0.00%	0.60%
US	-1.60%	-2.80%	-2.60%	1.60%	0.00%	0.80%
Euro Zone	-2.00%	-4.20%	-4.80%	0.20%	-0.40%	-0.30%
Japan	-2.60%	-6.20%	-6.00%	0.60%	0.50%	1.70%
Developing World	-3.30%	1.60%	1.50%	5.00%	4.00%	4.70%
China	6.70%	6.50%	7.50%	8.00%	7.50%	8.50%
India	5.10%	4.50%	5.40%	6.50%	5.60%	6.50%
Russia	-0.70%	-6.00%	-6.50%	1.30%	0.50%	1.50%
Brazil	1.80%	-1.30%	-1.30%	3.50%	2.20%	2.50%

(Source: Drewry, Container Forecaster – Sept: 3Q09, September 30, 2009)

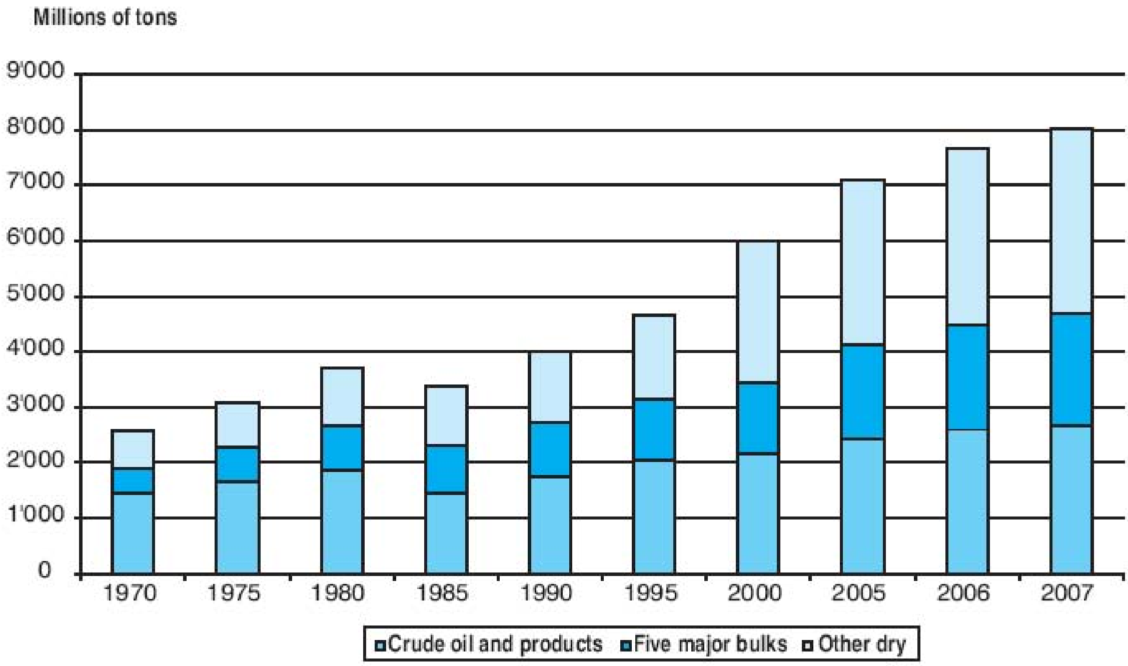
Developing economies in Asia, and particularly China and India, appear to be performing a leading role in the global economic recovery, as they did in the prior economic run-up. Recovery is rather more feeble in the developed economies. The strength of the upturn in Asian developing economics reflects both the limited direct exposure to the financial origins of the crisis and the strong policy stimulus these countries were in a position to apply. *(Source: Drewry India Trade Insight, An Analysis of Indian Commodities and Trade, November 2009)*

World Seaborne Trade

World seaborne trade has grown almost continuously since the 1970s with over 80% of world merchandise trade by volume being carried by sea. *(Source: Review of Maritime Transport, 2008, UNCTAD (UNCTAD/RMT/2008))*

Although maritime transport has generally been associated with the carriage of high-volume, low-value goods such as iron ore and coal, over recent years the share of low-volume, high-value goods such as manufactured goods carried by sea has been growing. According to the WTO, manufactured goods account for over 70% of world merchandise trade by value. *(Source: Review of Maritime Transport, 2008, UNCTAD (UNCTAD/RMT/2008))*. This shift is a function of global and regional GDP growth and growing dislocation between the locations of resources, manufacturing bases and key areas of consumption. These factors, over the last 20 years, have led to world trade growing at over two times GDP with global seaborne trade growing at a CAGR of 3.7% at the same time. In CY 2007, international seaborne trade was estimated at 8.02 billion tonnes of goods loaded. Dry cargo, including bulk, break bulk and containerised cargo, accounted for the largest share of goods loaded (66.6%) while oil and related products made up the balance. During the past three decades, the annual average growth rate of world seaborne trade is estimated at 3.1%. At this rate, global seaborne trade would be expected to increase by 44% in 2020 and double by 2031, potentially reaching 11.5 billion tonnes and 16.04 billion tonnes, respectively. *(Source: Review of Maritime Transport, 2008, UNCTAD (UNCTAD/RMT/2008))*

World Seaborne Trade For Selected Years



(Source: Review of Maritime Transport, 2008, UNCTAD (UNCTAD/RMT/2008))

China, Brazil, India, Mexico, South Africa, the Republic of Korea and the Russian Federation are propelling South–South trade and cooperation. Examples of concrete actions taken to promote South–South trade cooperation include the India–Brazil-South Africa developmental initiative launched by the Brasilia Declaration in June 2003 and the signature of over 40 trade agreements between China and African countries in 2006. The share of these countries in world exports was 17% in CY1997, 18% in CY2000 and 23% in CY2007. *(Source: Review of Maritime Transport, 2008, UNCTAD (UNCTAD/RMT/2008))*

According to world trade statistics issued by the WTO, India's share in total world trade, which includes trade in the merchandise and services sectors has gone up from 1.1% in 2004 (the initial year of the five-year Foreign Trade Policy (2004-09)) to 1.45% in 2008.

World Container Trade

After a 5.4% growth in CY2008 (bringing six successive years of double-digit growth to an abrupt end), CY2008's more modest performance saw global port throughput reach 524.6 million TEUs. Drewry's latest forecasts expects global container traffic to decline by as much as 10.3% in CY 2009 and grow moderately by +2.4% in CY2010. *(Source: Drewry, Container Forecaster – Sept: 3Q09, September 30, 2009)*

Estimated Annual Growth in Container Activity by Region

('000 TEUs of port handling, including empties and transshipment)

CY years	1980	1990	2000	2005	2006	2007	2008	2009*
North America	9,531	16,662	30,869	44,552	46,972	47,885	45,888	40,243
West Europe	11,753	22,557	51,650	75,624	81,401	91,058	91,788	79,855
North Europe	*8,647*	*16,001*	*31,707*	*45,985*	*49,863*	*55,740*	*56,372*	*49,132*
South Europe	*3,106*	*6,556*	*19,943*	*29,639*	*31,538*	*35,318*	*35,416*	*30,723*
Far East	7,587	22,951	71,675	137,952	157,286	180,307	193,870	177,204
South East Asia	1,871	9,679	34,383	54,932	59,869	67,377	71,127	62,999
Middle East	1,943	3,583	11,085	22,389	24,536	28,382	31,715	29,517
Latin America	2,359	5,079	17,920	27,978	31,845	35,253	37,422	33,503
Carib/C. America	*1,816*	*3,312*	*9,944*	*14,210*	*16,082*	*18,147*	*18,971*	*16,905*
S. America	*543*	*1,767*	*7,976*	*13,768*	*15,763*	*17,106*	*18,451*	*16,598*
Oceania	1,611	2,334	5,027	7,497	7,931	8,643	9,406	8,774
South Asia	249	1,780	5,481	9,779	11,532	13,554	14,723	13,477
Africa	1,471	2,720	7,429	13,929	15,806	17,897	20,643	19,346
Eastern Europe	374	628	1,121	4,341	5,443	7,206	7,987	5,718
World	**38,748**	**87,974**	**236,640**	**398,973**	**442,622**	**497,563**	**524,567**	**470,634**

** Forecast*
(Source: Drewry, Container Forecaster – Sept: 3Q09, September 30, 2009)

As at mid-year in 2009, only 17 ports out of 114 considered by Drewry had posted year-on-year gains and of these only four were 1,000,000 TEU per annum ports. The two biggest performance improvements in the rate of year-on-year growth in the second quarter were recorded in South Asia and in South America. *(Source: Drewry, Container Forecaster – Sept: 3Q09, September 30, 2009)*

Indian Port Industry

India has an extensive coastline of 7,517 kilometres (excluding the Andaman and Nicobar Islands). The ports and shipping industry in India have been in greater demand due to the growth in imports and exports on account of India's economic expansion. Indian ports handled approximately 95% of the total volume of the country's trade and about 70% in terms of value *(Source: Working Group Report on Shipping and Inland Water Transport, 11th Five-Year Plan).*

Major Ports and non-Major Ports

Indian ports are divided primarily into the Major Ports and the non-Major Ports. The classification of a Major Port compared to a non-Major Port is not based on the capacity or cargo traffic but on control and governance. According to the Department of Shipping, as of March 31, 2008 there were 12 Major Ports and 187 non-Major Ports (state ports or private ports) spread across nine coastal states. According to the CRISIL RESEARCH 2009 Report, only 50 non-Major Ports are currently operational. Major Port trusts are regulated by the Central Government, which currently manages 11 out of the 12 Major Ports. The Major Port at Ennore is a corporate entity incorporated under the Indian Companies Act, 1956, and was commissioned in February 2001. The non-Major Ports are regulated by the respective state governments and many of these ports are private ports or captive ports. Major Ports are principally large ports having a combination of dedicated bulk terminals, specialised container terminals and general cargo berths.

The following map shows the location of the Major Ports and certain of the non-Major Ports in the regions and states within India:

(Source: National Maritime Development Programme)

Private sector participation has seen an increase in development of terminals in the Major Ports as well as new non-Major Ports. Since 2000, there have been significant developments in the non-Major Ports. This has been attributed to proactive policies of the state maritime boards, more particularly in states such as Gujarat, Andhra Pradesh and Orissa. The non-Major Ports under state government jurisdiction in the private sector are located at Pipavav and Mundra in Gujarat, Kakinada, Krishnapatnam and Gangavaram in Andhra Pradesh, Karaikal in Tamilnadu, Dhamra and Gopalpur in Orissa and Dighi and Redi in Maharashtra. The GoG has been a leader in formulating proactive policies for the development of non-Major Ports in the private sector and on a public/private basis along its coastline.

Traffic at Indian Ports witnessed strong growth in the recent past

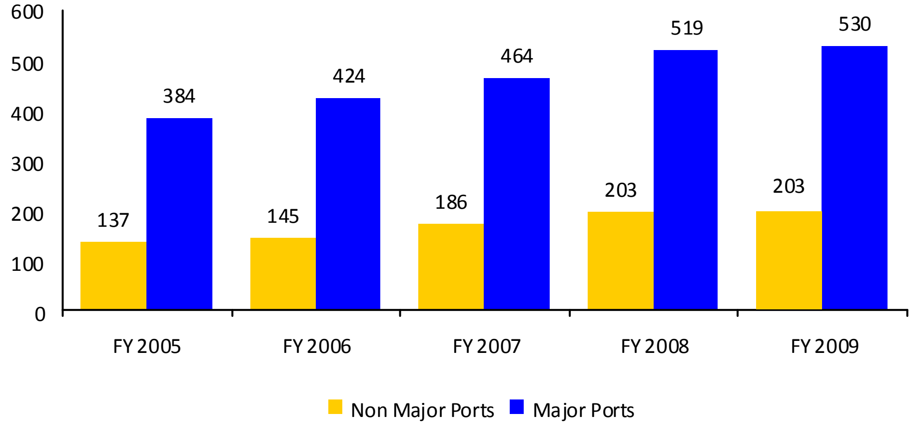
At the end of 1951, India had five Major Ports with a throughput of 20 million tonnes. In the next three decades, India's throughput increased to 78 million tonnes by more than doubling the number of Major Ports. In 1990, India's Major Ports had achieved a total throughput of 148 million tonnes, 272 million tonnes at the end of 2000 and 530 million tonnes at the end of FY 2009, in each case at 12 Major Ports. *(Source: National Maritime Development Programme, 2006, Ministry of Shipping)*

The total cargo traffic carried by both Major and non-Major Ports in fiscal 2009 was 733 million tonnes, of which 530 million tonnes, or 72%, passed through Major Ports and the remaining 203 million tonnes passed through non-Major Ports. *(Source: CRISIL RESEARCH 2009 Report)* Over the last decade, cargo traffic at Major Ports has grown at a CAGR of 7.7%. In comparison, cargo traffic at non-Major Ports has grown at a CAGR of 18.2%. As a result, the share of non-Major Ports in total volume has increased from 13% in fiscal 1999 to 27.7% in fiscal 2009. *(Source: http://ipa.nic.in/state_traffic.htm and CRISIL RESEARCH)* According to the CRISIL RESEARCH 2009 Report, the rise in traffic can be attributed to the faster growth in capacity, lower congestion and higher efficiency at non-Major Ports.

Traffic handled at Indian ports in the last five years has been shown in the chart below

Traffic Handled at Indian Ports

(in million tonnes)



(Source: CRISIL RESEARCH)

The traffic at ports in India is expected to increase to 877 million tonnes per year by fiscal 2012 and 962 million tonnes per year by fiscal 2014. *(Source: National Maritime Development Programme, 2006)*

In the next five years, CRISIL RESEARCH expects non-Major Ports to continue gain market share in containers and bulk cargo handling as throughput growth is expected to be over 25% CAGR, against below 10% CAGR for Major Ports. *(Source: CRISIL RESEARCH)*

Capacity Utilisation at Major Ports

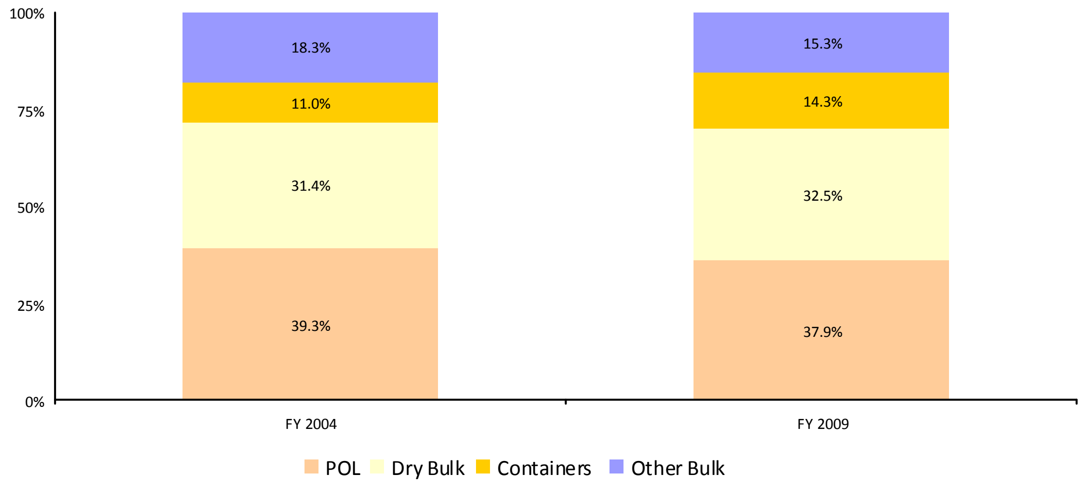
(in million tonnes)

Port	Capacity Utilisation at Major Ports			
	Fiscal 2008		Fiscal 2009	
	Capacity	Capacity Utilisation (%)	Capacity	Capacity Utilisation (%)*
Kandla	63.5	102.2	58.0	124.6
Mumbai	50.7	112.5	78.0	73.4
JNPT	54.3	102.6	49.7	104.4
Mormugao	33.1	106.3	33.0	126.1
New Mangalore	43.5	82.8	44.2	83.0
Cochin	28.4	55.7	28.3	53.7
Tuticorin	20.8	103.5	22.8	96.5
Chennai	53.4	107.1	55.8	103.1
Ennore	13.0	88.9	16.0	71.9
Visakhapatnam	61.2	105.6	62.2	102.7
Paradip	56.0	75.8	70.3	65.4
Kolkata	65.8	93.2	71.8	75.2
All Major Ports	**543.5**	**95.5**	**590.2**	**89.8**

** CRISIL RESEARCH 2009 Report*
(Source: CRISIL RESEARCH)

Cargo composition at Indian Ports

Mix of cargo handled at Indian Ports



(Source: CRISIL RESEARCH 2009 Report)

During fiscal 2009 at Indian ports, petroleum products remained the largest principal commodity of the cargo being 37.9% of total cargo traffic followed by iron ore at 16.5% and coal at 14.2%. Container traffic share was 14.3% in fiscal 2009 as compared to 10.4% in 2004. *(Source: CRISIL RESEARCH)*

Presently, approximately 50% of the country's container traffic is routed through JNPT/Mumbai ports. *(Source: CRISIL RESEARCH 2009 Report)* JNPT was and continues to remain the only port in the public sector which was developed to cater exclusively to burgeoning container traffic on a dedicated basis having facilitative customs and port procedures, equipment, connectivity to outlying regions of India, EDI and many other trade-friendly measures. Such trade-facilitative measures have not been implemented with equal force at other Indian ports, contributing to the increasing concentration of container traffic on the west coast. *(Source: Working Group Report on Shipping and Inland Water Transport, 11th Five-Year Plan)*

Regional Breakdown for Cargo at Indian Ports

Fiscal 2009	POL	Dry Bulk	Other Cargo (in million MT)	Container	Total
East Coast India	68	126	48	36	**277**
West Coast India	210	112	64	69	**456**
Total India	**278**	**238**	**112**	**105**	**733**
East Coast India share	24%	53%	42%	34%	**38%**
West Coast India share	76%	47%	58%	66%	**62%**

(Source: CRISIL RESEARCH 2009 Report)

Dry bulk cargo (primarily iron ore and coal) volumes are dominated by the east coast ports due to the mineral rich eastern region of India and the presence of heavy industries there.

According to CRISIL RESEARCH, the ports on the west coast have handled over 66% of the all-India container volumes over the last five years. This trend is expected to continue because of the proximity to the industrialised states Gujarat and Maharashtra and the connectivity to the landlocked northern states.

Traffic growth and outlook

Container Cargo: Container traffic growth outpaced overall traffic growth

Container traffic at Indian ports rose rapidly, growing at a CAGR of 16% over the last five years, from 4 million TEUs (51 million tonnes) in fiscal 2004 to 7.7 million TEUs (105 million tonnes) in fiscal 2009, driven by imports of engineering goods, rise in exports of textiles and increased containerisation. The share of non-Major Ports rose from nil in fiscal 2004 to 11.4% in fiscal 2009, driven by the traffic handled by non-Major Ports like Mundra and Pipavav. Out of the total container traffic in India in fiscal 2009, around 62 % was handled at ports in Gujarat and Maharashtra, due to good connectivity and geographical proximity to the main hinterland in the northern parts of the country. *(Source: CRISIL RESEARCH 2009 Report)*

According to the CRISIL RESEARCH 2009 Report, the growth of container traffic mainly depends on import of capital and engineering goods, export of textiles and food items, which are essentially carried in containers. It expects demand for capital and engineering goods is expected to go up on the backdrop of the growth in the infrastructure space. CRISIL RESEARCH expects growth in infrastructure space coupled with higher exports of foodgrains and textiles and increased containerisation, to drive container traffic in the country from 7.7 million TEUs in fiscal 2009 to 12.7 million TEUs in fiscal 2014, at a CAGR of 10.3%. *(Source: CRISIL RESEARCH 2009 Report)* Container trade growth in India, in keeping with the international trends, has also grown as a multiple of GDP as shown in the table below.

Financial Year	Annual GDP Growth Rate	Annual Container Traffic Growth Rate	Times
1999	6.5%	2.5%	0.38
2000	6.1%	13.1%	2.15
2001	4.4%	13.2%	3.00
2002	5.8%	16.9%	2.93
2003	3.8%	16.7%	4.38
2004	8.5%	17.6%	2.07
2005	7.5%	13.7%	1.82
2006	9.4%	10.5%	1.12
2007	9.6%	15.0%	1.56
2008	9.0%	30.5%	3.38
2009	6.7%	4.6%	0.69

(Source: Ministry of Finance and Department of Shipping)

Container traffic in India for fiscal 2006, 2007, 2008 and 2009 grew by 10.5%, 15.0%, 30.5%, and 4.6% respectively, on a year on year basis. Containerisation is expected to be at least double the GDP growth going forward.

Dry Bulk Cargo

Total dry bulk cargo handled by Indian ports grew at a CAGR of 8.7% over the last five years, from 230 million MT in fiscal 2004 to 350 million MT in FY2009, mainly driven by higher imports of fertilizer, export of iron ore and coal imports. In fiscal 2009, Major Ports handled around 75% of the total bulk traffic, which has grown at a CAGR of 8.7% in the last five years. Total bulk traffic at non-Major Ports has grown at a similar CAGR of 8.5% over the last five years. *(Source: CRISIL RESEARCH 2009 Report)*

CRISIL RESEARCH expects dry bulk cargo traffic at Indian ports to grow at a CAGR of 11.5%, from 350 million MT in FY2009 to 604 million MT in fiscal 2014, led by coal and iron ore traffic. The demand for thermal coal is set to be driven by the rise in capacities of coal-based power utilities and cement plants. Several infrastructure initiatives being undertaken in the country are expected to increase the demand for coking coal for steel production. Total coal traffic at Indian ports is expected to grow at a CAGR of 15.5%, from 90 million MT in fiscal 2009 to 184.5 million MT, by fiscal 2014. Export of iron ore is also a major growth driver in dry bulk cargo being handled at ports. With the estimated increase in demand for iron ore from key countries such as China, South Korea and Japan, exports of Indian iron ore may continue to rise over the next few years. Total iron ore traffic is likely to grow at a CAGR of 8.6%, from 120 million MT in fiscal 2009 to 181 million MT, in fiscal 2014. *(Source: CRISIL RESEARCH 2009 Report)*

Non–Major Ports

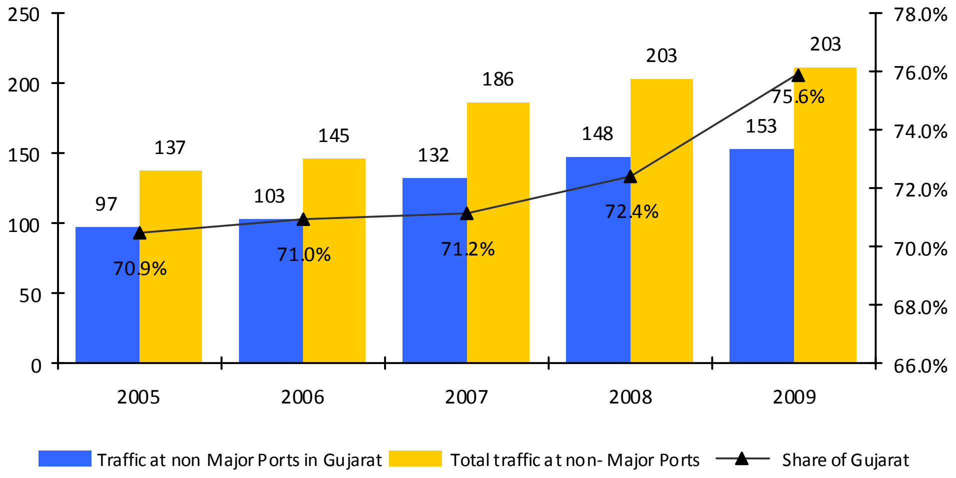
According to the CRISIL RESEARCH 2009 Report, out of 187 non-Major Ports in India only 50 non-Major Ports are currently operational.

Traffic growth at non-Major Ports

The total cargo traffic at non-Major Ports in fiscal 2009 was 203 million tonnes and it has grown at a CAGR of 11.2% over the last five years. The share of non-Major Ports in total volume was 27.7% in fiscal 2009. Traffic at non-Major ports in Gujarat accounts for 76% of the total traffic handled at non-Major ports in fiscal 2009. *(Source: CRISIL RESEARCH 2009 Report)*

Traffic at non–Major Ports

(in million tonnes)

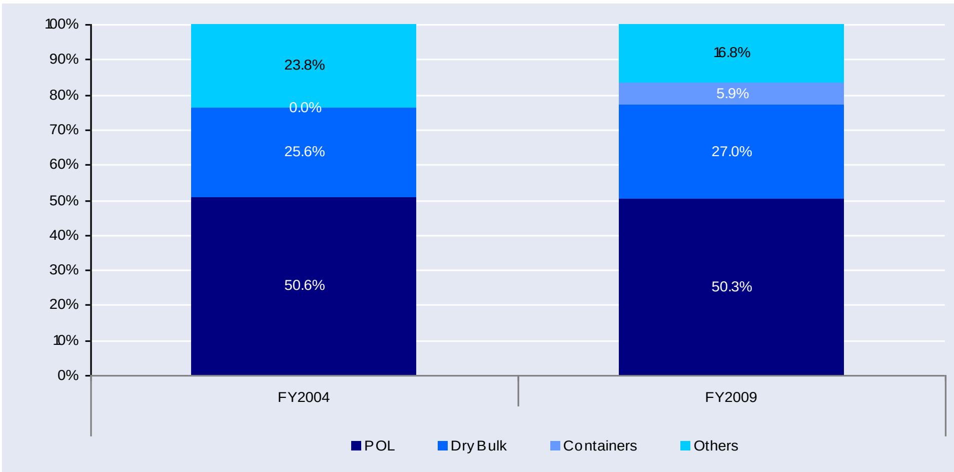


(Source: CRISIL RESEARCH 2009 Report)

Traffic at non-Major Ports in Gujarat has grown at a CAGR of 13.35% since 2004 and Gujarat has been able to maintain a consistent market share of approximately 20% of the growing traffic handled at Indian ports during the same period. *(Source: Gujarat Maritime Board)* Gujarat has also been able to maintain a market share of approximately 76% of the traffic at all non-Major Ports in India. *(Source: CRISIL RESEARCH 2009 Report)*

Cargo composition at non-Major Ports

Mix of cargo handled at non-Major Ports



(Source: CRISIL RESEARCH 2009 Report)

During fiscal 2009 at the non-Major Ports in India, petroleum products remained the largest principal commodity of the cargo being 50.3% of total cargo traffic followed by dry bulk at 27.0% and other dry bulk at 16.8%. Container traffic share was 5.9% in fiscal 2009 as compared to 0.0% in 2004.

Regional Breakdown for Cargo at non-Major Ports

Fiscal 2009	POL	Dry Bulk	Other Cargo (in million MT)	Container	Total
East Coast India	10	6	6	0	**23**
West Coast India	91	49	29	12	**180**
Total India	**102**	**55**	**35**	**12**	**203**
East Coast India share	10%	11%	17%	4%	**11%**
West Coast India share	90%	89%	83%	96%	**89%**

(Source: CRISIL RESEARCH 2009 Report)

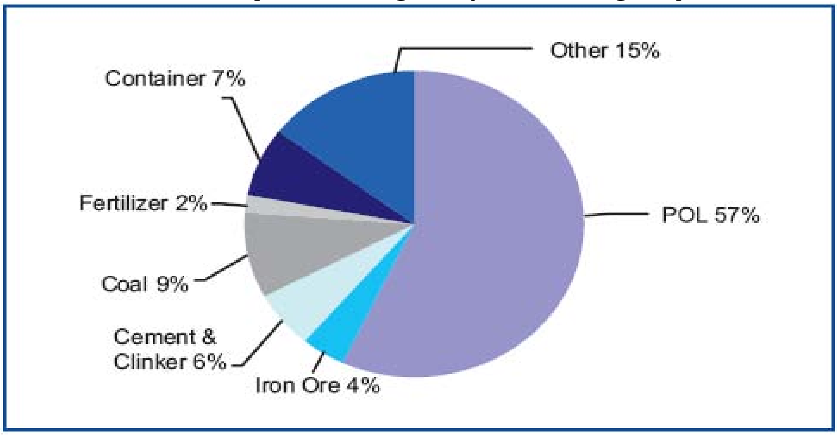
Ports in Gujarat

Gujarat has India's longest coastline of 1,600 kms and is the maritime gateway to the Middle East, Africa and Europe. Gujarat has 41 ports, which includes one Major Port and 40 non-Major Ports. According to the CRISIL RESEARCH 2009 Report, the non-Major Ports in Gujarat handled approximately 76% of the total traffic handled at non-Major Ports in India in fiscal 2009. *(Source: CRISIL RESEARCH 2009 Report)* The following map shows the main ports in Gujarat**:** *(Source: Industrial Extension Bureau, GoG)*

(Source: Industrial Extension Bureau, GoG)

Mix of Cargo Handled at Gujarat Ports

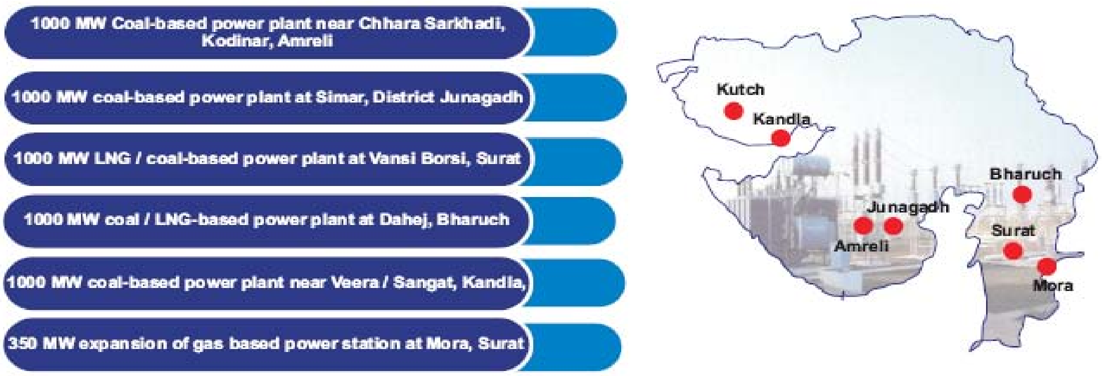
Gujarat has attracted high investments and has industries like oil refineries, chemical units, steel and cement plants. These industrial units make its ports natural gateway for bulk cargo requirements.



(Source: Industrial Extension Bureau, GoG)

Petroleum oil lubricants ("POL") are the single largest commodity handled at Gujarat ports and accounted for 57% of the total cargo handled at Gujarat ports in fiscal 2008. Dry bulk cargo accounted for 34% of Gujarat cargo traffic in the same year. According to the GoG, Gujarat expects a substantial investment in the power sector by 2012 and it further expects that 11,164 MW power generation capacity will be added by 2012 *(Source: Gujarat Infrastructure Development Board)*. The cargo requirements of these upcoming power plants are expected to benefit the ports located in close proximity.

Proposed-site for power plants



(Source: Gujarat Infrastructure Development Board)

The total port capacity of Gujarat has grown from 135 MMT in fiscal 2002 to 198 MMT in fiscal 2008. *(Source: Gujarat Infrastructure Development Board)*

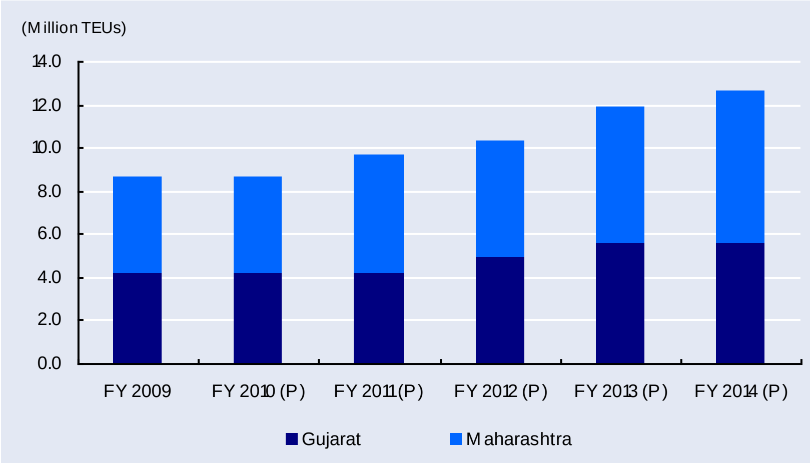
By fiscal 2012, the total throughput for India is anticipated to be approximately 877 million tonnes. At the same time, ports in Gujarat are expected to handle 244 million tonnes or 28% of India's total throughput. The western region ports in Maharashtra and Gujarat serve the northern outlying region market and 38% of the general cargo and 42% of the container throughput of the Mumbai ports comes from the northern region. In addition, 30% of the cargo throughput of the Gujarat ports is for the north, which is expected to increase in the future. *(Source: Gujarat Infrastructure Development Board)*

Western Region Ports - Capacity Scenarios

Container Cargo

According to the CRISIL RESEARCH 2009 Report, total container capacity in India in fiscal 2009 was around 11.7 million TEUs, out of which 74% (i.e. 8.6 million TEUs) was in Maharashtra and Gujarat. Container handling capacity at ports in Gujarat and Maharashtra has grown at a CAGR of 8.3 per cent over the last five years.

Estimated Container handling capacity in Gujarat and Maharashtra



(Source: CRISIL RESEARCH 2009 Report)

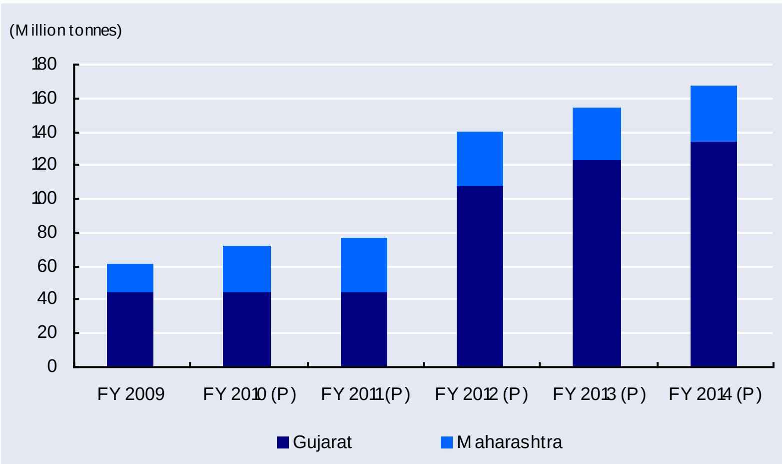
The container traffic handled by ports on the west coast of India has increased at the rate of 15.36% over the last decade resulting in an overburden on the aggregate capacity of these ports. The overburden on the Major Ports, specifically JNPT/Mumbai ports, poses an opportunity for the non-Major Ports along the west coast of India, in respect of the container traffic bound for or originating from the northern region of India. *(Source: CRISIL RESEARCH 2009 Report)*

In terms of throughput, CRISIL RESEARCH expects non-Major Ports container throughput in India to grow 28.0% in the next five years. *(Source: CRISIL RESEARCH 2009 Report)*

Dry Bulk Cargo

According to the CRISIL RESEARCH 2009 Report, total dry bulk handling capacity in India in fiscal 2009 was around 359 million tonnes, out of which 61 million tonnes or 17% was in Maharashtra and Gujarat. Dry bulk handling capacity at ports in Gujarat and Maharashtra has grown at a CAGR of 12% over the last five years.

Estimated Dry bulk handling capacity in Gujarat and Maharashtra



(Source: CRISIL RESEARCH 2009 Report)

CRISIL RESEARCH expects dry bulk handling capacity in Gujarat and Maharashtra to grow at a CAGR of 22 % over the next five years, from 61 million tonnes in fiscal 2009 to 167 million tonnes in fiscal 2014, driven by capacity additions at the Kandla, Mundra, Dighi Jaigarh, Pipavav, Hazira, Dahej and Navlakhi ports. *(Source: CRISIL RESEARCH 2009 Report)* In terms of throughput, CRISIL RESEARCH expects non-Major Ports bulk throughput to grow 25.9% in the next 5 years.

Trends in the World and Indian Cargo Industry

Continued Dominance of Global Participants in the World Container Throughput

Terminals in which global container terminal operators had a share of more than 10% accounted for more than 56% of container terminal capacity worldwide and throughput. The top 20 global terminal operators handled a total throughput of around 371 million TEUs in CY2008, compared with 349 million TEUs in CY2007. While these figures represent an increase of approximately 6.3% compared with CY2007, this is a significant slowdown compared with the 13% growth rate achieved by the top 20 operators between CY2006 and CY2007. By CY2014, Drewry forecasts that global container terminal operators will control just under 56% of world container terminal capacity. This would represent a marginal decline in market share. Drewry's earlier forecast estimated a capacity growth among global operators of 4.8% on average, reaching a market share of over 58% by CY2013. Further, Drewry concludes that the expansion of terminal capacity that has been evident in recent years will be slowed significantly by changed economic circumstances. In CY2008 the share of traffic moved by state-owned terminals – other than those controlled by state-backed global terminal operators – was 17.4%, compared with 17.5% in CY2007, and so seems to have stabilised after years of decline. Drewry however expects the state share of global throughput and capacity will continue to decline steadily over the next few years. Most container terminals are operated by private companies, or by global operators controlled by a state, but which function in a way similar to private enterprise. *(Source: Drewry, Annual Review of Global Container Terminal Operations, 2009, July 31, 2009)*

The four largest global terminal operators – HPH, APM Terminals, PSA, and DP World – remain dominant. In terms of total throughput, these four operators held a 45.6% share of total world container throughput in CY2008 compared with 45.1% in CY2007. When COSCO is included, the composition and ranking order of the top five operators by throughput is identical to CY2007. Between them, these five leading operators handled 269.9 million TEUs in CY2008, 7.3% up from CY2007. In terms of capacity, the biggest operator at the end of CY2008 was APM Terminals, at 98.3 million TEUs a year, a 3.8% increase since CY2007. *(Source: Drewry, Annual Review of Global Container Terminal Operations, 2009, July 31, 2009)*

Global Operators' Throughput Table, 2007-2008

(Million TEU/% share of world container throughput)

Ranking		Operator	CY2008		CY2007	
2008	**(2007)**		**Million TEUs**	**% Share**	**Million TEUs**	**% Share**
1	(1)	HPH	67.6	13.0%	66.3	13.3%
2	(2)	APMT	64.4	12.3%	60.3	12.1%
3	(3)	PSA	59.7	11.4%	54.7	11.0%
4	(4)	DPW	46.2	8.9%	43.0	8.7%
5	(5)	COSCO	32.0	6.1%	27.3	5.5%
		Others	104.2	19.9%	100.7	20.4%
Top 22 Global terminal operators total			**374.1**	**71.6%**	**352.3**	**71.0%**

(Source: Drewry, Annual Review of Global Container Terminal Operations, 2009, July 31, 2009)

Increased Containerisation

Major global ports have increasingly had to adapt to a dramatic increase in containerised cargo trade. During the 1980s, much of the cargo that previously travelled in loose form was converted to containers and the ports developed infrastructure, and acquired handling equipment to cater for the increasing number (and growing size) of container vessels. International container trade continued to increase at a rate far exceeding that of maritime trade - total international maritime trade volumes grew at an average of 4.1% per annum over the period, with the result that by 2006 total seaborne trade was at almost double 1990 volumes. *(Source: UNESCAP, Regional Shipping and Port Development, Container Traffic Forecast, 2007 Update)* However, based on data for the first half of 2009, Drewry expects that there will be a contraction in world container throughput in 2009, probably in excess of 10%. In 2010, Drewry expects to see little or no growth and anticipates that it will be 2011 before a modest recovery in demand growth will be seen. It will be 2012 or 2013 before most regions see their throughput levels return to 2008 levels. *(Source: Drewry, Annual Review of Global Container Terminal Operations, 2009, July 31, 2009)*

Emergence of Large-Sized Ships and Requirement of Deeper Draughts at Ports

The most significant technological development in container shipping is the emergence of large-sized ships. This has two significant effects on international shipping since ship size not only determines the competitive power in the shipping industry but also becomes a major criterion in determining the size of a port. Larger ships typically have a lower cost per TEU mile than smaller ships with the same load factor. However, vessel size will continue to increase, albeit at a slower rate as lines try to balance slot cost reduction from larger vessels, with the cost and marketing advantages from maintaining a wide network of direct port calls.

Growth in Intermodal Logistics and Improved Infrastructure

A port's success is increasingly dependent upon the quality of infrastructure in and around the port, including road and rail connections, and on how well a port is able to handle the logistics of moving cargo from the port onto shore.

The development of intermodal routes has increased inter-port competition for ship calls and cargo. It has also reduced the relative importance of any one port in the logistics chain. As private transport companies integrate their services across modes and as shipping lines become more concerned with the landside delivery of cargo, a port's clientele base has expanded from individual shippers and consignees to include forwarder and transport companies. The modal options available at ports have become a major selling proposition in attracting business.

Consolidation to Capture a Higher Portion of the Value Chain and the Addition of Value-Added Services

Increasing competition is reducing margins of ports and affecting their ability to achieve economies of scale. Ports are beginning to consolidate their assets and acquire stakes in related businesses to be able to offer services across the entire line of value chain.

In addition to adding deep draughts at ports, installing the latest handling equipment and maintaining highly-trained manpower, value-added services are playing an increasingly important role in port development. Such value-added services include value-added logistics, comprising general warehousing, conditional warehousing, distribution centres, quality control and testing services, and value-added facilities comprising weighbridges, truck maintenance and repair, cleaning facilities, information and communications, hotels and restaurants to serve port clientele.

Increased Privatisation, Regulatory Reforms and Other Institutional Dynamics

While regulatory reform in the global ports industry has generally led to the reworking of institutional governance arrangements, aggressive second generation regulatory reforms are still pending.

There has been a trend of privatisation of ports over the past years. Globally, ports have experienced significant changes in their institutional governance structures. With increasing privatisation, there has also been a shift from the "service port" model to the "landlord" model, under which port authorities continue to own the land and infrastructure assets, but have divested themselves of developing and operating the commercial facilities.

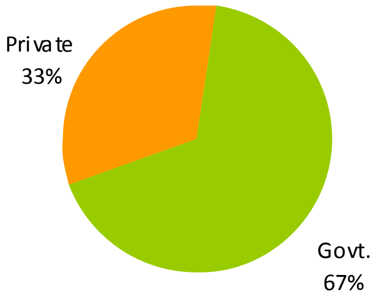
In addition, since September 11, 2001, there has been increasing concern over port security and safety. This has led to new stringent international laws and safety codes for cargo, personnel and port infrastructure. All ports have to be compliant with the International Ship and Port Facility Security Code ("ISPS") that came into effect in July 2004. *(Source: Drewry India Trade Insight, An Analysis of Indian Commodities and Trade, November 2009)*

Reforms in the Indian Port Industry

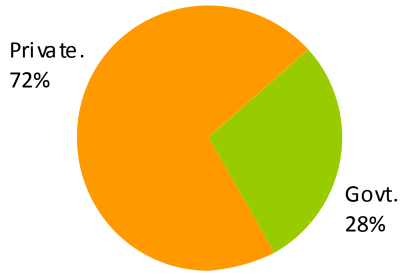
The decline in trade barriers with the advent of globalisation has resulted in rapid growth in global trade. India's liberalisation policies have led to growth in India's foreign trade. Ports in many countries, including in India, are increasingly confronted with the need to expand their facilities and cargo-handling capabilities. The emergence of large-sized ships has also led to a need for ports to modernise their existing facilities.

The Tariff Authority for Major Ports (the "TAMP") revised the guidelines for privatisation in 2002 and significant port privatisation has taken place in Major Ports post-2002. Initially, container handling terminals were privatised. Private terminals operated by foreign participants have been able to increase their share in the market due to better operational performance.

Containerised Cargo – Fiscal 2002 (2,885,000 TEUs)



Containerised Cargo – Fiscal 2009 (7,849,000 TEUs)



(Source: IPA, CRISIL RESEARCH)

Proposed National Maritime Policy

The proposed national maritime policy would aim to facilitate private investment, improve service quality, promote competitiveness and encourage more investment in the port sector. The key objectives of the draft policy with regard to ports are as follows:

- Promoting hinterland connectivity to ensure least-distance access of the country's cargo to the ports and also offer choice of ports in the region and terminals inside the ports to trade.
- Providing for institutional safeguards for the port infrastructure provider (public authorities/private sector – be it domestic or foreign/joint ventures) regarding investments and ensuring compliance of service standards to the users.
- Promoting multimodal transport in the interest of time and cost efficiency.
- Facilitating the acquisition of Indian tonnage for securing a significant share for India in terms of global tonnage and for increasing the share of Indian ships in the carriage of the country's overseas traffic through cargo support to Indian flag vessels.
- Promoting and strengthening shipbuilding, ship-repair and ship-breaking activities. Providing the necessary infrastructure for turning out qualified Indian maritime personnel of globally acknowledged excellence to benefit from the growing demand of both foreign and Indian flag vessels for such human capital.
- Developing and integrating inland waterways to the national transport network comprising maritime outlets as well as other points of interface with other surface transport modes.
- Building appropriate institutions to support training, research and development and other activities necessary to serve and sustain the shipping and port sectors.
- Assuring the state-of-the-art navigational aids on the country's coastline with a view to encourage increased flow of coastal and overseas maritime traffic at Indian ports.

National Maritime Development Programme

The National Maritime Development Programme (the "NMDP") is a comprehensive programme to develop, strengthen and rejuvenate maritime activities in India and encompasses all the related areas such as ports, shipping, dredging, inland transport, and personnel management. The port sector projects under the NMDP is expected to involve a total investment of approximately Rs. 558,040 million.

The programme is proposed to be implemented through public/private partnerships. Public investments will be primarily for common user infrastructure facilities in the ports such as dredging and maintenance of port channels, construction of breakwaters, internal circulation systems for cargo within the ports, and rail and road connectivity from ports to hinterland. Private investments will be in the areas where operations are primarily commercial in nature such as construction, management and operation of berths and terminals.

- Measures to strengthen the regulatory structures of Major Ports have also been initiated. These pertain to tariff rationalisation and the establishment, in a phased manner, of a corporate structure for the existing ports.The TAMP, an independent authority, is responsible for determining and revising tariffs on Major Ports only and not on non-Major Ports. The TAMP was constituted in April 1997 to provide for an independent authority to regulate all tariffs, both vessel-related and cargo-related, and rates for lease of properties in respect of Major Port Trusts and the private operators located therein.

- The Government has announced a series of measures to promote foreign investment in the port sector, including:

    - guidelines for private/foreign participation that permit formation of joint ventures or foreign collaboration for setting up port facilities;

    - foreign investment of 100% is permitted for construction and maintenance of ports and harbours and in projects providing support services to water transport;

    - foreign direct investment of up to 100% is allowed on an automatic basis in support services such as operation and maintenance of piers and loading and discharging of vessels; and

    - private sector entities are allowed to establish captive facilities.

- The Government is offering various fiscal incentives to private investors such as a 10-year tax holiday in port development, operation and maintenance. Investors in inland waterways and inland ports are also entitled to such incentives.

Development of Transportation Infrastructure

Indian Railways

Public/Private Partnership ("PPP")

The Indian railways has taken some initiatives on privatising the Indian railways and improving efficiency, which are summarised below:

- Private parties are allowed run container trains
- The wagon investment scheme
- Development of rail-side warehouses and logistic parks
- Strengthening rail–port connectivity
- Development of dedicated freight corridors ("DFCs")

The Government has conceived an investment plan for the rail sector to eliminate capacity bottlenecks on the four metropolitan cities of Delhi, Mumbai, Chennai and Howrah, commonly known as the golden quadrilateral, to provide strategic rail communication links to ports, construction of mega-bridges for improving communication to the hinterland and development of multi-modal transport corridors. Rail Vikas Nigam Limited ("RVNL") is a special purpose vehicle created to undertake PPP projects with regards to project development, mobilisation of financial resources and implementation of projects for strengthening of the golden quadrilateral and port connectivity. With this broader mandate RVNL has been assigned following roles:

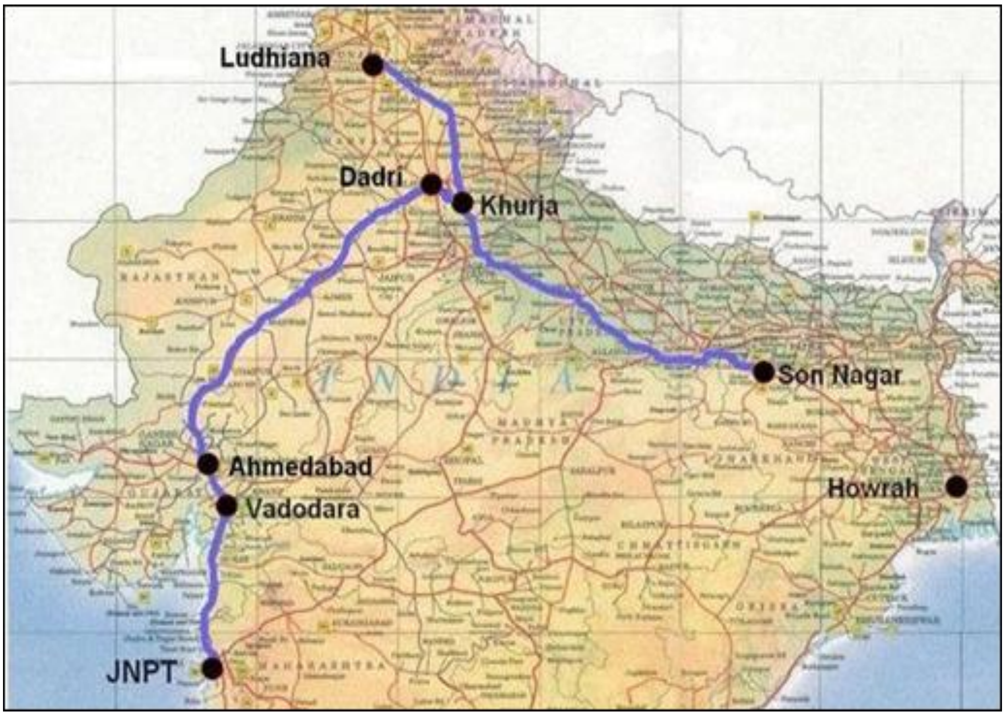
- Arranging financial resources for projects
- Undertaking project development and execution
- Creating project specific SPVs for individual works, if required
- Commercialisation of projects, wherever necessary and feasible
- The concerned zonal railways departments will under a specific financial arrangement undertake the operation and maintenance of the railway projects after completion of the execution of the project by the RVNL
- To provide a revenue stream to RVNL, the projects may be completed by RVNL on a build operate and transfer basis, wherein the Ministry of Railways will pay access/user charges.

Till date, RVNL has completed 13 projects and is currently working on an additional 40 projects.

(Source: RVNL and IDFC India Infrastructure Report, 2008)

Dedicated Freight Corridor Project

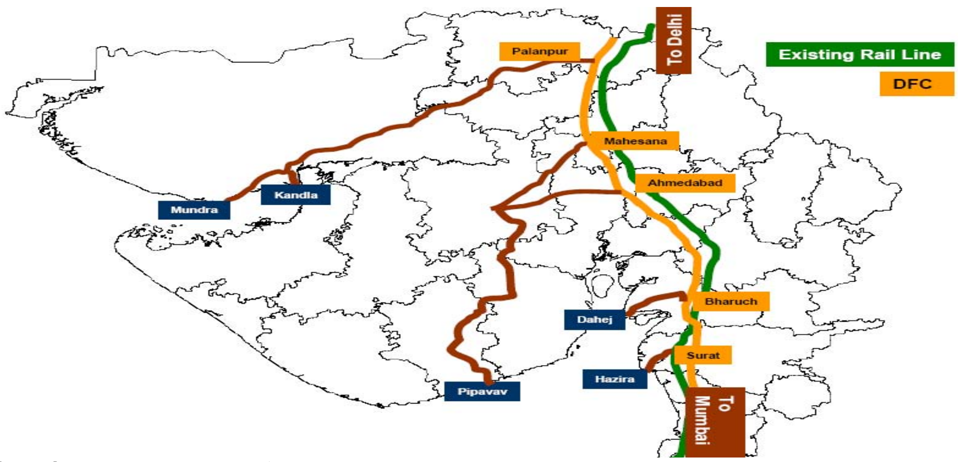
Indian railways has established Dedicated Freight Corridor Corporation of India Ltd ("DFCCIL") to link the golden quadrilateral and its two diagonals (Delhi-Chennai and Mumbai-Howrah). Growing international trade has led to the conception of the DFCs along the eastern and western routes. The traffic on the western corridor mainly consists of ISO containers from JNPT and Mumbai port in Maharashtra and the ports of Pipavav, Mundra and Kandla in Gujarat destined for ICDs located in northern India.



(Source: Dedicated Freight Corridor Corporation of India Limited)

Connectivity between APM Terminals Pipavav and DFC

APM Terminals Pipavav is connected to the DFC through the broad gauge line between APM Terminals Pipavav and Surendranagar district. The DFC passes through Surendranagar and Ahmedabad. Mahesana serves as an exchange junction between the DFC and APM Terminals Pipavav.



(Source: Industrial Extension Bureau, GoG)

Logistics Parks

Indian Railways proposes to develop logistic parks along major stations in the country through PPP projects. Major stations in metro cities such as Delhi, Mumbai, Kolkata, Chennai and Howrah, are likely to have such parks along the railway stations. Through this, Indian Railways is planning to offer its land to the private sector for setting up facilities such as banks, repair facilities for trucks, godowns and custom facilities. In non-metro cities, which are the hub of the freight business, Indian Railways is planning to set up approximately 20 logistics parks over the next few years, requiring an investment of about Rs. 100 billion. The logistics parks are proposed to be situated along the route of the dedicated freight corridor. These parks are modelled along the lines of logistics parks in the People's Republic of China; each of these will be expected to be built on about 600 hectares of land and will include a multimodal transport system, along with warehousing, packing and cold storage facilities and business centres. Indian Railways will provide surplus land to build the parks and expect the rest of the investment to come from the private participants.

(Source: IDFC India Infrastructure Report 2008)

Private Container Trains

After the Indian Railways decided to privatise container transportation, ending the monopoly of state-owned Container Corporation of India ("Concor"), private participants have slowly begun to roll out their services. Presently there are approximately 21 such entities that have acquired licences to run rail services. However, "high user charge" by Concor, "poor supply of rakes" and "lack of infrastructure" such as CFSs and ICDs, where cargo consolidation and deconsolidation take place, have disappointed the private sector participants. In addition, railway lines in India were running at a super-saturation level of 115% and the routes that connect the four metros had even higher levels of 150% primarily due to the shortage in supply of wheels and axles. *(Source: IDFC India Infrastructure Report 2008)*

Roads

National Highways Authority of India, as part of its National Highways Development Programme, has taken up the project of connecting 10 of the Major Ports - Haldia, Paradip, Visakhapatnam, Chennai, Tuticorin, Kochi, Mangalore, Mormugao, JNPT and Kandla. Out of the total 380 km of four-lane highways envisaged for port connectivity to these 10 Major Ports, 241 km was completed and 133km was under implementation as of October 31, 2009. *(Source: NHAI Website, www.nhai.org)*

BUSINESS

Overview

We are the developer and operator of APM Terminals Pipavav, India's first private sector port, which has multi-cargo and multi-user operations. We have the exclusive right to develop and operate APM Terminals Pipavav and related facilities until September 2028 pursuant to the Concession Agreement with GMB and the GoG.

We are promoted by APM Terminals, one of the largest container terminal operators in the world with a global network of 49 terminals in 32 countries and five continents. In the year ended December 31, 2008, APM Terminals handled 34.0 million TEUs and had revenues of over US$ 3.00 billion. Since acquisition of management control by APM Terminals in March 2005, we have expanded facilities to handle up to 0.60 million TEUs of container cargo as well as approximately five million tonnes of bulk cargo per year, which varies depending on the type of cargo handled. Presently, APM Terminals owns a 57.9% equity interest in us.

APM Terminals Pipavav is one of the principal gateways on the west coast of India and is located in the Saurashtra region of the state of Gujarat. APM Terminals Pipavav is an all weather port and is protected by two islands, which act as a natural breakwater maximizing port safety. We are principally engaged in providing port handling and marine services for: (i) container cargo, (ii) bulk cargo, and (iii) LPG cargo. In addition, we operate a CFS and also generate revenue from land-related and infrastructure activities.

We commissioned the first jetty and commenced cargo handling operations at APM Terminals Pipavav in November 1996. We commenced container handling activities in April 1998 and obtained the exclusive right to develop and operate APM Terminals Pipavav and related facilities under the Concession Agreement on September 30, 1998. We commenced comprehensive commercial port operations in April 2002. See “History and Certain Corporate Matters” beginning on page 88 of this Draft Red Herring Prospectus.

APM Terminals Pipavav currently accepts vessels with up to 14.5 metre draught at chart datum and deploys three tugs for providing pilotage and towage services. We have four berths with a total length of 1,075 metres used for handling bulk and containerised cargo and an LPG berth with a service deck of 65 metres and a length between extreme mooring dolphins of 308 metres. The 4,550 metre channel length at the Port allows day and night marine operations throughout the year. We have also created extensive support infrastructure to handle container, bulk and LPG cargo, such as container yards, yard handling equipment, quay cranes, rubber-tyred gantry cranes, paved rail sidings, warehouses, open stackyards and a port users’ building to accommodate the offices of custom house agents, stevedores’ agents and shipping lines.

In the years ended December 31, 2006, 2007 and 2008, APM Terminals Pipavav handled 2.15, 1.66 and 2.07 million tonnes of bulk cargo and 0.13 million TEUs, 0.19 million TEUs and 0.20 million TEUs of container cargo, respectively. In the nine month period ended September 30, 2009, APM Terminals Pipavav handled 2.38 MTs of bulk cargo and 0.21 million TEUs of container cargo.

APM Terminals Pipavav is strategically located near the entrance of the Gulf of Khambhat (formerly known as the Gulf of Cambay) on the main maritime trade routes, which helps us to serve imports from and exports to the Middle East, Asia, Africa, the United States, Europe and other international destinations. A wide range of customers use our port facilities. Our key customers in container cargo include shipping lines such as Maersk Line, Mitsui O.S.K Lines, Safmarine Container Lines, Samudera Shipping Line Limited, Shreyas Shipping and Logistics Limited, Hyundai Merchant Marine India Private Limited, The Shipping Corporation of India Limited, Emirates Shipping Line, Malaysia International Shipping Corporation, Orient Overseas Container Line Limited and United Arab Shipping Company. We also handle a variety of dry bulk and break bulk cargo such as coal, cement, clinker, gypsum, fertilisers, steel, steel scrap, iron ore, agricultural products, salt and soda ash. Some of our key customers in dry bulk and break bulk cargo are Indian Potash Limited, Bhatia International Limited, Gujarat Heavy Chemicals Limited and Ultratech Cement.

Our operating revenue for the nine month period ended September 30, 2009 was Rs. 1,508.60 million. Container cargo and bulk cargo services accounted for 48.0% and 44.5%, respectively, of our operating revenue for the nine month period ended September 30, 2009.

Our History

We were incorporated on August 5, 1992 to build, construct, operate and maintain the port at Pipavav, District Amreli, in the state of Gujarat, India. We were initially promoted as a joint venture between GMB and Seaking Engineers Limited (now SKIL Infrastructure Limited). In June 1998, GMB divested its stake in favour of SKIL Infrastructure Limited. APMM Group acquired a 13.5% equity interest in our Company in June 2001. Pursuant to the share sale and purchase agreement dated March 30, 2005, SKIL Infrastructure Limited, Nikhil Gandhi, Montana Valves and Compressors Limited and Grevek Investment and Finance Private Limited divested their shareholding in our Company in favour of APM Terminals, the Industrialization Fund for Developing Countries and IDFC Infrastructure Fund. See “History and Certain Corporate Matters – Material Agreements” on page 91 of this Draft Red Herring Prospectus.

Concession Agreement with GMB and the GoG

We entered into a Concession Agreement with GMB and the GoG on September 30, 1998, pursuant to which we have been granted the right to develop and operate APM Terminals Pipavav for a period of 30 years. After APM Terminals became our largest shareholder, a supplemental concession agreement was signed on June 2, 2006 to reflect the change in ownership of our Company. The Concession Agreement requires us to pay GMB a royalty calculated based on the tonnage of cargo handled at the leased land and waterfront. For the years ended December 31, 2007 and 2008 and the nine month period ended September 30, 2009, we paid royalties of Rs. 23.24 million, or 1.5% of our operating revenue, Rs. 26.62 million, or 1.6% of our operating revenue and Rs. 33.42 million, or 2.2% of our operating revenue, respectively. The royalty fees will increase by 20.0% every three years. Pursuant to the terms of the Concession Agreement, we are required to obtain GMB’s approval for any expansion at our Port which is outside the scope of the approved layout plan or the approved detailed project report. See “History and Certain Corporate Matters – Concession Agreement with GMB and the GOG” beginning on page 92 of this Draft Red Herring Prospectus.

Our Competitive Strengths

We believe that our future success will be principally attributable to the following competitive strengths:

We are strategically located to serve the growing demand of the landlocked northern and northwestern regions of India

We are in a strategic position to serve the landlocked northern and northwestern regions of India, which have experienced and are expected to continue experiencing significant manufacturing and trade growth. For example, we are closer than JNPT for traffic heading to or coming from northern and northwestern India. These regions currently generate 66.0% of the total container throughput in India propelling significant container volume growth at the ports located on the west coast. We believe that the general economic growth in these regions as well as the growth in demand for cargo services (in particular containerised cargo), provide a strong and growing market for our services.

We enjoy natural location advantages

APM Terminals Pipavav is one of a small number of deep draught gateways on the west coast of India. It is strategically located near the entrance of the Gulf of Khambhat on the main maritime trade routes, which helps us to serve imports from and exports to the Middle East, Asia, Africa and other international destinations.

The wave height in the harbour does not generally exceed 0.5 metres at the berth, and the water currents are between two and a half and three knots during peak tidal condition. These favourable oceanographic conditions enable day and night navigation of ships throughout the year. APM Terminals Pipavav currently has a vessel acceptance draught of 14.5 metres, with outer channel depth of 14.5 metres and turning basin depth of 13.5 metres at chart datum. Our bulk and multi-purpose jetties have a depth of 13.5 metres at chart datum and liquid and container jetties have a depth of 15.5 metres at chart datum. APM Terminals Pipavav has handled bulk vessels carrying approximately 81,600 MTs of bulk cargo and container vessels of 6,200 TEUs capacity.

Our principal location advantages can be summarised as follows:

- APM Terminals Pipavav offers shorter transit times to northwest India for cargo than the ports in Mumbai due to our position near the entrance of the Gulf of Khambhat on the main maritime trade routes in the Arabian Sea.

- APM Terminals Pipavav provides significant logistic and cost advantages to shipping lines that service both the Mumbai area and the developing northern and north western regions of India. Due to its proximity to Mumbai, shipping lines have the flexibility to make an additional call to Pipavav and cater to cargo coming from the north western belt.

- APM Terminals Pipavav is an all weather port and is protected by two islands, which act as a natural breakwater maximizing Port safety.

- APM Terminals Pipavav is located in proximity to the major agriculture-based product export markets of the Saurashtra region.

- The Port layout allows for expansion by way of construction of additional jetties.

We have good road and rail connectivity

We believe that the existing road and rail network from APM Terminals Pipavav to inland regions of northern and northwestern India, including Delhi, and the available land for future transportation initiatives provides us with a competitive advantage for attracting larger volumes of cargo.

APM Terminals Pipavav is connected to the Indian Railways network through an approximately 269 kilometre-long dedicated broad gauge railway link maintained by PRCL, which is 38.8% owned by us. India's first double stack container rake service, with a capacity of 180 TEUs, was provided by PRCL and started operations between APM Terminals Pipavav and Inland Container Depot at Kanakpura (Jaipur) in March 2006. The double stack container train lowers rail freight costs for our customers and ensures faster evacuation of containers from the Port. Indian Railways plans to extend the double stack container rake service further up to the North Indian Inland Container Depots, which will further reduce transportation time for cargo coming to or leaving APM Terminals Pipavav.

Our Port also has a four lane road link of approximately 10 km to National Highway-8E for transporting cargo to and from the Port. The road distances from the Port to key tradings hubs such as Ahmedabad, Jaipur and Delhi are 302 km, 873 km, and 1,115 km, respectively.

We benefit from our relationship with our Promoter, APM Terminals, and its parent, APMM Group

APM Terminals is one of the largest container terminal operators in the world with a global terminal network of 49 terminals in 32 countries and five continents. In the year ended December 31, 2008, APM Terminals handled 34.0 million TEUs and had revenues of over US$ 3.00 billion. APM Terminals is part of APMM Group, which had revenues of US$61.2 billion for the year ended December 31, 2008.

We receive benefits from our relationship with APM Terminals such as access to modern technology, operational know-how, best industry practices, increased bargaining power and competitive rates for purchase of port equipment, and access to experienced personnel resources from APM Terminals. Our employees also attend management and staff development programs organised by APM Terminals to develop and improve competencies with respect to operational and technical skills. In addition, periodic business audits and financial audits of our operations are conducted by APM Terminals and APMM Group, respectively.

From APMM Group, we receive benefits such as developing business with shipping lines and assistance in developing relationships with third parties in the shipping industry. Maersk Line and Safmarine Container Lines, each part of APMM Group and both strategic customers of APM Terminals, are also among our largest customers and operate regular cargo shipping services from our Port to international destinations, including the Middle East, Europe and the United States. For the years ended December 31, 2006, 2007, 2008 and the nine month period ended September 30, 2009, APMM Group accounted for approximately

36.8%, 34.2%, 22.5% and 28.0% of our operating revenues, respectively.

We have a well-developed port infrastructure

APM Terminals Pipavav has a well-developed port infrastructure. The 4,550 metre channel length at the Port enables day and night marine operations throughout the year due to favourable oceanographic conditions. We have four berths with a total length of 1,075 metres used for handling bulk and containerised cargo and an LPG berth with a service deck of 65 metres and a length between extreme mooring dolphins of 308 metres, which assists in berthing of large vessels.

We have deployed a mobile-harbour crane and a rail mounted crane for the efficient handling of dry bulk and break bulk cargo. We have also installed weighbridges to support the bulk cargo operations, including an in-motion weighbridge on rails. We have converted our harbour crane from fuel-based to electric, thus saving on cost and reducing pollution. The coal yard at APM Terminals Pipavav has a state-of-the-art dust suppression system that is fed directly from the bulk-handling berths through a conveyor system.

Our container berth is equipped with eight quay cranes to handle ship-to-shore operations. These cranes can also be used for handling bulk cargo by replacing the grab, which increases their efficiency. Our container yard is equipped with 18 RTGs, including 10 eco-friendly RTGs, which are expected to achieve fuel savings of up to 45.0% as compared to regular RTGs. We have deployed reach stackers for operations to be carried out at the dedicated container rail siding. We have also developed infrastructure for reefer services which include supply of electricity and monitoring of reefer containers. Our quay crane productivity in relation to mainline vessels calling at our Port has been 21.63 moves per hour ("mph") and 24.66 mph for the year ended December 31, 2008 and the nine month period ended September 30, 2009, respectively.

We have access to land and extensive support infrastructure which provide significant resources for future expansion

We have the right to develop approximately 1,561 acres of land at APM Terminals Pipavav. We have developed approximately 485 acres and plan to utilize the balance of our undeveloped land for further expansion of our port operations, including for additional berthing and cargo handling facilities both at the waterfront and in the back-up areas. The Port has extensive shore-based area to allow development of back-up infrastructure and allied industries. We believe that our available land will help us expand the market for our port services and provide sufficient resources for future expansion. We have entered into a transportation and traffic guarantee agreement with PRCL and are presently in discussions with parties interested in establishing key land-related infrastructure facilities for setting up CFS warehouses and support infrastructure for offshore business companies. We have also developed support infrastructure to enable handling container, bulk and LPG cargo businesses through our container yards, yard handling equipment, quay cranes, fully paved rail sidings, warehouses, open stack yards and two office buildings to help accommodate the commercial offices of shipping lines, custom house agents and stevedoring agents.

We have an experienced management team

We are led by experienced and highly qualified professionals and also benefit from access to APM Terminal's experienced personnel resources. We have also been able to successfully attract senior managerial and technical executives. Our management team has an established track record and knowledge in the Indian and international port and shipping industry. Our present management has demonstrated its ability to significantly grow the business despite the challenging environment. We believe that our management's expertise in managing growth and successfully implementing projects provides us with significant competitive advantages. See "Management" beginning on page 96 of this Draft Red Herring Prospectus.

We enjoy operational and commercial flexibility compared to the Major Ports

APM Terminals Pipavav is not covered by the regulatory purview of the Tariff Authority of Major Ports, and is therefore entitled to determine the tariffs at the Port, subject to the provisions of the Indian Ports Act, 1908, as amended. Our ability to determine tariff rates helps us compete effectively with the Major Ports. In addition, we have flexibility in providing, and pricing, additional value-added services.

We have the ability to handle diverse cargo portfolio

We believe that by outfitting APM Terminals Pipavav to handle a diverse cargo portfolio, we have both minimized our business risks and established operational synergies and economies of scale. Among other things, such diversity makes us less dependent on demand for any particular commodity, and less subject to seasonality in our business.

Our Strategy

We intend to capitalise on our strategic location, developed port infrastructure and high quality service to develop into the leading port operator in Gujarat. In order to grow our cargo volume and to strengthen our market position in India, we primarily rely on the following strategies:

Utilise our existing infrastructure to increase cargo volumes

We intend to optimally utilise current infrastructure at APM Terminals Pipavav. In case of bulk cargo, we plan to pursue long-term strategic arrangements for the use of APM Terminals Pipavav. We believe that strategic relationships through long-term contractual agreements will enhance our business prospects by bringing stable and increased cargo traffic in the future while our continued use of short-term contracts will allow us to capitalise on market spot rates and take advantage of high growth markets. In case of our container cargo business, we intend to further develop our relationship with existing customers and attract new major shipping lines. We believe that growth in our cargo handling operations will also contribute to an increase in rail traffic handled by PRCL.

We also plan to continue to attract investments from port-based industries by further developing APM Terminals Pipavav into a total service provider. We will also continue to benefit from the global relationships and marketing strategies of APM Terminals to capture substantial growth in business volumes and continue to increase our market share in both the container and bulk cargo businesses.

Continue to improve our operating efficiency, quality of service and overall competitiveness

We will continue to strive to improve the operating efficiency and capacity of our existing facilities by continuing to invest in technologically-advanced handling equipment and improving the efficiency of our loading, unloading and stacking operations and our overall margins. In order to increase our operating efficiency and competitiveness, we have also outsourced certain port handling operations to other services providers, including to our affiliates.

We believe our customers value our efficiency, health and safety standards, high quality services and responsiveness to changing trade patterns. Our aim is to be the port of choice on the northwest coast of India by offering timely, efficient and high quality services. We are committed to provide berthing facilities for large bulk carriers and container vessels in line with international shipping industry standards.

Develop land to support the growth of our port operations and attract third parties interested in sub-leases

We have the right to develop approximately 1,561 acres of land at APM Terminals Pipavav. We have developed approximately 485 acres and plan to utilise the balance of our undeveloped land for further expansion of our port operations, including for additional berthing and cargo handling facilities both at the waterfront and in the back-up areas. In order to utilise available waterfront and land area, we also intend to develop and sub-lease land to third parties, including those interested in establishing facilities that utilise our Port, its infrastructure and related services.

Port Location

APM Terminals Pipavav is one of a small number of deep draught gateways on the west coast of India and is located in the Saurashtra region of the state of Gujarat. APM Terminals Pipavav is approximately 140 kilometres southwest of Bhavnagar and approximately 150 nautical miles from ports in and around Mumbai. APM Terminals Pipavav is located approximately 90 kilometres away from the Diu airport, which is the nearest airport.

The following map shows the location of APM Terminals Pipavav and highlights the regions and states within India for which our Port handles most of its cargo(1):

(1) The map is not to scale and is presented only for indicative purposes.

APM Terminals Pipavav is strategically located to service the landlocked populations of northern and northwestern India, including Delhi, which has experienced significant manufacturing growth. In addition, our location near the entrance of the Gulf of Khambhat on the main maritime trade routes helps us to serve imports from and exports to the Middle East, Asia, Africa and other international destinations. Due to its proximity to the main cargo ports in Mumbai, we believe that APM Terminals Pipavav provides significant logistic and cost advantages to shipping lines servicing both the Mumbai area and the developing northern and northwestern regions of India.

Our Services

We are principally engaged in providing port handling and marine services for: (i) container cargo, (ii) bulk cargo, and (iii) LPG cargo. In addition, we operate a CFS for stuffing and de-stuffing of container cargo to and from ships and also generate revenue from land-related and infrastructure activities.

The following table shows our revenue for the years ended December 31, 2006, 2007, 2008 and for the nine month period ended September 30, 2009:

	For the years ended December 31,						For the nine month period ended September 30, 2009	
	2006		2007		2008			
	(in Rs. Million)	*%*	*(in Rs. Million)*	*%*	*(in Rs. Million)*	*%*	*(in Rs. Million)*	*%*
Container cargo	667.93	49.5	899.63	59.3	891.00	53.2	723.32	48.0
Bulk cargo	594.31	44.1	543.96	35.8	704.62	42.1	671.10	44.5
LPG cargo(1)	8.44	0.6	2.23	0.2	-	-	-	-
Land related revenue	17.57	1.3	20.49	1.4	26.92	1.6	16.55	1.1
Marine Services to Ultratech(2)	61.38	4.5	49.73	3.3	52.35	3.1	48.52	3.2
Others - Swiber Offshore Construction Pte. Ltd (3)	-	-	-	-	-	-	49.12	3.2
Operating Revenue	**1,349.63**	**100.0**	**1,516.04**	**100.0**	**1,674.89**	**100**	**1,508.60**	**100.0**

(1) The LPG cargo jetty is being relocated and therefore no revenue has been derived from LPG cargo operations since July 2007.

(2) We provide pilotage services to vessels calling on the captive jetty built by Ultratech Cement within our Port limits. We also collect port dues from these vessels.

(3) This includes operating revenue derived from providing non-recurring berthing services. In future, we do not expect to derive significant revenue from these services.

The following table shows our cargo handling volume for container, bulk and LPG cargo for the years ended December 31, 2006, 2007, 2008 and for the nine month period ended September 30, 2009:

	For the years ended December 31,			For the nine month period ended September 30, 2009,
	2006	2007	2008	
Container cargo *(TEUs)*	135,167	192,015	195,546	211,247
Bulk cargo *(MTs)*	2,149,812	1,658,621	2,071,990	2,380,912
LPG cargo(1) *(MTs)*	19,169	6,797	-	-

(1) The LPG cargo is being relocated and therefore no revenue has been derived from LPG cargo operations since July 2007.

Container Cargo Services

We provide container services including the loading, unloading and storage of containers to a number of major container shipping lines. Our container cargo handling volume for the years ended December 31, 2008 and for the nine month period ended September 30, 2009 was 195,546 TEUs and 211,247 TEUs, respectively. Our revenue from container cargo was Rs. 891.00 million and Rs. 723.31 million for the year ended December 31, 2008 and for the nine month period ended September 30, 2009, respectively, or 53.2% and 48.0% of our revenue from operations, respectively. Our revenue from container cargo includes marine services as well as handling, storage and value-added services.

The optimal utilization for a container terminal is determined by factors including docking and undocking of container ships, flow of shipping traffic and capacities of container stacking and warehousing facilities in the port. We believe that our continued focus on operational efficiency will enable us to increase throughput whilst maintaining optimal utilization rate. The average berth occupancy at our terminal was 29.5% and 28.5% and the average vessel turnaround time was approximately 9.3 hours and 9.1 hours for the year ended December 31, 2008 and for the nine month period ended September 30, 2009, respectively.

For the years ended December 31, 2006, 2007, 2008 and the nine month period ended September 30, 2009, in relation to all mainline vessels calling at our Port, we achieved quay crane productivity of 16.58 mph, 16.21 mph, 21.63 mph and 24.66 mph, respectively.

APM Terminals Pipavav can accommodate container vessels of 6,200 TEUs capacity (which we believe is the capacity of the largest container ship presently calling at Indian ports) and currently can handle approximately 0.60 million TEUs of container cargo per year. The Port received 252, 423, 424 and 318 vessel calls from container cargo vessels in the years ended December 31, 2006, 2007, 2008 and the nine month period ended September 30, 2009, respectively.

PRCL currently provides railway transportation for approximately 35.0% of the container cargo going through the Port. We also provide value-added services to container lines operating at our Port. For instance, we have leased premises to private reefer technicians. These technicians offer repair, maintenance and pre-trip inspection services to our container cargo customers.

Reefer Container Handling

APM Terminals Pipavav handled approximately 31,464 TEUs, 25,744 TEUs, 31,557 TEUs and 22,579 TEUs of refrigerated cargo for the years ended December 31, 2006, 2007, 2008 and and for the nine month period ended September 30, 2009, which accounted for 23.28%, 13.41%, 16.14% and 10.69% of container traffic at our Port, respectively. The refrigerated cargo mainly comprised seafood processed from fishing harbours in Gujarat.

Container Freight Station Operations

We operate a CFS within the Port limits for the consolidation of cargo. We provide services such as stuffing and de-stuffing of containers, cargo consolidation, packaging and repackaging and cargo warehousing. Cargoes such as cotton, agricultural products, wood pulp, sesame seeds, ceramic tiles, soda ash, stones and cattle feeds are handled at the CFS. In addition, two private parties also operate CFS at Pipavav and consolidate cargo handled at our Port.

Bulk Cargo Services

The majority of the bulk cargo throughput at APM Terminals Pipavav comes from international trade, and in particular, bulk cargo imports into India. Bulk cargo activities include the piloting and berthing of vessels and the loading, unloading and storage of cargo. Our revenue from bulk cargo includes marine services as well as handling, storage and value-added services. Our revenue from bulk cargo services was Rs. 704.62 million, representing 42.1% of our revenue from operations, for the year ended December 31, 2008 and Rs. 671.10 million, representing 44.5% of our revenue from operations, for the nine month period ended September 30, 2009. The following table sets out the throughput volume for the principal types of bulk cargo for years ended December 31, 2006, 2007, 2008 and for the nine month period ended September 30, 2009:

(In MTs)

Type of Cargo	**For the years ended December 31,**			**For the nine month period ended September 30, 2009,**
	2006	**2007**	**2008**	
Coal	891,284	649,824	928,269	1,039,382
Fertiliser	273,775	390,686	433,130	378,640
Steel	349,648	335,616	333,139	204,068
Minerals	173,207	158,835	313,661	698,619
Others	461,898	123,660	63,791	60,203
Total	**2,149,812**	**1,658,621**	**2,071,990**	**2,380,912**

In terms of volumes, coal is the largest bulk commodity handled at APM Terminals Pipavav. Given the demand-supply mismatch in the Indian power sector and potential for growth in thermal power generation activities in India, import of thermal coal from nations like Indonesia, Australia and the African continent is expected to remain a key growth area for APM Terminals Pipavav. Fertiliser is the second largest bulk commodity handled at APM Terminals Pipavav. The fertilisers are typically imported from the Middle East, the United States, Australia and China and we expect the level of import of fertilisers to continue in order to meet demand in the agriculture sector in India. The other bulk commodities handled by APM Terminals Pipavav include iron fines and pellets, steel, cement, clinker, gypsum, minerals and de-oiled cake.

We have continued to improve our productivity and efficiency in our bulk cargo operations. We continue to invest in equipment to improve our throughput capacity, which allows us to achieve high discharge/load rates for bulk cargo such as coal, fertiliser and steel.

The berth occupancy at our bulk terminals was 49.3%, 57.0% and 49.7% for the years ended December 31, 2007, 2008 and for the nine month period ended September 30, 2009, respectively. The Port received 91, 68, 67 and 90 vessel calls from bulk cargo vessels in the years ended December 31, 2006, 2007, 2008 and the nine month period ended September 30, 2009, respectively.

Berthing and handling

Our bulk cargo berths can handle approximately five million tonnes of bulk cargo per year, which varies depending on the type of cargo handled. In addition, berthing and de-berthing, the flow of traffic at the Port, the capacity of equipment and storage facilities also each affects the utilization of the berths and total cargo throughput. Intra-port transportation for dry bulk cargo from the berths to the storage areas is done by trucks.

We have internal regulations and procedures with respect to the maintenance of our equipment. Our technical department is responsible for the maintenance of our principal cargo-handling equipment, However, we also outsource certain equipment maintenance and repair services to independent third parties. In addition, we have also implemented an enterprise resource planning system for integrating various aspects of maintenance, logistics and costing of equipment.

We receive revenue for our bulk cargo handling services through short-term spot contracts. We also receive fees for storage and dispatch of bulk cargo.

LPG Cargo Services

Presently, Shell Gas is our sole customer for LPG cargo services. For LPG cargo, we provide hose pipe connections to the vessels and intra-port transportation through pipelines from the jetty to the storage tank area. The LPG cargo jetty is being relocated and therefore no revenue has been derived from LPG cargo operations since July 2007. In future, similar LPG cargo services can be provided to other customers.

Marine Services and Facilities

We are equipped to provide marine services for berthing and de-berthing of bulk cargo, container and LPG vessels calling at APM Terminals Pipavav, including tugs, navigation buoys and port utilities such as power, water and other infrastructure facilities. We provide 24 hour navigation services except in case of LPG vessels which are berthed or de-berthed during daylight hours. We also provide ancillary facilities, including a fire-fighting system, and oil spill response equipment for LPG vessels.

Our tugs and harbour craft are used to provide pilot services for the berthing and de-berthing of vessels at APM Terminals Pipavav and to vessels calling at the captive jetty of Ultratech Cement. Our Port is equipped with modern communication and tracking equipment. We have leased three tugs, with towing capacity of 35, 50 and 60 BP. We also provide additional marine services for vessels such as the provision of fresh water and the supply of consumables.

Land and Infrastructure

We have the right to develop approximately 1,561 acres of land at APM Terminals Pipavav. We have developed approximately 485 acres and plan to utilise the balance of our undeveloped land for further expansion of our port operations, including for additional berthing and cargo handling facilities both at the waterfront and in the back-up areas. Under the Concession Agreement we can utilise the area for development of Port-based commercial activities by us or through various Port users. We have already established cargo handling and storage facilities for dry bulk cargo and LPG cargo on a part of this land.

Pursuant to the Concession Agreement, we have the right to sub-lease the land and infrastructure at Port premises to various Port users. Land-related revenue and development activity is strategically important as a source of current and future revenue because the development of future facilities on the sub-leased land by the Port users enhances the availability of ancillary facilities for customers of APM Terminals Pipavav, thereby spurring growth in Port cargo volumes.

Our Facilities

APM Terminals Pipavav currently has a vessel acceptance draught of 14.5 metres, with outer channel depth of 14.5 metres and turning basin depth of 13.5 metres at chart datum. Our bulk and multi-purpose jetties have a depth of 13.5 metres at chart datum and liquid and container jetties have a depth of 15.5 metres at chart datum. In addition, our Port has the following facilities:

Container Cargo Facilities

We have one dedicated jetty and one multi-purpose jetty for our container cargo operations. The existing container berth facilities are designed to handle berthing of large container vessels with capacities of up to 6,200 TEUs (which we believe is the capacity of the largest container ship presently calling at Indian ports). In addition, our berth at the container terminal has three panamax and five post-panamax rail-mounted quay cranes. These post-panamax cranes have an outreach of 18 containers across on a ship, total lift of 58 metres, which is 40 metres above crane rail, and a capacity of 61 tonnes under the spreader with twin-lift capability of handling two twenty-foot containers simultaneously. The three panamax cranes have a SWL of 40 tonnes and an outreach of 13 containers across on a ship. These cranes can also be used for handling bulk cargo by replacing the grab, which increases their efficiency. We have deployed reach stackers for operations to be carried out at the dedicated container rail siding.

We have set up a container stackyard which is located adjacent to the berth and is equipped with 2,170 twenty-foot ground slots, of which 392 are powered ground slots for reefer container services and allow storage of perishable goods. In addition, dedicated reefer trains are presently operated by Concor. The rail siding for the container trains is located within the Port premises, and the loading and unloading of container cargo to and from the trains is carried out by reach-stackers. Inter-terminal vehicles are also used for container movement in the yard and between the yard, rail siding and CFS. Additionally, the container yard is equipped with 18 RTG cranes, including 10 eco-friendly RTG cranes. We also utilise approximately 11,000 square metres of covered warehousing space and an area of paved stackyards for our CFS operations.

Bulk Cargo Facilities

The bulk cargo facilities at APM Terminals Pipavav include two bulk cargo berths and one multi-purpose berth. The bulk cargo berths are equipped with mechanised equipment such as a crane-conveyor system for unloading coal. The equipment in the crane-conveyor system includes a crane with a handling capacity of 1,000 tonnes per hour, a mobile hopper attached to the crane for direct discharge into the import conveyors and an import conveyor system which is approximately 1,200 metres long, with a capacity of 2,000 tonnes per hour. We provide storage for the dry bulk cargo and load and unload dry bulk cargo on trucks or railcars for transportation to and from APM Terminals Pipavav. We also have bagging units in the storage area for dry bulk cargo.

Our revenue from bulk cargo includes marine services as well as handling, storage and value-added services. In addition, we also offer maintenance and coal yard facilities as part of our bulk cargo services.

Maintenance Facilities

We have internal regulations and procedures with respect to the maintenance of our equipment. We have workshop facilities at APM Terminals Pipavav. Our technical department is responsible for the maintenance of our principal cargo handling equipment. The technical department carries out periodic inspections of our equipment to assess whether the equipment is in good working order. The daily operational staff are also responsible for undertaking ongoing inspections during the course of their day-to-day work and to report any maintenance issues. We also outsource equipment maintenance and repair services to independent third parties.

Coal Yard Facilities

Our coal yard is fitted with a state-of-the-art dust suppression system and has five main lay-down areas with total storage capacity of approximately 300,000 MTs. The coal yard has a perimeter of approximately 2,000 metres. It has recently been upgraded to meet the environmental standards prescribed by the Pollution Control Board and it is fed directly from the bulk-handling berths via a conveyor system having a rated capacity of 2,000 metric tonnes per hour.

To minimise the wind flow across the stacks of coal, we have erected a 20 foot high and 700 metre wide wind curtain, which uses a fine polyethylene cloth attached to a chain-link structure. In addition to the in-ground water system, two mobile water-cannons are used to spray water on the coal stacks to create a thin crust on the stacks, which reduces air flow to the core of the stack, thereby reducing the probability of coal fires and amounts of particulate matter picked up by air moving across the surface of the coal stacks.

Additionally, we operate an approximately 30 foot high water curtain. The water curtain has five sections and each section utilises approximately 1,486 litres of water per minute. We believe that we recycle approximately 80.0% of the water used in the dust suppression system by using a series of sedimentation tanks and filters. This recycled water is stored in a water reservoir, which has a capacity of 40 million litres. We have recently also commissioned a water treatment facility within the Port premises, which treats the recycled water at a rate of approximately 7,200 litres of water per hour. In addition, we have constructed a raw water storage facility, which stores up to 12.5 million tonnes of water.

LPG Cargo Facilities

APM Terminals Pipavav has a LPG berth with a service deck of 65 metres and a length between extreme mooring dolphins of 308 metres. Due to the available fire-fighting capacity at the LPG berth, the berth can accept an LPG vessel carrying up to 10,000 MTs of cargo. For LPG cargo, the storage tanks are provided for by the Port user. At APM Terminals Pipavav, Shell Gas has two LPG storage tanks, having a capacity of 1,350 MTs each. These tanks are connected to the LPG cargo berth by dedicated pipelines. In future, similar dedicated pipelines can be developed for other customers.

Ancillary Port Services and Facilities

We also provide ancillary value added services and facilities such as cargo storage facilities, Port user facilities, railways facilities and power facilities to our customers.

Cargo Storage Facilities

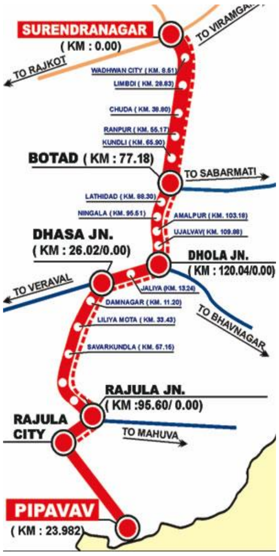
We have a total of 15 warehouses covering over 51,000 square metres. Of these, seven warehouses are 600 square metres each and two warehouses are 3,657 square metres and 3,252 square metres, respectively. These warehouses are located behind the dry cargo berths. The six additional warehouses of approximately 6,690 square metres each have been constructed in the warehousing zone, approximately five kilometres from the jetties. We own and operate one of these warehouses in the warehousing zone and CWC operates four warehouses in the warehousing zone. One warehouse owned by Sangraha Private Limited in the warehousing zone is presently not operational. See “Outstanding Litigation and Material Developments”.

Port User Facilities

APM Terminals Pipavav has facilities for Port users, such as stevedoring agents, survey companies, trucking companies and custom house agents, who visit and work at our Port for short periods of time. These include commercial facilities that cater to the Port users’ intermediary requirements such as a customs office and bank.

Railway Facilities

APM Terminals Pipavav is connected to the Indian Railways network through an approximately 269 km-long dedicated broad gauge railway link with 22 stations. This broad gauge link connects the Port to Surendranagar and can presently run double stack container trains of standard 40 foot containers up to Inland Container Depot at Kanakpura (Jaipur). The map below shows the route of the broad gauge link between the Port and Surendranagar(1):



(1) The map is not to scale and is presented only for indicative purposes

Railway transportation is used primarily by bulk cargo and container cargo customers. Our railway activities include facilitating rail rake movements on the rail link and providing haulage services within the Port area. India's first double stack container rake service was provided by PRCL and started operations between APM Terminals Pipavav and Inland Container Depot at Kanakpura (Jaipur) in March 2006. Each double stack container train has a capacity of 180 TEUs. The current maximum capacity of the rail link is 22 trains per day in each direction. Presently, we handle five to six trains per day in each direction.

For the year ended December 31, 2006, 2007, 2008 and the nine month period ended September 30, 2009, 288,237; 589,195; 551, 856 and 562,191MTs of bulk cargo and 82,678; 75,684; 60,976 and 77,420 TEUs of container cargo respectively, were moved in and out of APM Terminals Pipavav through the railway network.

Power Facility

APM Terminals Pipavav is connected to the national power grid through a 220 KV line. APM Terminals Pipavav switchyard has two transformers, each of 15,000 KVA capacity, to cater to proposed expansion plans. A switchyard transformer converts the 220 KV electricity to 11 KV electricity and has two bays and an additional back-up facility in case of a failure in the switchyard.

Reefer services in the container yard receives power from a 11 KV sub-station for the refrigerated cargo at the Port. In addition, there are four 1,000 KVA reefer sub-stations located in the container yard to supply electricity to the reefer racks. The ring main arrangement ensures the availability of power to all the connected areas even in case of a switchgear failure or damage of power cables. In addition to the ring main arrangement, our Port facilities are connected to 3 MW diesel generator sets to provide electricity back-up in case of a grid failure to reefer containers, quay cranes and bulk berth.

Safety, Environment, Risk Management and Controls

We are dedicated to the implementation of work safety measures and standards to ensure a safe working environment at APM Terminals Pipavav and that the work undertaken by us does not pose any danger to workers, employees and the general public. APM Terminals Pipavav has a health, safety, security and environment department which ensures compliance with the safety measures and applicable regulations and norms.

We oversee the implementation and compliance of these safety measures and standards. We had 0.56 hours and 0.46 hours loss time incident frequency per one million man hours worked in the year ended December 31, 2008 and the nine month period ended September 30, 2009, respectively. Our safety measures and standards include equipment operation procedures for loading and unloading of cargo and containers, dangerous cargo/container handling procedures, fire-fighting measures, warehousing procedures, and vessel berthing and de-berthing procedures. We have set up a fire station and deployed fire-fighting equipment including mobile fire-fighting units, two water cum foam tenders, ambulances, and an experienced fire-fighting crew, located at APM Terminals Pipavav, which carries out periodic safety drills.

We perform conservancy functions at APM Terminals Pipavav in accordance with applicable law and good industry practices. We are currently maintaining a mangrove area of approximately 60 acres around APM Terminals Pipavav. In addition, as per the Ministry of Environment and Forest's approval, we are required to plant mangroves on 1,236 acres of land by May 2010. In this regard, we have entered into an arrangement for planting mangroves with the Gujarat Ecology Commission, which has planted mangroves around APM Terminals Pipavav.

We have received certification under the ISPS for deployment of our security measures at APM Terminals Pipavav. The ISPS certification gives us security clearance for the United States and other countries for cargo leaving our Port. The routine security operations at APM Terminals Pipavav have been outsourced to a private security agency which is responsible for cargo movement to, from and within our Port.

Our container yard is equipped with 18 RTGs, 10 of which are eco-friendly RTGs which are expected to achieve fuel savings of up to 45.0% as compared to regular RTGs. Since the commissioning of our eco-friendly RTGs in November 2007, we have experienced fuel savings in the range of 32.0% to 42.0%.

We conduct periodic internal and external audits on physical security at our Port. These periodic audits include, among other things, checks on our physical inventory and security systems.

Customers

Our customers principally include bulk cargo, container cargo and LPG cargo customers. As the trade characteristics and port services vary depending on the type of cargo, our customer contracts and relationships are shaped by the cargo. The mix of the short-term and long-term contracts across a diverse set of customers and types of cargoes helps us to maintain consistent cargo volumes and utilise our assets efficiently.

We have a diverse range of customers comprising shipping lines and agents, exporters and importers and other port users. During the nine month period ended September 30, 2009, our five largest customers were Maersk Line, Indian Farmers Fertilisers Cooperative, Essar Logistics Limited, Bhatia International and Ultratech Cement, which together accounted for 49.6% of our revenue from operations, of which Maersk Line accounted for 24.8% of our revenue from operations.

Most of our bulk cargo contracts have agreed terms for discharge rates and permissible limits for handling and transit losses. We have various processes and methodologies to monitor our performance against such terms and guaranteed levels of performance in our customer agreements, identify any problems and take necessary corrective and preventive actions for achieving ongoing adherence to guaranteed service levels. We have a dedicated resource planning and workforce management team that, on a daily basis, analyses the cargo volume to be performed by us and provides feedback to operations managers for corrective actions where required such as effectively scheduling vessels and achieving specific handling rates and other parameters to effectively meet the commitments in our customer agreements.

Our other key bulk cargo customers are merchant exporters/importers. The majority of the contracts with the bulk cargo customers are non-exclusive, short term and renewable upon negotiation. The contracts provide for agreed productivity parameters, permissible transit losses, non-performance damages and performance-linked incentives. See “Risk Factors – Risks Related To Our Business – We rely on a small number of customers and partners for a large proportion of our revenue” on page xvii of this Draft Red Herring Prospectus.

Sales and Marketing

We prepare an annual sales and marketing plan to implement our growth strategy. The purpose of our sales and marketing plan is to promote both our basic port services business, including bulk cargo and container cargo services, and our value-added port services, and to develop a better understanding of the needs and requirements of our customers and explore long-term arrangements and strategic relationships.

We utilise the marketing support and global network of APM Terminals for marketing purposes. We have appointed regional marketing personnel to work with customers and carry out corporate marketing functions. These personnel are based at the Port and at important business centres such as Mumbai, Ahmedabad, Gandhidham, Jaipur and Delhi where Indian port users' decision makers are based.

The fees and charges for handling, storage, marine and other activities are set by us based on market conditions. Fees and charges vary according to the type of cargo being handled as well as the service(s) being provided, such as loading and unloading, storage, and other marine services such as the piloting and berthing of ships at our Port. We generally collect our fees from customers at the time that we perform our services or, in many cases such as marine services, in advance.

Tariffs

We are not covered within the regulatory purview of the Tariff Authority of Major Ports, and are entitled to determine the tariffs at the Port, subject to the provisions of the Indian Ports Act, 1908, as amended. All charges for the services we offer at the Port, with the exception of bulk cargo handling charges, are published by the Port. The bulk cargo handling charges are contractually determined with individual customers. The tariffs at the Port are determined on the basis of prevalent market conditions. Foreign vessel-related charges are levied in US dollars and collected in Indian rupees and cargo-related charges are levied and collected in Indian rupees. See "Risk Factors - xiv".

Competition

Competition within the port industry is primarily driven by the location of the ports, infrastructure, facilities and services offered by each port. Other key competitive factors include, among others, the number of berths, the size and quantity of equipment, and the efficiency of cargo handling and transportation. We compete primarily against:

- non-Major Ports and Major Ports located on the northwest coastline of India; and
- port service providers and intermediaries that operate at existing ports such as handling, stevedoring, clearing and forwarding agents.

We compete against these entities through our integrated port infrastructure facilities, domain expertise in the port services industry, established customer relationships, available land resources and ability to facilitate port-based development and our ability to meet our customers' requirements. We believe that our efficiency rate for the unloading, handling and transportation of cargo at APM Terminals Pipavav is comparable to our competitor ports in India, particularly on the western coast of India.

Our key competitive advantage has been what we believe to be our cost advantage relative to other ports in the region because of the location of our Port, with good proximity and connectivity to inland cargo centres, particularly in northern and northwestern India. Our ability to determine tariff rates also allows us to compete effectively and manage our business operations better. We expect that competition may increase through the development of new ports that may compete with us. See "Risk Factors – Risks Related to Our Business – We operate in a highly competitive environment and if we are not able to compete effectively, our income and profitability will be adversely affected" on page xx of this Draft Red Herring Prospectus.

Our Investment

We set up PRCL as a joint venture with the Ministry of Railways, which is the first public/private railway project in India. We entered into a shareholders' agreement with the Ministry of Railways, dated March 28, 2001, to set up PRCL for undertaking the construction, operation and maintenance of a dedicated broad gauge railway link between Surendranagar and APM Terminals Pipavav.

We also entered into a Traffic Guarantee Agreement dated January 10, 2003 with the Ministry of Railways (acting through Western Railways) and PRCL. Pursuant to the terms of the Traffic Guarantee Agreement, we have guaranteed to provide rail freight traffic of one million tonnes in the first year of operations, two million tonnes in the second year of operations and three million tonnes from the third year of operations onwards ("Minimum Guaranteed Quantity") to PRCL until June 2034.

Technology and IT Systems

We believe that one of the key factors to the success of our operations is efficiency in the overall operations at APM Terminals Pipavav, which can be achieved by good planning of inflow and outflow of bulk cargo, containers and other cargo. Our Port uses modern IT and communication infrastructure to meet routine business requirements. We purchase our IT products and services through APMM Group contracts, wherein APMM Group is the party contracting with the vendors, although payments for the products and services we purchase are made by us to the vendors directly.

We are currently implementing Navis, which is a terminal operating system used by APMM Group. The implementation of Navis is scheduled to be completed by March 2010.

We have also implemented an enterprise resource planning system for integrating various aspects of maintenance, logistics and costing of equipment. This computerized maintenance management system integrates planned maintenance, condition-based maintenance and breakdown maintenance details and provides information on availability of various equipment. It is also useful for monitoring faults, and for preventive, predictive and breakdown maintenance for equipment and is also helpful in establishing causes of failures of particular equipment, which helps us to initiate action in order to achieve efficiency.

The customs and excise authorities in India are in the process of implementing EDI facilities at our Port to facilitate electronic filing of bills of entry (import goods declarations), shipping bills (export goods declarations) and communications with cargo carriers such as shipping lines. The other key systems used for our marine operations include a weather forecasting station and software for hourly data of wind speed, wind direction, wind atmosphere, wind pressure, humidity temperature, rain prediction and tide calculation software for tidal prediction to aid the Port in taking vessel-berthing decisions.

Employees

We had 491 and 517 full-time employees as of December 31, 2008 and September 30, 2009, respectively. All of our employees were based in India. Our employees have a wide range of experience and skills, including in areas such as port planning, marine operations, stevedoring, logistics services and port information systems. The total personnel expenditure, including compensation and benefits to our employees, for the year ended December 31, 2008 and for the nine month period ended September 30, 2009 was Rs. 202.40 million and Rs. 180.79 million, respectively.

In addition to our full-time employees, we also employ temporary contract workers. The number of contract workers varies from time to time based on the nature and extent of work at APM Terminals Pipavav contracted to independent contractors. We enter into contracts with independent contractors to complete specified assignments. All contract workers engaged at APM Terminals Pipavav are assured minimum wages notified by relevant authorities from time to time. We also provide an integrated accommodation facility to our employees located at Port Colony, Gujarat, PO Ucchaiya, via Rajula, District Amreli, Gujarat-365 560.

Our operations require highly skilled and experienced port management personnel. To meet our needs, we recruit professionals from in and outside of India. We offer our employees on-going training in order to raise their competence and capability with respect to port operations. Our employees also attend staff training sessions and performance enhancement programs organised by APM Terminals to develop and improve competencies with respect to functional skills such as safety, pilotage, crane operation and fire-fighting.

Presently there are two employee unions at APM Terminals Pipavav. We have not experienced any significant industrial unrest, major strikes, lockouts or other disruptive labour disputes or work stoppages.

Insurance

We believe that our properties are covered with adequate insurance and with commercially reasonable deductibles and limits on coverage, which are normal for the type and location of the assets and properties to which they relate.

Notwithstanding our insurance coverage, damage to our Port, facilities, equipment, machinery, buildings or other properties, or any decline in our business as a result of any threat of war, outbreak of disease or epidemic could nevertheless have a material adverse effect on our financial condition and results of operations to the extent such occurrences disrupt the normal operation of our business. See "Risk Factors – Risks Related To Our Business – We may not have adequate insurance to cover all losses we may incur in our business operations or otherwise" on page xxi and "– Our business and facilities may be adversely affected by severe weather conditions or natural disasters in Gujarat or elsewhere" on page xxi of this Draft Red Herring Prospectus.

Our employees are covered by personal accident insurance and medical insurance and our contract workers are covered under insurance policies taken as and when required pursuant to the Workmen's Compensation Act, 1923, as amended. These insurance schemes provide coverage in the event of injuries or death sustained in the course of employment. Additionally, employees working with us on deputation are covered under insurance coverage taken by APM Terminals.

Intellectual Property

We use a combination of in-house and third-party systems and software platforms for our Port operations and corporate offices. We generally enter into licensing agreements through global APMM Group contracts with respect to the use of such software platforms. Our employees are also required to sign a confidentiality agreement as a condition of their employment. We have received certificates of registration under the Trade Marks Act, 1999, as amended, for the logo and name "Port Pipavav" under various classes. We have not filed an application for registration of logo appearing on the cover page of this Draft Red Herring Prospectus.

Properties

Our registered office is located at Port Pipavav, At Post Uchchaiya via Rajula, District Amreli, Gujarat 365 560, premises leased from GMB. Our corporate office is located at Empire Industries Complex, 414, Senapati Bapat Marg, Lower Parel, Mumbai 400 013, on premises leased from an APMM Group company.

The majority of our properties and assets including leasehold land and rights within Port limits are located at APM Terminals Pipavav.

REGULATIONS AND POLICIES IN INDIA

Port Related Regulations

The ports in India may be classified as major and minor ports. Under the Indian Ports Act, 1908, the Central Government has been empowered to declare a port to be a major port. The Port has not been classified as a "major port" under the Indian Ports Act, 1908. The port related regulations governing our Company and the Port are as follows:

The Indian Ports Act, 1908

The Indian Ports Act, 1908 (the "**Ports Act**") consolidates the enactments relating to ports and port charges. State Governments have been given power to make rules with respect to regulating the time, hours, speed, manner and conditions in which vessels may enter, leave or move in the port; berths, stations and anchorages to be occupied by vessels in a port; the anchoring, fastening, mooring and un-mooring of vessels in any such port; regulating the moving and warping of all vessels; removal or proper hanging or placing of anchors, spars and other things being in or attached to vessels etc. The Government of India can make rules for the prevention of danger arising to the public health by the spread of any infectious or contagious disease from vessels arriving at or sailing from any such port. The State Governments can alter the limits of a port.

The Ports Act also lays down the rules for the safety of shipping and the conservation of ports. It also provides for port dues, fees and other charges. State Governments in consultation with the relevant authority can exempt and extend/ cancel the exemption to any vessel(s) from payment of port related dues. The state government can also vary the rates at which port dues are to be fixed. However, the rates should not exceed the amount authorized to be levied under the Ports Act. State governments are entitled to charge fees for pilotage, hauling, mooring, re-mooring, hooking and other services rendered to vessels.

Proposed amendment to Tariff Authority of Major Ports (the "TAMP")

The Department of Shipping is reportedly planning to bring the 187 non-Major Ports under the jurisdiction of the Tariff Authority of Major Ports. At present, TAMP regulates tariffs of only Major Ports. This move is expected to reduce the ability of a number of these smaller ports to attract cargo from Major Ports, because TAMP regulations may well deprive them of the freedom to fix competitive tariffs.

The Gujarat Maritime Board Act, 1981

The Gujarat Maritime Board Act, 1981 (the "**GMB Act**") provides for the constitution of a maritime board for minor ports in Gujarat and vests the administration, control and management of such ports in the board, including the right to levy rates. The GMB Act provides that the GMB shall not lease the waterfront, jetty, waterway and corresponding infrastructural facilities for a term exceeding five years without the prior approval of the GoG. Similarly, no contract for acquisition or sale of immovable property or for the lease of any such property for a term exceeding 30 years shall be made without the prior approval of the GoG.

Port Policy, 1995 of the Government of Gujarat

The port policy formulated in 1995 is an integrated approach of the GoG covering port development, industrial development, power generation and infrastructure development. GMB is the co-ordinating agency for procuring infrastructure and other facilities like rail, road and power and any other clearances from the GoG or the Government.

Some of the objectives of the port policy are:

- Decongestion of the existing major ports of western India;
- Cater to the needs of increasing traffic of western and northern states;
- Provide port facilities to promote export- oriented industries and port- based industries;
- Encourage ship building, ship repairing and establish manufacturing facilities for cranes, dredgers and other floating crafts; and
- Attract private sector investment in the existing minor and intermediate ports and in the new port locations.

The port policy envisages a master plan for each of the new port locations.

General guidelines for private investment as outlined in the port policy are as follows:

- Construction of new wharves/jetties in selected sites and incomplete works of wharf/jetty/quay of GMB will be privatised; and
- Private entrepreneurs will be permitted to install modern mechanical handling equipments on the wharf/jetty/quay.
- Privatisation of the construction of new wharves/jetties in selected sites.

The entrepreneurs making investment in these locations will be given ousting priority for a period of five years from the date on which it is awarded. The entrepreneurs in turn have to assure a minimum cargo handling from the said landing place.

The port policy identifies port locations keeping in mind the infrastructure facilities that would be required. One of the corridors identified for new port development consists of connecting some ports including Pipavav to Ahmedabad. The port policy states that APM Terminals Pipavav is an ideal location for a direct berthing port facility.

Build-Own-Operate-Transfer ("BOOT") policy 1997 under Port Policy, 1995 of the Government of Gujarat

The BOOT policy issued through Government Resolution No. WKS – 1097- G-213- GH dated July 29, 1997 serve as a framework for involvement of private sector in the construction and operation of new private and joint sector ports in Gujarat as announced in the Port Policy, 1995. It provides that GoG will grant license/concession to private developers to build, own, operate and manage port facilities for a specific period. After expiry of the BOOT period, the assets will be transferred back to GoG. The ownership of the land and waterfront will always vest with the GoG.

In accordance with the BOOT principles, the acquisition of land for the project will be the responsibility of the Government / GMB and the land will be allotted on lease to the private developer for a term concurrent with the term of the concession agreement. The Government will facilitate future expansion of port related activity, and the setting up of, among other things, industrial parks, commercial ventures, roads and railways in the vicinity of the port. Under the BOOT package, the private developer will be responsible for creation of the port infrastructure. The developer would be free to finalize the means of finance for the project and to structure the financing for the project. The Government may extend tax concessions to the projects by way of lowered stamp duty and registration fees. The developer would be responsible for obtaining the relevant clearances from Central and State government ministries/departments/agencies.

The BOOT principles state that the relevant member(s) forming the bidding consortium of the project company must retain their financial commitment to the project for a minimum period of five years from the commercial operations. However, without GoG consent, they may reduce their equity participation in the project to up to 51% during the first five years.

GoG would specify from time to time, a list of the essential services that the developer would be obliged to render. The broad areas of service in this respect would be stipulated in the concession agreement. The Government will stipulate performance standards for the developer that seeks to evoke international standards of quality, safety and technological expertise in port operations. The developer will be granted a concession on the royalty payable to the Government for a specified period of time.

The duration of the BOOT package would be 30 years. The BOOT period would commence after three years or the period mentioned in the document whichever is earlier. BOOT periods greater than 30 years could be considered for projects which entail sizeable capital investment on account of site specific marine conditions and backup infrastructure such as road/rail linkages.

At the time of the transfer, the Government could choose any of the following options: offer the developer a roll-over option, take over the port and offer it to another developer, take over the port as a landlord and farm out services to the private sector on lease or management on contract basis and to take over the port and operate as a full service port itself.

The Gujarat Infrastructure Development Act, 1999

The Gujarat Infrastructure Development Act, 1999 **(**the **"GID Act**") provides a framework for participation by persons other than the State Government and Government agencies in financing, construction, maintenance and operation of infrastructure projects. The GID Act provides that any person may participate in financing, construction, maintenance and operation of a project and may enter into a concession agreement with the State Government or its specified agency. No concession agreement shall provide for transfer of a project by a developer to the State Government or its specified agency later than 35 years from the date of agreement. The State Government may establish an Infrastructure Development Board which shall promote participation of all persons, in financing, construction, maintenance and operation of any project. A concession agreement for undertaking a project may be entered into with a person through competitive public bidding or by direct negotiation.

Inland Vessel Act, 1917

The Inland Vessel Act, 1917 was enacted to consolidate the enactments relating to inland vessels. It provides, among other things, for inland water limits, registration and survey of inland vessels, certificates of competency, licensing of masters and crew, investigation into causalities, protection and carriage of passengers and insurance against third party. An "inland vessel" or "inland mechanically propelled vessel" is defined as a mechanically propelled vessel, which ordinarily plies on inland water, but does not include fishing vessel and a ship registered under the Merchant Shipping Act, 1958. The Inland Vessel Act, 1917 provides that an inland mechanically propelled vessel cannot proceed on any voyage, or used for any service unless she has a certificate of survey and a certificate of registration. The Inland Vessel Act, 1917 empowers the State Government to appoint examiners for the purpose of examining the qualifications of persons desirous of obtaining certificates of competency to the effect that he is competent to act as a first-class master, second-class master or serang, or as an engineer, first-class engine-driver or second-class engine. The Inland Vessel Act, 1917 was last amended in 2007. The amendment, among other things, amended the scope of inland vessel, inland waters, introduced the concept of temporary permit and makes provision for prevention and control of pollution and protection of inland water.

Proposed Prohibition of Foreign Vessels from Plying Coastal Trade

The Department of Shipping is drawing up a document to prohibit foreign vessels from plying the coastal trade, to reduce the misuse of the coastal trade for terrorist activities.

The Electricity Act, 2003

The Electricity Act, 2003 (the "**EA 2003**") is a central unified legislation relating to generation, transmission, distribution, trading and use of electricity, that seeks to replace the multiple legislations that governed the Indian power sector. The most significant reform initiative under the EA 2003 was the move towards a multi buyer, multi seller system as opposed to the existing structure which permitted only a single buyer to purchase power from power generators. In addition, EA 2003 provides for a greater flexibility and grants the respective electricity regulatory commissions' greater freedom in determining tariffs, without being constrained by rate-of-return regulations. The Act seeks to encourage competition with appropriate regulatory intervention. An Appellate Tribunal to hear appeals against the decision of the Central Electricity Regulatory Commission and State Electricity Regulatory Commissions has been established. However, EA 2003 provided that transmission, distribution and trade of electricity are regulated activities which require licenses from the appropriate electricity regulatory commission, unless exempted by the appropriate government in accordance with the provisions of EA 2003. It was amended in 2007 to exempt captive power generation plants from licensing requirements for supply to any licensee or consumer. Government has also announced National Electricity Policy in 2005 to guide the development of the electricity sector in India.

Pursuant to a notification dated October 14, 2009, the Central Electricity Regulatory Commission has notified the Central Electricity Regulatory Commission (Furnishing of Technical Details by the Generating Companies) Regulations, 2009, which requires that electricity generating companies furnish technical details to the Central Electricity Regulatory Commission regarding the generating stations operated by them. Furthermore, these regulations stipulate that any power generating company that proposes to set up a generating station must provide the Central Electricity Regulatory Commission with the required technical details three years prior to the commercial operation of the stations proposed to be set up.

Customs Act, 1962

The Customs Act, 1962 (the "**Customs Act**") deals with the levy of customs duty, the power of the central government to prohibit import and export certain goods and prevention and detection of illegally imported goods. Section 8 of the Customs Act empowers the Commissioner of Customs to approve proper places in any customs port or customs airport or coastal port for the unloading and loading of goods or for any class of goods. The Commissioner of Customs is also empowered to specify limits of any customs area. Section 45 of the Customs Act lays down that all imported goods unloaded in a customs area shall remain in the custody of the person approved by the Commissioner of Customs until they are cleared for home consumption or warehoused or transhipped. The custodian is required to keep a record of such goods and send a copy of the record to the designated officer. The custodian shall not permit the goods to be removed unless approved by the designated authority. The Customs Act further provides that if the goods are pilfered while in the custody of the custodian, then such custodian shall be liable to pay duty on such goods.

By a notification dated March 17, 2009, the Central Board of Excise and Customs has notified the Handling of Cargo in Customs Area Regulations, 2009 which specify the eligibility requirements and responsibilities of persons who are receive, store, deliver or otherwise handle imported goods in the customs area.

Other Laws

Labour laws

India has extensive labour related legislation. The Industrial Disputes Act, 1947 (the "**IDA**") distinguishes between (i) employees who are 'workmen' and (ii) employees who are not 'workmen'.

Workmen have been provided several benefits and are protected under various labour legislations, whilst those persons who have been classified as managerial employees and earning salary beyond a prescribed amount may not generally be afforded statutory benefits or protection, except in certain cases. The IDA lays down certain requirements for termination of a workman, the procedure for dispute resolution and financial obligations upon retrenchment.

Preliminary information on some of the labour laws that may be applicable have been provided below. This list is incomplete and does not cover all provisions of the law specified nor covers other applicable labour laws.

The Dock Workers (Regulation of Employment) Act, 1948

This Dock Workers (Regulation of Employment) Act, 1948 **(**the **"Dock Workers Act**") regulates the employment of dock workers. It provides that a scheme may provide for the registration of dock workers and employers to ensure greater regularity of employment. Such a scheme may provide for the following:

- Classes of dock workers and employers to be covered under the scheme;
- Obligations of dock workers and employers; and
- Regulation of the employment of dock workers (whether registered or not) including their remuneration and working hours.

The scheme may also provide for penalty and/or imprisonment in case of contravention of any provision of the scheme. The Dock Workers Act also provides for the establishment of a board responsible for administering the scheme for the ports for which it has been established.

Employees State Insurance Act, 1948

The Employees State Insurance Act, 1948 (the "**ESI Act**") provides for certain benefits to employees in case of sickness, maternity and employment injury. Employees drawing wages up to a certain limit in establishments covered by the ESI Act are required to be insured. In addition, the employer is also required to register himself under the ESI Act and maintain prescribed records and registers in addition to filing of forms with the concerned authorities.

Payment of Gratuity Act, 1961

The Payment of Gratuity Act, 1961 (the "**POG Act**") provides for payment of gratuity to employees employed in factories, shops and establishments who have put in a continuous service of five years, in the event of their superannuation, retirement, resignation, death or disablement. Under the POG Act, an employer is obliged for a maximum gratuity payout of Rs. 350,000 for an employee.

Employees Provident Fund and Miscellaneous Provisions Act, 1952

The Employees Provident Fund and Miscellaneous Provisions Act, 1952 provides for the institution of compulsory Provident Fund, Pension Fund and Deposit Linked Insurance Funds for the benefit of eligible employees in factories and establishments as may be specified. A liability is placed on the employer and employee to make certain contributions to the funds mentioned above after obtaining the necessary registrations.

The Maternity Benefits Act, 1961

The purpose of the Maternity Benefit Act is to regulate the employment of pregnant women and to ensure that they get paid leave for a specified period during and after their pregnancy. It provides, among other things, for paid leave of 12 weeks, payment of maternity benefits and enacts prohibitions on dismissal, reduction of wages paid to pregnant women.

The Industrial Employment (Standing Orders) Act, 1946

The Industrial Employment (Standing Orders) Act, 1946 requires employers in industrial establishments, which employ 100 or more workmen to define with sufficient precision the conditions of employment of workmen employed and to make them known to such workmen. The employers are required to register the draft standing orders proposed by them.

The Minimum Wages Act, 1948

Under the Minimum Wages Act, 1948 ("**MWA**") every employer is mandated to pay not less than the minimum wages to all employees engaged to do any work whether skilled, unskilled, manual or clerical (including out-workers) in any employment listed in the schedule to the MWA, in respect of which minimum rates of wages have been fixed or revised under the MWA.

Contract Labour (Regulation and Abolition) Act, 1970

The Contract Labour (Regulation and Abolition) Act, 1970 ("**CLRA**") was enacted to regulate the employment of contract labour in certain establishments and to provide for its abolition in certain cases. The CLRA applies to every establishment in which 20 or more workmen are employed or were employed in the preceding 12 months and to every contractor who employs or employed any day during the last 12 months, more than 20 workmen. These establishments are required to be registered as principal employer. The CLRA provides for the establishment of canteens, restrooms, provision for drinking water and on failure on part of the contractor to provide such facility the principal employer is responsible to make provision for the same. The contravention of the provisions of the CLRA shall be punishable with imprisonment up to three months or fine up to one thousand rupees or both.

Environmental Legislations

The three major statutes in India which seek to regulate and protect the environment against pollution related activities in India are the Water (Prevention and Control of Pollution) Act 1974, the Air (Prevention and Control of Pollution) Act, 1981 and the Environment Protection Act, 1986, Pollution Control Boards ("PCBs"), which are vested with diverse powers to deal with water and air pollution, have been set up in each state to control and prevent pollution. The PCBs are responsible for setting the standards for maintenance of clean air and water, directing the installation of pollution control devices in industries and undertaking investigations to ensure that industries are functioning in compliance with the standards prescribed. All industries and factories are required to obtain consent orders from the PCBs, and these orders are required to be renewed annually.

Water (Prevention and Control of Pollution) Act, 1981

The Water (Prevention and Control of Pollution) Act, 1981(the "**Water Act**") prohibits the use of any stream or well for disposal of polluting matter, in violation of standards set down by the State Pollution Control Board ("SPCB").The Water Act also provides that the consent of the SPCB must be obtained prior to opening of any new outlets or discharges, which is likely to discharge sewage or effluent. In addition, the Water (Prevention and Control of Pollution) Cess Act, 1977 (Water Cess Act) requires a person carrying on any industry to pay a cess in this regard.

Air (Prevention and Control of Pollution) Act, 1981

Air (Prevention and Control of Pollution) Act, 1981 (the "**Air Act**") under which any individual, industry or institution responsible for emitting smoke or gases by way of use as fuel or chemical reactions must obtain consent from the state pollution control board prior to commencing any mining activity. The consent may contain conditions relating to specifications of pollution control equipment to be installed.

Hazardous Wastes (Management and Handling) Rules, 1989

The Hazardous Wastes (Management and Handling) Rules, 1989 fixes the responsibility of the occupier and the operator of the facility that treats hazardous wastes to properly collect, treat, store or dispose the hazardous wastes without adverse effects on the environment. Moreover, they must take steps to ensure that persons working on the site are given adequate training and equipment for performing their work. When an accident occurs in a hazardous site or during transportation of hazardous wastes, then the SPCB has to be immediately alerted and the occupier will have to pay for remedial and restoration expenses.

Environmental Policy of GMB

The GMB implements an environmental policy which aims to achieve compliance with relevant environmental legislations, minimise environmental impact of port operations and seek continual improvement in the environmental performance of all GMB ports. GMB will integrate environmental issues in its own operations and in its contracts with third parties. The policy seeks to ensure that projects comply with the legal requirements and in line with Coastal Zone Management Plans.

Coastal Regulation Zone Notification, 1991

The Central Government issued the Coastal Regulation Zone Notification, 1991 (the "**CRZ Notification**") under Section 3(1) and Section 3(2)(v) of the Environment (Protection) Act, 1986 and Rule 5(3)(d) of the Environment (Protection) Rules 1986, for the purpose of conserving and protecting the coastal environment. By this CRZ Notification the Central Government has declared the coastal stretches of seas, bays, estuaries, creeks, rivers and backwaters which are influenced by tidal action up to 500 metres from the High Tide Line ("**HTL**") and the land between the Low Tide Line ("**LTL**") and the HTL as Coastal Regulation Zone; and certain restrictions on the setting up and expansion of industries, operations or processes, in the said notification. The CRZ Notification provides a list of prohibited activities and regulates the permissible activities. Operational constructions for ports and harbours and light houses and constructions for activities such as jetties, wharves, quays and slipways, pipelines, conveying systems including transmission lines has been identified as an activity requiring environmental clearance from the Ministry of Environment and Forest, Government of India. The CRZ Notification further divides the coastal zone into four zones and lays down the activities that can be undertaken in each area.

HISTORY AND CERTAIN CORPORATE MATTERS

Our Company was incorporated on August 5, 1992 as Gujarat Pipavav Port Limited, a public limited company, under the Companies Act. We received the certificate for commencement of business on August 7, 1992. At the time of incorporation, our Company was a joint venture between GMB and Seaking Engineers Limited, now known as SKIL Infrastructure Limited ("**SKIL**"). In June 1998, GMB divested its stake in our Company in favour of SKIL.

Our Company, SKIL, APM Terminals Holdings Limited ("**APMTHL**"), a company registered under the laws of Bermuda, Maersk India Private Limited ("**Maersk India**"), a company incorporated in India and certain other parties entered into a share subscription agreement dated June 29, 2001 and share purchase agreement dated June 29, 2001. Pursuant to these agreements, APMTHL and Maersk India acquired 13.5% of the then shareholding of our Company. APMTHL transferred its shareholding in our Company to APM Terminals Mauritius Limited, one of the Promoter's, in October 2005.

Further, pursuant to the share sale and purchase agreement (the "**GPPL SPA**") dated March 30, 2005, SKIL Infrastructure Limited, Nikhil Gandhi, Montana Valves and Compressors Limited and Grevek Investment and Finance Private Limited divested their shareholding in our Company in favour of APM Terminals Mauritius Limited, the Industrialization Fund for Developing Countries and IDFC Infrastructure Fund. Our Company entered into further subscription agreements between June 2001 and April 2005 with certain private equity investors pursuant to which these private equity investors became shareholders of our Company. For further details see "Capital Structure" on page 21 of this Draft Red Herring Prospectus.

Our Company entered into a concession agreement dated September 30, 1998 and a supplementary concession agreement dated June 2, 2006 (together, the "**Concession Agreement**"), with GMB and GoG to develop, finance, design, construct, operate and maintain the port at Pipavav in accordance with the build, own, operate and transfer policy as laid down by the GoG. For further details, see "– Material Agreements – Concession Agreement with GMB and GoG" on page 92 of this Draft Red Herring Prospectus.

Debt Restructuring

Our Company had outstanding borrowings of Rs. 2,985.30 million as at October 1, 2003. We were referred to the Corporate Debt Restructuring ("**CDR**") Cell for restructuring the debt under the Corporate Debt Restructuring guidelines issued by the RBI. The CDR Empowered Group approved a restructuring proposal at its meeting on October 30, 2003 which was communicated to our Company through a letter dated November 29, 2003, which was subsequently amended from time to time (the "**Restructuring Package**"). Under the Restructuring Package, our Company entered into Restructuring Agreements and Loan Agreements with the CDR lenders, being IDBI Bank Limited, Punjab National Bank, Export Import Bank of India and Industrial Investment Bank of India Limited.

The CDR Empowered Group had, in its meeting held on August 22, 2008, approved the early repayment of the entire CDR Debt of our Company and our exit from the CDR Scheme. Our Company has repaid the CDR Debt. Our Company has entered into a loan agreement dated May 19, 2009 with certain lenders being Infrastructure Development Finance Company Limited, IDBI Bank Limited, Syndicate Bank, Bank of India, Punjab National Bank, Export-Import Bank of India, Housing Development Finance Corporation Limited, Union Bank of India, Infrastructure Development Finance Company Limited (as lenders agent) and Infrastructure Development Finance Company Limited (as security trustee) to avail of a rupee term loans to the extent of Rs. 12,000 million. As at December 10, 2009, our Company had outstanding debt of Rs. 10,559.26 million. For further details, see "Indebtedness" on page 130 of this Draft Red Herring Prospectus.

Key Events and Milestones

Year	Month	Key Events/ Milestones
1998	September	Concession Agreement entered into with GMB and GoG
2000	May	PRCL incorporated as a joint venture company with Indian Railways, for gauge conversion of rail line from Surendranagar to Rajula and laying of new line from Rajula to Pipavav

Year	Month	Key Events/ Milestones
2001	June	Concession Agreement entered into between PRCL and the Indian Railways
2001	June	APMM Group, through two of its companies, acquires 13.5% of the shareholding of our Company as strategic investment
2002	April	Commercial operations commenced
2003	May	Broad gauge rail connectivity from Surendranagar to Pipavav commissioned
2004	August	Three panamax quay cranes commissioned
2005	April	APM Terminals Mauritius Limited, alongwith IDFC and IDFC Infrastruture Fund acquire the shareholding of our Company from SKIL
2006	March	First Port in India to receive Double Stack Container Train from ICD Kanakpura (Jaipur) to Pipavav
2006	May	Phase I capital dredging completed enabling vessel acceptance draft of 12.5 metres
2006	May	Mainline container vessel services commence operation
2006	November	Eight rubber tyre gantry cranes commissioned
2007	December	Environment friendly coal yard commissioned
2008	January	Three post panamax quay cranes commissioned
2008	January	Ten eco-friendly rubber tyre gantry cranes commissioned
2009	April	Two post panamax quay cranes (PPQC) commissioned
2009	May	Construction of Jetty No. 4 and modification of Bulk Liquid Jetty completed
2009	May	Phase II capital dredging completed enabling vessel acceptance draft of 14.0 metres. Dredge material used to reclaim 70.0 Hectare of land
2009	July	Development of 2.6 Hectares of paved container yards completed
2009	October	Railway siding no. 5, 6 and 7 commissioning with the addition of about 2.00 km of internal railway tracks

Awards and Achievements

Year	Month	Award/Achievement
2008	September	Annual Indian Maritime Gateway Awards 2008 – Achievement in Environmental Protection

Change in Registered Office of our Company

As part of the restructuring of our Company, our Registered Office is located at B-1, Maharaja Palace, University Road, Navrangpura, Ahmedabad was closed down and shifted to Port Pipavav At Post Ucchaiya via Rajula District Amreli, Gujarat on January 6, 2004.

Changes in the Memorandum of Association

Date	Nature of amendment
March 30, 1994	Increase in authorised share capital of our Company from Rs. 500,000 (50,000 Equity Shares of Rs. 10 each) to Rs. 450,000,000 (45,000,000 Equity Shares of Rs. 10 each)

Date	Nature of amendment
January 12, 1996	Increase in authorised share capital of our Company from Rs. 450,000,000 (45,000,000 Equity Shares of Rs. 10) to Rs. 1,100,000,000 (110,000,000 Equity Shares of Rs. 10 each)
March 25, 1998	Increase in authorised share capital of our Company from Rs. 1,100,000,000 (110,000,000 Equity Shares of Rs. 10 each) to Rs. 2,000,000,000 (200,000,000 Equity Shares of Rs. 10 each)
January 6, 2004	Increase in authorised share capital of our Company from Rs. 2,000,000,000 (200,000,000 Equity Shares of Rs. 10 each) to Rs. 3,000,000,000 (245,000,000 Equity Shares of Rs. 10 each) and 55,000,000 Optionally Convertible Cumulative Redeemable Preference Shares of Rs. 10 each
August 13, 2007	Increase in authorised share capital of our Company from Rs. 3,000,000,000 (245,000,000 Equity Shares of Rs. 10 each) and 55,000,000 Optionally Convertible Cumulative Redeemable Preference Shares of Rs. 10 each to Rs. 4,000,000,000 (345,000,000 Equity Shares of Rs. 10 each) and 55,000,000 Optionally Convertible Cumulative Redeemable Preference Shares of Rs. 10 each
May 30, 2008	The nature of the Preference Shares of our Company was changed from “Cumulative” to “Non-Cumulative” and the coupon rate of 8.4% on the Preference Shares was substituted with a coupon rate of 1% on the Preference Shares
August 18, 2008	Increase in authorised share capital of our Company from Rs. 4,000,000,000 (345,000,000 Equity Shares of Rs. 10 each) and 55,000,000 Optionally Convertible Non-Cumulative Redeemable Preference Shares of Rs. 10 each to Rs. 5,000,000,000 (445,000,000 Equity Shares of Rs. 10 each) and 55,000,000 Optionally Convertible Non-Cumulative Redeemable Preference Shares of Rs. 10 each
November 17, 2009	Increase and reclassification of the authorised share capital of our Company from Rs. 5,000,000,000 (445,000,000 Equity Shares of Rs. 10 each) and 55,000,000 Optionally Convertible Non-Cumulative Redeemable Preference Shares of Rs. 10 each to Rs. 6,000,000,000 (600,000,000 Equity Shares of Rs. 10 each)

The Main Objects of our Company

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

1. To construct, develop, maintain, build, equip, hire or otherwise deal with ports, shipyards, jetties, harbours, docks, ship breaking, ship repair, ship building at any port in India or elsewhere and to carry on business of inland and sea transport including goods, passengers and mail, shippers, ship brokers, ship agents, ship underwriters, ship managers, tug owners, barge owners, insurance brokers, loading brokers, freight, brokers, freight contractors, stevedores, warehousemen, wharfingers and building, assembling, fitting, constructing, repairing, servicing and managing ships, seagoing vessels and vessels for inland waterways.

2. To contract, develop, maintain, build, equip, hire, strengthen, widen, upgrade or otherwise deal in any manner with roads, railways, railway siding, payments, highways, anywhere in India and to acquire lease, concessions, rights from any authority in India for the said purpose and operate, grant, lease, concessions and right for the above purpose either on commercial basis including on toll basis or otherwise and to carry on any business of consultants, architects, advisors, syndicators, agents, structural engineers, contractors or otherwise carry on any other business ancillary to the above objects.

Material Agreements

1) Shareholders' Agreement

APM Terminal Mauritius Limited, the Administrator of the Specified Undertakings of Unit Trust of India and UTI Trustee Company Private Limited, India Infrastructure Fund LLC, The Infrastructure Fund of India, New York Life International India Fund (Mauritius) LLC, Jacob Ballas Capital India Private Limited, IDFC Private Equity Group and IL&FS Trust Company Limited have entered into a shareholders' agreement dated December 18, 2009 with our Company (the "Shareholders' Agreement"). The Shareholders' Agreement records the terms and conditions of the participation of these shareholders in the shareholding and management of our Company and the operation of APM Terminals Pipavav, and inter alia provides that:

1. The day-to-day management of the APM Terminals Pipavav shall be undertaken by APMT Mauritius or such other entities that are a part of the A. P. Moller-Maersk Group pursuant to the terms of the Concession Agreement.

2. The parties agree not to acquire or transfer 10% or more direct or indirect interest in our Company without the prior approval of the GMB and the GoG, which acquisition/transfer would result in a breach of the Concession Agreement.

3. APM Terminals Mauritius Limited shall have the right, so long as it a shareholder of our Company, to appoint upto 4 nominee directors on the board of directors of our Company.

4. IDFC Private Equity Group shall have the right, so long as it holds at least 22,399,419 Equity Shares, to appoint one nominee director on the board if directors of our Company. In the event, IDFC Private Equity Group's shareholding in our Company falls below 22,399,419 Equity Shares, it shall cease to have such right to appoint a nominee director and a corresponding right to appoint one nominee director shall become available to the shareholder who holds the maximum number of Equity Shares (subject to a minimum shareholding of 4% of the equity share capital of our Company) out of the following: (i) Administrator of the Specified Undertakings of the Unit Trust of India and UTI Trust Company Private Limited; (ii) IIF and TIFOI (being funds advised and managed by AMP Capital); (iii) NYLIIF Group; and (iv) IL&FS Trust Company Limited. The nominee Director appointed by IDFC Private Equity Group or one of the other shareholders as specified above, shall not be liable to retire by rotation.

5. The Managing Director of our Company shall always be an APM Terminals Mauritius Limited nominee director and shall report directly to the Board. APM Terminals Mauritius Limited shall be entitled to remove any such Managing Director and appoint in his place, another nominee director. The Managing Director shall not be liable to retirement by rotation as long as he holds office as Managing Director.

6. The following resolutions shall only be effective with the approval of a special majority of the Board, unless a resolution of the members is required pursuant to Indian law, in which case the resolutions shall also require the approval of the members, in accordance with the Companies Act:
   - i) Any variation, amendment or termination to the Concession Agreement (or the lease under the Concession Agreement);
   - ii) Any variation, amendment or termination to the terms of appointment of the Conflict Committee.
   - iii) The creation, allotment, division into classes or issue of any shares or the grant or agreement to grant any option over Equity Shares or any uncalled capital of our Company or the issue of any securities that are convertible into Equity Shares;
   - iv) The increase or reduction of share capital of our Company or the consolidation, sub-division, purchase or cancellation of any share capital or the alteration of any rights pertaining to any share or class of shares in such capital or any other re-organisation of the share capital of our Company;
   - v) Creation of subsidiaries; and
   - vi) The acquisition by our Company of any shares or other interests in any other company or the participation by our Company in any partnership or joint venture outside the ordinary course of business.

"Special majority" means the consent of at least three quarters (3/4) of the Directors appointed on the Board present at a duly convened meeting and entitled to vote.

7. The Board of Directors shall be entitled to nominate, appoint, remove and replace from time to time an observer(s) to attend meetings of the board of directors and its committees, in a non-voting, observer capacity.

2) Concession Agreement with GMB and the GoG

We entered into a concession agreement on September 30, 1998 and a supplementary agreement to the concession agreement dated June 2, 2006 (together the "**Concession Agreement**") with GMB and the GoG (acting as a confirming party). The Concession Agreement grants us the right to develop, finance, design, construct, operate, and maintain the Port, in accordance with the Build Own Operate and Transfer ("BOOT") policy of the GoG issued in July, 1997 and supersedes all previous permissions granted in this regard. The Concession Agreement is valid for 30 years and extendable by a maximum period of two years or by such period till 'transport infrastructure linkages' as provided under the approved detailed project reports of phase I, are in place. In the event we are unable to renew the Concession Agreement, we shall transfer the Port to GMB in accordance with the provisions of the Concession Agreement.

Under the terms of the Concession Agreement, the key promoter, being APM Terminals Mauritius Limited and Maersk India Private Limited are together required to hold a minimum shareholding of 46.0% in our Company until December 31, 2009. Maersk India Private Limited has on August 12, 2008 transferred its shareholding in our Company to APM Terminals Mauritius Limited. Pursuant thereto APM Terminals Mauritius Limited is required to hold 46.0% of the shareholding of our Company in terms of the Concession Agreement. Further, any acquisition of 10% or more shareholding in our Company requires the prior approval of GMB and any change in the shareholding of our Company (other than those which require GMB's approval) shall be intimated to GMB by our Company. GMB also has the right to nominate one director on the Board of Directors.

Our Company has been granted the following rights and entitlements under the Concession Agreement:

- Develop both 'core assets' being dry cargo jetties and liquid cargo jetties and 'contracted assets' such as a multi purpose terminal, container bulk or dry bulk, shared services, liquid and other terminal and other intangible assets for the port;
- Grant sub-concessions for the 'contracted assets', as defined under the Concession Agreement and core assets subject to prior written approval of GMB being obtained in the case of core assets. However, all sub-concessions shall be consistent with the Concession Agreement and shall be co-terminus with the Concession Agreement.
- Sub-contract with any other party and mortgage our Company's leasehold interest in the land and the waterfront. However, we cannot create any charge on the core assets except with the approval GMB; and
- Collect fees for services rendered at the port.

Under the terms of the Concession Agreement, our Company has to pay GMB a waterfront royalty of Rs. 10 per tonne for solid cargo and Rs. 20 per tonne for liquid cargo. The royalty will be increased by 20% every three years. However, as permitted by the Concession Agreement, our Company is currently paying concessional waterfront royalty of Rs. 5 per tonne for solid cargo and Rs. 10 per tonne for liquid cargo, until the time the approved capital cost for the port is set off against the difference between the waterfront royalty and the concessional waterfront royalty. The royalty is subject to escalation at the rate of 20% every three years from July 18, 2003, during the term of the Concession Agreement.

Under the terms of the Concession Agreement, the GoG and GMB have provided us with a right of first refusal for development of any captive jetties within 150 kilometres on either side of the Port until 2013. However, the GoG or GMB may allow such jetty to develop if it feels that such development is significant for the economic development of such region, is based on local resources and is vital for the economic viability of such project. The GoG and GMB shall not develop any new common user port site other than sites identified in the Ports Policy, 1995 of the GoG till the year 2008. In the event that the sites identified in the Ports Policy, 1995 are found to be unviable, the GoG shall be within its rights to develop other sites which are located not less than 150 kilometres away from the Port, subject however to the maximum number of sites identified in the Ports Policy, 1995. If the Port is not in a position to handle any specialised cargo, in that case, establishment of a new port can be allowed by the GoG for that particular kind of cargo.

We may serve a notice for termination if a change in law makes it impossible for us to fulfil our obligations under the Concession Agreement. However, both the GMB and our Company shall consult for 180 days prior to sending such notice to mitigate the impact of such change in law. GMB and our Company may also serve a notice of intent to terminate in case of an event of default by the other party. Subsequently, the defaulting party shall have 90 days to rectify such default failing which, the non-defaulting party may terminate the Concession Agreement by giving 90 days notice. If any notice of intent to terminate is on account of the failure of our Company to pay any dues, the lenders have the right to rectify such default.

Events of default by our Company under the Concession Agreement include, among others, the failure of our Company to pay waterfront royalty consecutively for six months and a persistent failure to promote activities at the port and provide port users with services. An event of default by GMB includes, among others, the dissolution or any structural change of the GMB which will have a material effect on its rights and obligations under the Concession Agreement.

Upon expiry of the Concession Agreement, all assets shall be transferred to the GMB based on the valuation provided by an independent appraisal team. The independent appraisal team shall be guided by the asset valuation practices detailed out in the Concession Agreement which are as follows:

- Valuation of immovable contracted assets and essential movable contracted assets based on the Depreciated Replacement Value of assets shall be carried out in accordance with the most recent guidelines of the Asset Valuation Standards Committee, Statements of Asset Valuation Practices and Guidelines Notes, the Royal Institution of Chartered Surveyors, United Kingdom, publication dated January 1995 or as amended from time to time.
- The valuation of immovable contracted assets and essential movable contracted assets, which are still under construction and/or yet to be commissioned (i.e. capital work in progress) shall be based on the book value of such assets.
- For the valuation of immovable contracted assets and essential movable contracted assets based on the depreciated historical cost, depreciation shall be calculated on straight line basis.
- The asset value of each asset computed as per the above guidelines shall be termed as the fair value
- In computing the fair value of assets in the following events, no account shall be taken for any diminution in value attributable to:
  - licensor default; or
  - GoG/Government of India change in law
- The valuation of assets and the compensation payable shall be entirely denominated in Indian rupees.

In the case of early termination, the value of the assets to be transferred shall be discounted depending on whether the termination was on account of an event of default by GMB or our Company. The Government of India, the GoG or GMB has the right to manage the Port and its facilities following any event of default by our Company, or any national emergency. The Port shall revert back to our Company after one year and the Concession Agreement shall be extended for the time that the Government was managing the Port.

If a termination notice is issued by GMB to our Company, the lenders have the right to approach GMB seeking to appoint a new licensee and the Concession Agreement may be novated in favour of a new licensee if GMB gives its approval. Our Company is not entitled to transfer any of the rights or obligations under the Concession Agreement or any interest in the core assets without the prior approval of the GMB, except any transfer to the lenders. Further, the right of the lenders to substitute our Company are subject to the approval of GMB.

3) Lease and Possession Agreement with GMB

Our Company has entered into a lease and possession agreement ("**LPA**") dated September 30, 1998 with the GMB for lease of an area of land admeasuring 423 hectares and 69 square metres situated at village Rampara, Taluka Rajula, District Amreli, Gujarat. The lease has been granted for the purpose of development, construction, operation and maintenance of APM Terminals Pipavav along with a right to our Company to use the foreshore land and waterfront for a period of 30 years commencing from September 30,

1998. However, the LPA is concurrent with the Concession Agreement and shall terminate in event of termination of the Concession Agreement. The lease rent payable by our Company is approximately Rs. 2.96 million per annum, payable by April 30 every year, and will increase by 20% every three years.

As per the terms of the LPA our Company is entitled to sub-lease the said land for the purposes set out in the LPA and such sub-lease will be in accordance with the Concession Agreement. Such sub-lease, if granted, will not exceed the term of the LPA and the sub-lessees will be bound by the terms of the LPA. Our Company and all sub-lessees are entitled to create a mortgage or charge over the leased land or any part thereof (except core assets as defined under the Concession Agreement) as security for amounts due to a bank or financial institution without the prior permission of GMB.

4) Offshore Support Services Agreement dated April 15, 2005 between our Company and APM Terminals Management B.V. (the "Offshore Support Services Agreement")

We have entered into an Offshore Support Services Agreement dated April 15, 2005 with APM Terminals Management B.V. ("**APMTM B.V**") for utilizing services provided by APMTM B.V. exclusively with respect to offshore business and commercial advisory, which comprises of the services provided in the schedule to the said agreement including any such additional services, as may be agreed upon and determined by our Company, in accordance with the terms of the agreement. APMTM B.V. shall endeavour to provide services to our Company to ensure that we develop and maintain APM Terminals Pipavav as a first class common user port operated to international standards and maintains all the facilities, staffing and personnel required for operation of APM Terminals Pipavav.

As per the terms of the Offshore Support Services Agreement, APMTM B.V. shall not receive a fee from our Company for providing its services until April 1, 2012, other than reimbursement of costs and expenses incurred by APMTM B.V.. However, from April 1, 2012, our Company is required to pay APMTM B.V. an aggregate of monthly fees, payable in arrears, calculated as the sum of:

a) an amount equal to US$ 0.20 for every 16 tonnes of any or all non-containerised cargo handled across the wharf in either direction at the Port; and
b) an amount equal to US $1 for every TEU handled to or from each vessel calling at the Port.

The term of the Offshore Support Services Agreement is for a period five years, and may be renewed for a further period of five years on the same terms and conditions as the present agreement.

The Offshore Support Services Agreement may be terminated in the event of a material breach of the conditions of the said agreement by either parties or in the event of force majeure as envisaged under the terms of the said agreement. Further, the Offshore Support Services Agreement may be terminated, among other things, by:
a) agreement between the parties; or
b) upon termination of the Concession Agreement; or
c) at the option of either party in the event A.P. Møller Mærsk A/S or any company within the A. P. Møller Mærsk Group ceases to hold at least 26% of the issued equity share capital of our Company.

5) Shareholders' Agreement entered into between Railway Board of the Ministry of Railways, Government of India (through the President of India) (the "MoR") and our Company

We have entered into a Shareholders' Agreement dated March 28, 2001 (the "**PRCL Shareholders' Agreement**") with the MoR to set up PRCL as a special purpose vehicle to construct, own, operate and maintain a broad gauge railway link between Surendranagar and APM Terminals Pipavav and enter into a concession agreement with the MoR setting out the terms and conditions of the concession under which PRCL would obtain those rights for the same. Under the terms of the PRCL Shareholders Agreement, our Company and MoR were required to hold 50% of the shareholding of PRCL. Our Company, pursuant to participation agreements dated April 8, 2003 with General Insurance Corporation of India ("**GIC**"), New India Assurance Company Limited ("**NIAC**"), has assigned our rights to subscribe to shares to the extent of 2.5% each of the shareholding of PRCL, on the date of the participation agreement, to GIC and NIAC. Further, by way of a participation agreement dated July 29, 2004 entered into with India Project Development Fund ("IPDF"), our Company assigned its right to subscribe to shares to the extent of 8.33%

of the shareholding of PRCL, on the date of the participation agreement. On March 19, 2007, IPDF has transferred 12 million shares to IL&FS Transportation Network Limited.

Under the terms of the PRCL Shareholders Agreement, MoR is appointed to operate and maintain these facilities for the same period as the concession obtained from MoR by PRCL continues. The transactions between PRCL and our Company and MoR are required to be on an arm's length basis.

Pursuant to the terms of the PRCL Shareholders Agreement, the shareholders of PRCL may each nominate one director on the board of directors for every 8% block of shares that they hold in PRCL. The chief executive officer of PRCL may not be a nominee of any of the shareholders of PRCL. Further, under the terms of the PRCL Shareholders Agreement, the chairman of the board of directors of PRCL will be nominee of MoR.

6) Transportation and Traffic Guarantee Agreement (the "Traffic Guarantee Agreement") between our Company, PRCL and the Ministry of Railways dated January 10, 2003

Under the terms of the Traffic Guarantee Agreement, our Company has agreed to provide guaranteed traffic to PRCL at a minimum annual aggregate quantity of its freight cargo of one million tonnes, two million and three million tonnes for the first, second and third year, respectively. From the third year onwards, our Company shall provide a minimum freight cargo of three million tonnes. Under the Traffic Guarantee Agreement, our Company has a duty to inform PRCL of the annual freight forecast.

Pursuant to the terms of the Traffic Guarantee Agreement, in the event that our Company fails provide requisite freight cargo to PRCL in any given year, then our Company is required to compensate PRCL, in accordance with the terms set out in the Traffic Guarantee Agreement.

7) Non Compete Letter dated March 30, 2005 issued by Nikhil Gandhi, SKIL Infrastructure Limited, Montana Valves and Compressors Limited and Grevek Investment and Finance Private Limited (together the "NG Group") and confirmed by our Company

Pursuant the sale and purchase agreement dated March 30, 2005 made between the NG Group, as sellers, and APM Terminals Mauritius Limited, IDFC Infrastructure Fund and IFU, as purchasers, for sale of equity shares of our Company and pursuant to a letter dated March 30, 2005 issued by the NG Group, each member of the NG Group has provided an undertaking to our Company that it shall not, directly or indirectly for a period of five year from March 30, 2005:

- Engage in the operation of handling container cargo, bulk cargo or liquid cargo (such as liquefied petroleum as, liquefied natural gas and crude oil) or any other services of a type which is similar to the services supplied at APM Terminals Pipavav, which activities are in competition with the activities carried on by our Company at APM Terminals Pipavav, in any port located in the state of Gujarat;
- Employ, solicit, offer employment to or endeavour to employ, solicit or entice away from our Company any director or manager employed or otherwise engaged by our Company at any time during the previous year, whether or not such a person would commit any breach of his contract of employment by reason of his leaving the service of our Company, excluding those employees listed in the surplus employees' list contemplated under the sale and purchase agreement dated March 30, 2005 mentioned above;
- Invest in a port within the state of Gujarat, provided that this restriction shall not apply to any investment made up to 5% by the NG Group or by its affiliates in any listed company engaged in the business of running or operating of any port or concerned with any port or port operations within the state of Gujarat;
- Develop Positra as a port although the activity of the NG Group developing Positra as a port and serving the customers and tenants using the special economic zone at Positra is permitted and shall not be construed as a violation of any other clauses of this Non Compete Letter provided it does not compete with APM Terminals Pipavav; and
- Transfer the concession granted by the GoG and /or any authority under it in respect of Positra other than to another member of the NG Group.

In case of a dispute, this Non Compete Letter provides for a provision of arbitration under the Arbitration and Conciliation Act, 1996, as amended.

MANAGEMENT

Under the Articles of Association our Company cannot have fewer than 3 directors and more than 12 directors. We currently have eight directors on the Board. In terms of the Concession Agreement GMB has a right to nominate 1 director on our Board.

The following table sets forth details regarding the Board as on the date of the Draft Red Herring Prospectus with SEBI.

Name, Designation, Father's Name, Address, Term, DIN and Occupation	Age (Years)	Nationality	Other Directorships Associations / Foundations / Partnerships / Others
Mr. Per Jorgensen *Chairman, Independent Director* S/o Mr. George Holger Jorgensen Vitus Berings Alle 4 2930 Klampenborg Denmark Date of Appointment: August 29, 2008 Term: Liable to retire by rotation DIN: 00050532 Company Director	74	Danish	-
Mr. Prakash Tulsiani *Managing Director* S/o Mr. Radhakrishn Tulsiani 701 702, Satra Residency 14 A Road, Ahimsa Marg Khar Mumbai 400 052 Date of Appointment: January 28, 2009 Term: Five years DIN: 02590972 Service	47	Indian	• Pipavav Railway Corporation Limited
Mr. Pravin Laheri, IAS (Retd.) *Non-Executive and Independent Director* S/o Mr. Kanubhai Jivandas Laheri	64	Indian	• Torrent Energy Limited • Amap Management Consultancy Private Limited • Gujarat Heavy Chemicals Limited

Name, Designation, Father's Name, Address, Term, DIN and Occupation	Age (Years)	Nationality	Other Directorships Associations / Foundations / Partnerships / Others
A-404, Bageshwari Flats, Opposite Fun Republic, Ramdevnagar, S. G. Road, Ahmedabad 380 054 Date of Appointment: August 29, 2008 Term: Liable to retire by rotation DIN: 00499080 Company Director			• Ambuja Foundation
Mr. Luis Miranda *Non-Executive Director* S/o Mr. Mario de P Miranda 801 B, Deepali, St. Cyril Road, Bandra (West) Mumbai 400 050 Date of Appointment: November 10, 2005 Term: Not liable to retire by rotation DIN: 01055493 Service	48	Indian	• Moser Baer Solar PLC • L&T Infrastructure Development Projects Limited • Chalet Hotels Limited • Manipal – City and Guilds Skills Training Private Limited **Assocations** • Emerging Markets Private Equity Association • Centre for Fuel Studies and Research • Graduate School of Business, University of Chicago – Member of the Asia Cabinet, Global Advisory Board • World Economic Forum's Expert Committee
Mr. Christian Moller Laursen *Non-Executive Director* S/o Mr. Preben Moller Laursen Balistraat10 2585 XS Den Haag The Netherlands Date of Appointment: May 13, 2005	43	Danish	• APM Terminals B.V. • APM Terminals China Ltd • APM Terminals Mauritius Holding Ltd • Maersk Holding B.V. • APM Terminals Dalian Co. Ltd. • APM Terminals Invest Co. Ltd. • APM Terminals Qingdao Co. Ltd. • APM Termianls Shanghai Co. Ltd.

Name, Designation, Father's Name, Address, Term, DIN and Occupation	Age (Years)	Nationality	Other Directorships Associations / Foundations / Partnerships / Others
Term: Liable to retire by rotation DIN: 00431748 Service			• APM Terminals Yangshan Co. Ltd. • Douala International Holding S.A.S • Orion Limited
Mr. Dinesh Lal *Non-Executive Director* S/o Mr. Madan Manohar Lal 34, Lotus Court J. Tata Road Churchgate Mumbai 400 020 Date of Appointment: June 1, 2004 Term: Liable to retire by rotation DIN: 00037142 Service	57	Indian	• Santusht Credit Capital and Investment Private Limited • Millenary Impex Private Limited • Lotus Real Estates Private Limited • Shefali Farms Private Limited • Shibani Agro Products Private Limited • Sweet Valley Agro Products Private Limited • Shefali Greens Private Limited • Shibani Greens Private Limited • Shefali Agro Products Private Limited • Shefali Horticulture Private Limited • Shibani Plantations Private Limited • AMI India Logistics Private Limited • Maersk India Private Limited • Gateway Terminals India Private Limited • Alert Agencies and Investments Private Limited • Pipavav Railway Corporation Limited • Lotus Court Limited • European Union Chamber of Commerce and Industry • Hitos Liner Agency Pvt. Limited • Maersk Sri Lanka • Maersk Nepal • Chirimba Container Terminal
Mr. Abhay Bongirwar *Non-Executive and Independent Director* S/o Mr. Laxman Bongirwar C/O S. P. Amidwar,	51	Indian	-

Name, Designation, Father's Name, Address, Term, DIN and Occupation	Age (Years)	Nationality	Other Directorships Associations / Foundations / Partnerships / Others
A1, Sphatik, Abhimanshri So, Pashan, Pune 411 007 Date of Appointment: February 26, 2009 Term: Liable to retire by rotation DIN: 00660262 Professional			
Mr. Charles Menkhorst *Non-Executive Director* S/o Mr. Andre Menkhorst Marriott Executive Apartments Green Community, Dubai Investment Park Dubai Date of Appointment: November 4, 2009 Term: Liable to retire by rotation DIN: 02660981 Service	44	Dutch	• Aqaba Container Terminal Ltd., Jordan • APM Terminals Jordan Ltd., Jordan • APM Terminals Bahrain Ltd., Bahrain • Salalah Port Services Ltd., Oman • South Asia Gateway Terminal Ltd., Sri Lanka • Gateway Terminals India Ltd., India • Meridian Ports Holding Ltd., United Kingdom • West Africa Container Terminals Ltd., Nigeria • APM Terminals Apapa Ltd., Nigeria • Douala International Terminal SA, Cameroun • Societe d'Exploitation du Terminal de Vridi SA, Ivory Coast • Sociedada Gestora de Terminais SA, Angola

Brief Profile of the Directors

Mr. Per Jorgensen, 74 years, has been an independent director of our Company since August 29, 2008 and was also appointed as the Chairman of our Company on September 10, 2008. Mr. Jorgensen has completed his education in Denmark and Harvard University. Mr. Jorgensen has previously worked with AP Møller Mærsk A/S between the period 1954 to 2006 and has held various positions in Denmark and overseas. He retired as the Executive Vice President and partner of AP Møller Mærsk A/S in 2006.

Mr. Prakash Tulsiani, aged 47 years, is the Managing Director of our Company. He is a certified Chartered Accountant from the Institute of Chartered Accountants of India (ICAI – CA), certified company secretary from Institute of Company Secretaries of India (ICSI – CS). He also holds a degree in Law and a degree in Commerce from Mumbai University. Mr. Tulsiani started his career in Thailand with a trading and shipping company. He joined the Maersk group in Indonesia in 1993 and held several management positions until 2005. He then headed the project in Gateway Terminals in Mumbai as the chief operating officer from 2005-2009 and was instrumental in its success from project stage to commercial operations. Mr. Tulsiani is the Managing Director of APM Terminals Pipavav since January 2009.

Mr. Pravin Laheri, IAS (Retd.), 64 years, has been an independent director of our Company since August 29, 2008. Mr. Laheri holds bachelors degree in arts as well as law and a masters of Science (Economics) degree from the University of Wales. He belongs to the batch of 1969 of the Indian Administrative Services and has held various positions across different departments in the State of Gujarat. He has also worked as Executive Director of National Institute of Fashion Technology (NIFT) under Ministry of Textiles, Government of India. He has been the Principal Secretary to five Chief Ministers of Gujarat. He retired as Chief Secretary of GoG in 2005, a position he held since 2003.

Mr. Luis Miranda, 48 years, has been Director of our Company since November 10, 2005. Mr. Miranda holds a Master's degree in Business Administration from the University of Chicago, Booth School of Business. He is a member of the Institute of Chartered Accountants of India (ICAI). Mr. Miranda has set up 2 companies and has extensive experience in dealing with early stage companies and private equity investing. In 2002, he set up IDFC Private Equity which manages three funds focused on infrastructure in India with commitments of USD 1.3 billion. He was earlier a Partner at ChrysCapital. Prior to that, he spent 11 years in sales and trading and was a key member of the start-up team at HDFC Bank, India's leading private sector bank. He has also worked at HSBC Markets, Citibank, KPMG and PriceWaterhouse. Mr. Miranda is currently a Director of the Emerging Markets Private Equity Association (EMPEA) and is the Vice Chairman of the India Venture Capital Association. Luis is on the Board of Governors of the Centre for Fuel Studies and Research and chairs the Asia Cabinet of the Global Advisory Board of the University of Chicago, Booth School of Business. Mr. Miranda is on the World Economic Forum's Expert Committee to formalise strategies in the infrastructure space.

Mr. Christian Moller Laursen, 43 years, has been director of our Company since May 13, 2005. Mr. Laursen holds a masters degree in finance from the University of Aarhus, Denmark. Mr. Laursen joined AP Møller- Mærsk Group in 1990 as an economist and has held the positions of General Manager- Finance in Indonesia, Pakistan, Taiwan, Singapore and Chief Financial Officer, Latin America Region. Mr. Laursen is the Chief Financial Officer of APM Terminals B.V. and is on the board of directors of APM Terminals B.V., APM Terminals China Limited and APM Terminals Mauritius Holding Limited.

Mr. Dinesh Lal, 57 years, has been a Director of our Company since June 1, 2004. Mr. Lal is a graduate in Commerce from the Delhi University. He started his shipping career in Mackinnon Mackenzie & Co. in 1974. During the course of his career, he was actively involved in liner shipping, project cargo transport, ship manning and other aspects of shipping. He has headed shipping related business and has been actively involved on Board of Companies including Trustee of JNPT, MBPT and also various Associations at top position.

Mr. Abhay Bongirwar, 51 years has been a Director of our Company since February 26, 2009. He has obtained a post graduate in Mathematics from Mumbai University and is a qualified Cost Accountant. He holds a degree in Management from Jamnalal Bajaj Institute of Management, and a degree in Computers from Tata Institute of Fundamental Research and is an Associate Member of Banking. He is currently Head of Infrastructure Group-Western Region, handling large and complex infrastructure projects in power, telecom, road, bridges, ports, airports as well as Metro Rail. He is an expert in project appraisal especially infrastructure projects and a regular faculty to various training institutions and colleges. In a career span of more than 26 years has worked in various areas such as infrastructure financing, small and medium project lending, merchant banking, corporate advisory, investment banking, recovery, corporate debt restructuring and also zonal head of Pune zone where handled both retail and corporate sector of IDBI Bank.

Mr. Charles Menkhorst, 44 years has been a Director of our Company since November 4, 2009. He was appointed Vice President of APM Terminals in April 2009 with responsibility for the Africa, Middle East and India Region. Mr. Menkhorst holds a Masters Degree in Economics and Finance from Nijenrode University in The Netherlands. He started his career in logistics with Federal Express in 1991, and later moved to DHL where he held several senior positions in USA, Asia Pacific Region and Europe, before joining APM Terminals.

Relationship between the Directors

None of the Directors are related to each other.

Details of Appointment of the Managing Director

The board of directors through a circular resolution dated January 28, 2009 appointed Mr. Prakash Tulsiani as the Managing Director of our Company with effect from January 28, 2009. The Remuneration committee through a circular resolution dated January 28, 2009 has fixed the remuneration of Mr. Prakash Tulsiani. The details of remuneration payable are provided below:

Basic salary	Rs. 8,624,400
House rent allowance	Rs. 4,620,000
Driver	Rs. 168,000
Other allowances	Rs. 1,587,600

Our Company has made an application to the Central Government for waiver of excess payment to Mr. Prakash Tulsiani above the limits prescribed by the Central Government. Mr. Prakash Tulsiani was not an employee of our Company during the the year ended December 31, 2008.

Except as stated in this section entitled "Management" on page 96 of this Draft Red Herring Prospectus, no amount or benefit has been paid within the two preceding years or is intended to be paid or given to any of our Company's officers including the Directors and key management personnel. Further, except statutory benefits upon termination of their employment in our Company or retirement, no officer of ourCompany, including the Directors and key management personnel, are entitled to any benefits upon termination of employment.

Changes in the Board of Directors in the last three years

The changes in the Board of Directors in the last three years are as follows:

Name of Director	Date	Reason
Mr. Johan Herman Van Kerkhof	November 10, 2005	Appointed as Non-Executive Director
Mr. Luis Miranda	November 10, 2005	Appointed as Non-Executive Director
Mr. Rajeeva Sinha	November 10, 2005	Appointed as Managing Director
Mr. Darius Pandole	November 10, 2005	Resigned
Mr. Sunil Chawla	September 22, 2006	Appointed as Non-Executive Director
Mr. Rajeev Thakore	September 22, 2006	Resigned
Mr. Tiemen Meester	March 23, 2007	Appointed as Non-Executive Director
Mr. Jack Helton	March 23, 2007	Resigned
Mr. Hariharan Iyer	March 23, 2007	Ceases to be Alternate Director to Mr. Jack Helton
Mr. Philip Littlejohn	June 12, 2007	Appointed as Managing Director
Mr. Krishan Sehgal	June 27, 2007	Resigned
Mr. Philip Garling	June 27, 2007	Appointed as Non-Executive Director
Mr. S. Venkatesh	June 27, 2007	Appointed as Alternate Director to Mr. Philip Garling
Mr. Jorgen Hammelsvang Madsen	September 11, 2007	Appointed as Non-Executive Director

Name of Director	Date	Reason
Mr. Tiemen Meester	September 11, 2007	Resigned
Mr. Rajeeva Sinha	June 8, 2007	Resignations as Managing Director
Mr. Philip Garling	March 17, 2008	Resigned
Mr. S. Venkatesh	March 17, 2008	Ceases to be Alternate Director to Mr. Philip Garling
Mr. Anoop Seth	March 17, 2008	Appointed as Non- Executive Director
Mr. H. K. Dash, IAS	June 4, 2008	Resigned
Mr. Per Jorgensen	August 29, 2008	Appointed as Additional Director
Mr. Pravin Laheri, IAS	August 29, 2008	Appointed as Additional Director
Mr. Anoop Seth	September 10, 2008	Resigned
Mr. Sunil Chawla	September 10, 2008	Resigned
Mr. Johan Herman Van Kerkhof	September 10, 2008	Resigned
Mr. Hans-Ole Madsen	September 10, 2008	Resigned
Mr. Atanu Chakraborty, IAS	September 10, 2008	Appointed as Additional Director
Mr. Sethurathnam Ravi	February 26, 2009	Resigned
Mr. Abhay Laxman Bongirwar	February 26, 2009	Appointed as Non-Executive Director
Mr. Philip Littlejohn	January 28, 2009	Resignation as Managing Director
Mr. Prakash Tulsiani	January 28, 2009	Appointed as Managing Director
Mr. Pradeep Mallick	April 8, 2009	Appointed as Additional Director
Mr. Anoop Seth	April 8, 2009	Appointed as Additional Director
Mr. Sunil Chawla	April 8, 2009	Appointed as Additional Director
Mr. Jorgen Hammelsvang Madsen	November 4, 2009	Resigned
Mr. Charles Menkhorst	November 4, 2009	Appointed as Non-Executive Director
Mr. Atanu Chakraborty, IAS	November 20, 2009	Resigned
Mr. Sunil Chawla	December 15, 2009	Resigned
Mr. Anoop Seth	December 17, 2009	Resigned
Mr. Pradeep Mallick	December 17, 2009	Resigned

Shareholding of Directors in our Company

None of the Directors hold any shares in our Company.

Interests of Directors

All of the Directors may be deemed to be interested to the extent of fees payable to them, if any, for attending meetings of the Board or a committee thereof as well as to the extent of commission and/or other remuneration and reimbursement of expenses payable to them, if any, under the Articles of Association, and to the extent of remuneration paid to them, if any, for services rendered as an officer or employee of our Company.

The Directors may also be regarded as interested in the Equity Shares, if any, held by them or by the companies/firms/ventures promoted by them. The Directors may be regarded as interested in the Equity Shares that may be subscribed by or allotted to them under the Employee Reservation Portion or that may be subscribed by or allotted to the companies, firms, trusts, in which they are interested as directors, members, partners or trustees, pursuant to this Issue. All of the Directors may also be deemed to be interested to the extent of any dividend payable to them and other distributors in respect of the said Equity Shares.

The Directors have no interest in any property acquired by our Company within two years of the date of this Draft Red Herring Prospectus.

Except as stated in the section titled "Related Party Transactions" beginning on page 122 of this Draft Red Herring Prospectus, the Directors do not have other interest in the business of our Company.

Service agreements with the Directors

Our Company has not entered into any service agreements with the Directors.

Corporate Governance

Our Company has complied with the requirements of the applicable regulations, including the listing agreement with the Stock Exchanges and the SEBI Regulations, in respect of corporate governance including constitution of the Board and Committees thereof. The corporate governance framework is based on an effective independent Board, separation of the Board's supervisory role from the executive management team and constitution of the Board Committees, as required under law.

Our Company has a Board constituted in compliance with the Companies Act and listing agreement with Stock Exchanges and in accordance with best practices in corporate governance. The Board functions either as a full Board or through various committees constituted to oversee specific operational areas. The executive management provides the Board detailed reports on its performance periodically.

The Board has eight Directors, out of which three are Independent Directors. The Chairman of the Board is a non-executive director, is not a Promoter of our Company and is also not related to the other directors on the Board.

Committees of the Board of Directors

A) Audit Committee

The members of the Audit Committee are:
1) Mr. Per Jorgensen, Independent Director;
2) Mr. Pravin Laheri, IAS, Independent Director; and
3) Mr. Christian Moller Laursen, Non-Executive Director.

The Chairman of the Audit Committee is Mr. Per Jorgensen. Our Company Secretary, Mr. Manish Agnihotri, is the secretary of the Audit Committee.

The Audit Committee was re-constituted by a meeting of the Board held on December 13, 2009. The scope and functions of the Audit Committee is in accordance with Section 292A of the Companies Act and Clause 49 of the Listing Agreement and its terms of reference include the following:

1. Overseeing our Company's financial reporting process and disclosure of its financial information;

2. Recommending to the Board the appointment, re-appointment, and replacement of the statutory auditor and the fixation of audit fee;

3. Approval of payments to the statutory auditors for any other services rendered by them;

4. Reviewing, with the management, the annual financial statements before submission to the Board for approval, with particular reference to:

i. Matters required to be included in the Director's Responsibility Statement to be included in the Board's report in terms of clause (2AA) of section 217 of the Companies Act, 1956;
ii. Changes, if any, in accounting policies and practices and reasons for the same;
iii. Major accounting entries involving estimates based on the exercise of judgment by management;
iv. Significant adjustments made in the financial statements arising out of audit findings;
v. Compliance with listing and other legal requirements relating to financial statements;
vi. Disclosure of any related party transactions; and
vii. Qualifications in the draft audit report.

5. Reviewing, with the management, the quarterly, half-yearly and annual financial statements before submission to the Board for approval;

6. Reviewing, with the management, the performance of statutory and internal auditors, and adequacy of the internal control systems;

7. Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit;

8. Discussion with internal auditors any significant findings and follow up there on;

9. Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the Board;

10. Discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern;

11. To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non payment of declared dividends) and creditors;

12. Reviewing the functioning of the whistle blower mechanism, in case the same is existing;

13. Review of management discussion and analysis of financial condition and results of operations, statements of significant related party transactions submitted by management, management letters/letters of internal control weaknesses issued by the statutory auditors, internal audit reports relating to internal control weaknesses, and the appointment, removal and terms of remuneration of the chief internal auditor;

14. To meet the Auditors in the absence of management representatives; and

15. Carrying out any other function as is mentioned in the terms of reference of the Audit Committee.

The powers of the Audit Committee shall include the power:

1. To investigate activity within its terms of reference;

2. To seek information from any employees;

3. To obtain outside legal or other professional advice; and

4. To secure attendance of outsiders with relevant expertise, if it considers necessary.

B) Remuneration Committee

The members of the Remuneration Committee are:

1) Mr. Per Jorgensen, Independent Director;
2) Mr. Charles Menkhorst, Non-Executive Director; and
3) Mr. Luis Miranda, Non-Executive Director.

The Chairman of the Remuneration Committee is Mr. Per Jorgensen. Our Company Secretary, Mr. Manish Agnihotri, is the secretary of the Remuneration Committee.

The Remuneration Committee was reconstituted by a meeting of the Board held on December 13, 2009. The terms of reference of the Compensation Committee are as follows:

1. Framing suitable policies and systems to ensure that there is no violation, by an employee of any applicable laws in India or overseas, including:
    i. The Securities and Exchange Board of India (Insider Trading) Regulations, 1992; or
    ii. The Securities and Exchange Board of India (Prohibition of Fraudulent and Unfair Trade Practices relating to the Securities Market) Regulations, 1995.

2. Determine on behalf of the Board and the shareholders our Company's policy on specific remuneration packages for executive directors including pension rights and any compensation payment.

3. Perform such functions as are required to be performed by the Compensation Committee under the Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 ("ESOP Guidelines"), in particular, those stated in Clause 5 of the ESOP Guidelines.

4. Such other matters as may from time to time be required by any statutory, contractual or other regulatory requirements to be attended to by such committee.

C) Shareholders'/Investors' Grievance Committee

The members of the Shareholders'/Investors' Grievance Committee is:

1) Mr. Pravin Laheri, IAS, Independent Director; and
2) Mr. Luis Miranda, Non-Executive Director.

The Chairman of the Shareholders'/Investors' Grievance Committee is Mr. Pravin Laheri, IAS. Our Company Secretary, Mr. Manish Agnihotri, is the secretary of the Shareholders'/Investors' Grievance Committee.

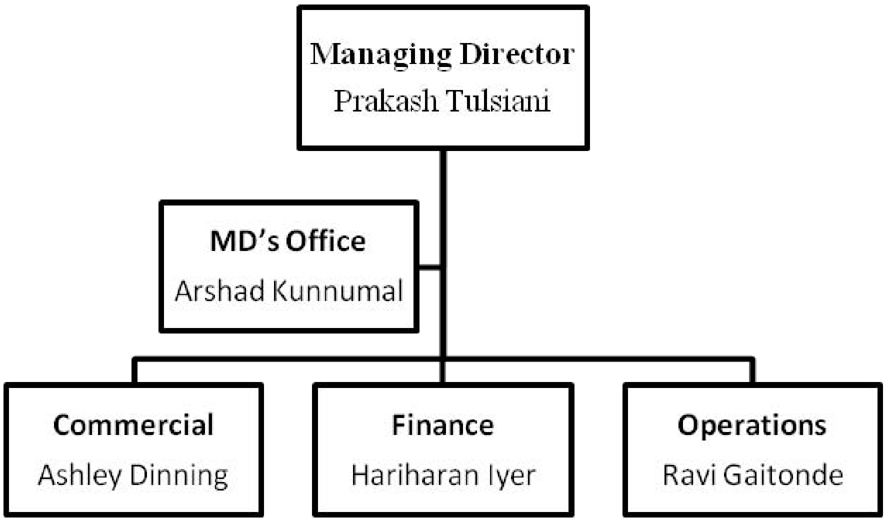
The Shareholders'/Investors' Grievance Committee was constituted by a meeting of the Board held on December 13, 2009. The Shareholders'/Investors' Grievance Committee is responsible for carrying out such functions for the redressal of shareholders' and investors' complaints, including but not limited to transfer of shares, non-receipt of balance sheet, non-receipt of dividends and any other grievance that a shareholder or investor of our Company may have against our Company.

Borrowing Powers of the Board

In terms of the Articles, the Board may, from time to time, at its discretion by a resolution passed at its meeting raise or borrow or secure the payment of any sum or sums of money for the purposes of our Company. However, if the moneys sought to be borrowed together with the moneys already borrowed (apart from temporary loans obtained from our Company's bankers in the ordinary course of business) should exceed the aggregate of the paid-up capital of our Company and its free reserves (not being reserves set apart for any specific purpose), the Board is required to obtain the consent of our Company in general meeting prior to undertaking such borrowing.

Pursuant to an Annual General Meeting resolution dated June 23, 2009 passed by the shareholders of our Company in accordance with the provisions of the Companies Act, the Board has been authorised to borrow moneys (apart from temporary loans obtained from the bankers of our Company in ordinary course of business) from banks, financial institutions, NBFCs, from time to time, for the purpose of Company's business upto an aggregate amount of Rs. 25,000 million.

Management Organisation Structure



Key Management Personnel

The details regarding the Key Management Personnel are as follows:

For a profile of Mr. Prakash Tulsiani, the Managing Director, see page 99 of the Draft Red Herring Prospectus.

Mr. Hariharan Iyer, aged 49 years, is the Chief Financial Officer of our Company. He holds a bachelor's degree in Commerce from Mumbai University, is a Chartered Accountant from the Institute of Chartered Accountants of India (ICAI – CA) and Cost Accountant from the Institute of Cost and Management Accountant of India and Management Accountant from the Chartered Institute of Management Accountant, London. He joined our Company on May 1, 2009 and has over 25 years of experience in various aspects of finance, both in India and overseas. He has been with the A. P. Moller Maersk Group and has held various positions in finance and information technology in UAE, India and Denmark, lately as the Chief Financial Officer of Maersk Line – India and South Asia. Prior to this, Mr. Iyer has worked with Sealand Service Inc.

Mr. Ashley Dinning, aged 49 years, is the Chief Commercial Officer of our Company. He holds an advanced certificate in transport operations from Royal Melbourne Institute of Technology, Melbourne, Australia. He has been awarded industry awards for Logistics and Business Law subjects during tertiary studies in 1993 and the industry award for physical distribution during tertiary studies in 1993. He joined our Company on January 25, 2008 and has 30 years of experience in ports, shipping and transport industries. Prior to joining our Company he worked as General Manager, Business Development with Port of Melbourne and Port of Brisbane. He is also experienced in the area of business development in the rail freight industry in Australia. During the year ended December 31, 2008 Mr. Ashley Dinning was paid a gross compensation of Rs. 11,212,734. His term of office expires on January 25, 2010.

Mr. Ravi Gaitonde, aged 50 years, is the Chief Operating Officer of our Company. He holds a bachelor's degree in Commerce from Mumbai University. He has over 28 years experience in the shipping industry. Mr. Gaitonde started his career in shipping as a management trainee with Dempo Steamships Limited in 1981 and joined the erstwhile agents of Maersk Line, M/s Gokak Patel Volkart, in 1985. He joined Maersk India Private Limited in 1990 and was the General Manager Operations and Projects till 1994 when he was posted to Dubai as the Assistant General Manager responsible for UAE and Qatar. In 2001, he was appointed the Managing Director of Maersk Tanzania Limited. In 2003, he moved back to India as Managing Director of Star Track Terminals Private Limited to set up a greenfield project and operate the container freight station in North India. On successful completion and implementation of the project, Ravi moved back to the Maersk India head office in Mumbai as Head of Projects for India. In early 2007 he was appointed as the Managing Director in India for M/s Hastings Trading e Servicos Lda, Portugal which has diverse interests in India including Retail, Hospitality, Logistics, Entertainment and Telecom. Mr. Gaitonde joined our Company on February 11, 2008. During the year ended December 31, 2008, Mr. Ravi Gaitonde was paid a gross compensation of Rs. 9,328,065.

Mr. Arshad Kunnummal, aged 30 years, is a member of the Executive Team of our Company. He holds a bachelors degree in Mechanical Engineering from Bharatidasan University and a masters in Business Adminsitration from the Symbiosis Institute of International Business. He joined our Company on February 16, 2009. He started his career in 2003 as a management trainee with the A.P. Moller Maersk group and has worked across several functions in sales, projects and operations. He has been with APM Terminals since 2005 and prior to this role was working for APM Terminals as Deputy General Manager for Business Development in India.

Other than Mr. Ashley Dinning, all the key management personnel are permanent employees of our Company.

Relationship between the key management personnel

None of the key management personnel of our Company are related to each other.

Bonus or Profit Sharing Plan for the Key management Personnel

There is no separate bonus or profit sharing plan for key management personnel. However, certain of the employees are eligible, under the terms of their employment, to fixed incentives.

Changes in Key Management Personnel

The changes in the Key Management Personnel in the last three years are as follows:

Name	Designation	Date of Joining	Date of cessation
Mr. Henrik Christensen	Chief Operating Officer	October 6, 2003	February 9, 2006
Mr. Rajeeva R. Sinha	Managing Director	October 18, 2005	June 7, 2007
Mr. Brian Fuggle	Chief Operating Officer	January 18, 2006	April 13, 2008
Mr. Philip Littlejohn	Managing Director	June 1, 2007	December 31, 2008
Mr. Allan Adriansen	Chief Financial Officer	November 19, 2007	March 31, 2009
Mr. Prakash Tulsiani	Managing Director	January 28, 2009	-
Mr. Hariharan Iyer	Chief Financial	May 1, 2009	-
Mr. Ashley Dinning	Chief Commercial Officer	January 25, 2008	-
Mr. Ravi Gaitonde	Chief Operating Officer	February 11, 2008	-
Mr. Arshad Kunnumal	General Manager- MD’s Office	February 16, 2009	-

Shareholding of the Key Management Personnel

None of the Key Management Personnel hold shares in our Company.

Payment or Benefit to officers of our Company

Except as stated otherwise in this Draft Red Herring Prospectus, no non-salary amount or benefit has been paid or given or is intended to be paid or given to any of our Company’s employees including the Key Management Personnel and the Directors. None of the beneficiaries of loans, and advances and sundry debtors are related to the Directors of our Company.

Interests of Key Management Personnel

The key management personnel are interested in our Company to the extent of compensation payable for services rendered. The key management personnel may be regarded as interested in the Equity Shares that may be subscribed by or allotted to them under the Employee Reservation Portion. All of the key magaement personnel may also be deemed to be interested to the extent of any dividend payable to them and other distributors in respect of the said Equity Shares.

None of the key management personnel have been paid any consideration of any nature from our Company, other than their remuneration.

PROMOTERS AND PROMOTER GROUP

The Promoters of our Company are:

1. APM Terminals B.V.;
2. APM Terminals Mauritius Holding Limited; and
3. APM Terminals Mauritius Limited.

1. APM Terminals B.V.

APM Terminals B.V. was incorporated on August 10, 2007 under the laws of The Netherlands. The registered office of APM Terminals B.V. is located at Anna van Saksenlaan 71, 2593 HW, The Hague, The Netherlands.

APM Terminals B.V. is a 100% owned subsidiary of Maersk Holding B.V., which is a 100% owned subsidiary of A.P. Møller – Mærsk A/S, a Danish corporation listed on the OMX Nordic Exchange, Copenhagen.

Principal Business of APM Terminals B.V.

APM Terminals B.V. operates a Global Terminal Network of 49 terminals with 19,000 employees in 32 countries and five continents. Our Company provides port and terminal management and operational expertise in serving over 60 container shipping line customers who help keep international trade moving.

History of APM Terminals B.V.

The container terminal activity of the A.P. Møller - Mærsk Group started around 1970 as a part of the liner shipping business, which is currently trading under the name of Maersk Line. At that time, the A.P. Møller - Mærsk Group was represented by two parent companies: Dampskibsselskabet af 1912 and Dampskibsselskabet Svendborg.

In 1999, the portfolio of container terminals increased significantly through Maersk Line's acquisition of the US based liner shipping company, Sea-Land. Sea-Land had a number of container terminals within its asset portfolio and after the acquisition the container terminal activities were combined and organised in a separate business unit, which in 2001 was named APM Terminals.

Since the acquisition of Sea-Land, APM Terminals has grown significantly, mainly via organic growth, but also through the A.P. Møller – Mærsk Group's additional acquisition of the P&O Nedlloyd Group in 2005. Currently, APM Terminals is one of the largest container terminal operator in the world, operating more than 50 terminals globally, with headquarters in The Hague, The Netherlands.

The container terminal portfolio in APM Terminals has been owned directly or indirectly through holding companies within the A.P. Møller – Mærsk Group in a number of different countries. In mid 2006, the A. P. Møller - Mærsk Group decided to restructure the entire container terminal portfolio within the group with the purpose of gathering all terminal companies under one global terminal holding company in The Netherlands called APM Terminals B.V.

The global restructuring is scheduled to be finalised in 2009 and at currently the majority of APM Terminals' terminals worldwide have been transferred to APM Terminals B.V.

The directors of APM Terminals B.V. are

1. Mr. Peder Søndergaard;
2. Mr. Christian Moller Laursen;
3. Mr. Kim Fejfer;
4. Mr. Nils Smedegaard Andersen; and
5. Mr. Christian Kledal

Shareholding pattern of APM Terminals B.V.

Name of shareholder	Number of Shares	Percentage
Maersk Holding B.V.*	750,000 shares of 1,000 Euro each	100.00

* Maersk Holding B.V. is 100% owned by A.P. Møller – Mærsk A/S

Financial Performance of APM Terminals B.V.

(In USD million, except share data)

Particulars	Year ended December 31, 2008	Year ended December 31, 2007
Equity Capital	1,583.81	140.81
Reserves and Surplus (excluding revaluation reserves)	(305.20)	(1.17)
Total Income	-	-
Profit/ (loss) after tax	(55.55)	1.29
Earning Per Share	(74.06)	1.72
Book Value per Share (Net Asset Value)	196.60	8.25

Other Information

The Bank account and registration details of APM Terminals B.V. shall be submitted to the BSE and NSE at the time of filing of this Draft Red Herring Prospectus with them.

There has been no change in the management of APM Terminals B.V. since its incorporation.

APM Terminals B.V. is an unlisted company.

APM Terminals B.V. is not under dissolution or winding up.

Companies with which the promoters have disassociated in the last three years:

APM Terminals B.V. has not dissociated with any company in the preceding three years of filing of the Draft Red Herring Prospectus.

Interests of Promoter in our Company

Except as stated in "Related Party Transactions" on page 122 of this Draft Red Herring Prospectus, and to the extent of its indirect shareholding in our Company, APM Terminals B.V. does not have any other interest in our Company's business.

Common Pursuits

Except as disclosed in this Draft Red Herring Prospectus, APM Terminals B.V. does not have any interest in any venture that is involved in any activities similar to those conducted by our Company in India except its interest in Gateway Terminals India Private Limited. Our Company will adopt necessary procedures and practices as permitted by law to address any conflict situations as and when they arise.

Payment of benefits to the Promoter

Except as stated in the section titled "Related Party Transactions" on page 122 of this Draft Red Herring Prospectus, there has been no payment of benefits to APM Terminals B.V during the two years prior to the filing of this Draft Red Herring Prospectus.

Confirmations

Further, APM Terminals B.V has not been declared as a wilful defaulter by the RBI or any other governmental authority and there are no violations of securities laws committed by the Promoter in the past or are pending against them except as disclosed in section titled "Outstanding Litigation and Material

Developments” beginning on page 191 of this Draft Red Herring Prospectus.

2. APM Terminals Mauritius Holdings Limited

APM Terminals Mauritius Holding Limited was incorporated on July 28, 2008 under the laws of Mauritius. The registered office of APM Terminals Mauritius Holding Limited is located at C/o Kross Border Trust Services Limited, Manor House, 1st Floor, Cnr. St. George/Chazal Streets, Port Louis, Mauritius.

Principal Business of APM Terminals Mauritius Holding Limited

APM Terminals Mauritius Holding Limited is involved in the business of acting as an investment holding company.

History of APM Terminals Mauritius Holding Limited

APM Terminals Mauritius Holding Limited was established as a holding company governed under the Financial Services Act 2007 (FSA) and the Companies Act 2001. It is a Category 1 Global Business Licence Company, previously known as an Offshore Company, which is a Mauritian entity holding a valid global business licence and carrying on an approved qualified global business activity (outside of Mauritius) as permitted by the FSA.

The directors of APM Terminals Mauritius Holding Limited are:

1. Mr. Jorgen Hammelsvang Madsen;
2. Mr. Christian Moller Laursen;
3. Mr. Sharmil Shah; and
4. Mr. Dhanun Ujoodha.

Shareholding pattern of APM Terminals Mauritius Holding Limited

Name of shareholder	Number of Shares	Percentage
APM Terminals B.V.*	30,549,351 shares of US$1 each	100.00

* APM Terminals B.V. is 100% owned by Maersk Holding B.V.

Financial Performance of APM Terminals Mauritius Holding Limited

(In USD million, except share data)

Particulars	Year ended December 31, 2008
Equity Capital	68.20
Reserves and Surplus (excluding revaluation reserves)	(99.95)
Total Income	-
Profit/ (loss) after tax	(0.009)
Earning Per Share	(0.0003)
Book Value per Share (Net Asset Value)	0.0003

Other Information

The Bank account and registration details of APM Terminals Mauritius Holding Limited shall be submitted to the BSE and NSE at the time of filing of this Draft Red Herring Prospectus with them.

There has been no change in the management of APM Terminals Mauritius Holding Limited since its incorporation.

APM Terminals Mauritius Holding Limited is an unlisted company.

APM Terminals Mauritius Holding Limited is not under dissolution or winding up.

Companies with which the promoters have disassociated in the last three years:

APM Terminals Mauritius Holding Limited has not dissociated with any company in the preceding three years of filing of the Draft Red Herring Prospectus

Interests of Promoter in our Company

Except as stated in "Related Party Transactions" on page 122 of this Draft Red Herring Prospectus, and to the extent of the indirect shareholding in our Company, APM Terminals Mauritius Holding Limited does not have any other interest in our Company's business.

Common Pursuits

Except as disclosed in this Draft Red Herring Prospectus, APM Terminals Mauritius Holding Limited does not have any interest in any venture that is involved in any activities similar to those conducted by our Company. Our Company will adopt necessary procedures and practices as permitted by law to address any conflict situations as and when they arise.

Payment of benefits to the Promoter

Except as stated in the section titled "Related Party Transactions" on page 122 of this Draft Red Herring Prospectus, there has been no payment of benefits to APM Terminals Mauritius Holding Limited during the two years prior to the filing of this Draft Red Herring Prospectus.

Confirmations

Further, APM Terminals Mauritius Holding Limited has not been declared as a wilful defaulter by the RBI or any other governmental authority and there are no violations of securities laws committed by APM Terminals Mauritius Holding Limited in the past or are pending against them except as disclosed in section titled "Outstanding Litigation and Material Developments" beginning on page 191 of this Draft Red Herring Prospectus.

3. APM Terminals Mauritius Limited

APM Terminals Mauritius Limited was incorporated on July 9, 2004 under the laws of Mauritius. The registered office of APM Terminals Limited is located at c/o Kross Border Trust Services Limited, Manor House, 1st Floor, Cnr. St. George/Chazal Streets, Port Louis, Mauritius.

Principal Business of APM Terminals Mauritius Limited

APM Terminals Mauritius Limited is involved in the business of investment in Indian and Cote d'Ivoire port and terminal companies.

History of APM Terminals Mauritius Limited

APM Terminals Mauritius Limited was established as a holding company governed under the Financial Services Act 2007 (FSA) and the Companies Act 2001. It is a Category 1 Global Business Licence Company (GBC1), previously known as an Offshore Company, which is a Mauritian entity holding a valid global business licence and carrying on an approved qualified global business activity (outside of Mauritius) as permitted by the FSA. A GBC1 falls under the supervision and monitoring of the Mauritius Financial Services Commission (FSC).

The directors of APM Terminals Mauritius Limited are:

1. Mr. Jayechund Jingree;
2. Mr. Sushil Kumar Jogoo;
3. Mr. Peder Søndergaard; and
4. Mr. Hans-Ole Madsen.

Shareholding pattern of APM Terminals Mauritius Limited

Name of shareholder	Number of Shares	Percentage
APM Terminals Mauritius Holding Limited	30,549,349 shares of US$1 each	100.00

* APM Terminals Mauritius Holding Limited is 100% owned by APM Terminals B.V.

Financial Performance of APM Terminals Mauritius Limited

(In USD million, except share data)

Particulars	Year ended December 31, 2008	Year ended December 31, 2007	Year ended December 31, 2006
Equity Capital	68.20	30.55	30.55
Reserves and Surplus (excluding revaluation reserves)	(146.43)	(96.19)	(85.64)
Total Income	-	-	-
Profit/ (loss) after tax	(11.24)	(13.47)	(8.72)
Earning Per Share	(0.37)	(0.44)	0.29
Book Value per Share (Net Asset Value)	8.35	7.18	4.50

Other Information

The Bank account and registration details of APM Terminals Mauritius Limited shall be submitted to the BSE and NSE at the time of filing of this Draft Red Herring Prospectus with them.

There has been no change in the management of APM Terminals Mauritius Limited since its incorporation.

APM Terminals Mauritius Limited is an unlisted company.

APM Terminals Mauritius Limited is not under dissolution or winding up.

Companies with which the promoters have disassociated in the last three years

APM Terminals Mauritius Limited has not dissociated with any company in the preceding three years of filing of the Draft Red Herring Prospectus

Interests of Promoter in our Company

Except as stated in "Related Party Transactions" on page 122 of this Draft Red Herring Prospectus, and to the extent of shareholding in our Company, APM Terminals Mauritius Limited does not have any other interest in our Company's business.

Common Pursuits

Except as disclosed in this Draft Red Herring Prospectus, APM Terminals Mauritius Limited does not have any interest in any venture that is involved in any activities similar to those conducted by our Company. Our Company will adopt necessary procedures and practices as permitted by law to address any conflict situations as and when they arise.

Payment of benefits to the Promoter

Except as stated in the section titled "Related Party Transactions" on page 122 of this Draft Red Herring Prospectus, there has been no payment of benefits to APM Terminals Mauritius Limited during the two years prior to the filing of this Draft Red Herring Prospectus.

Confirmations

Further, APM Terminals Mauritius Limited has not been declared as a wilful defaulter by the RBI or any other governmental authority and there are no violations of securities laws committed by the Promoter in the past or are pending against them except as disclosed in section titled "Outstanding Litigation and Material Developments" beginning on page 191 of this Draft Red Herring Prospectus.

Promoter Group

The following entities form part of the Promoter Group of our Company:

1. Allanza Int. Portuaria Alinport S.A.
2. APM Terminals (Jamaica) Ltd.
3. APM Terminals (St. Lucia) Holding Ltd.
4. APM Terminals Arctic B.V.
5. APM Terminals Argentina S.A.
6. APM Terminals Atlantic B.V.
7. APM Terminals Bahrain B.S.C.
8. APM Terminals B.V.
9. APM Terminals China Co. Limited.
10. APM Terminals Crane & Engineering Services (Shanghai) Co. Ltd
11. APM Terminals Dachan Company Limited
12. APM Terminals Dalian Company Limited
13. APM Terminals Dalian Holding Ltd.
14. APM Terminals Invest Co. Ltd.
15. APM Terminals Investment B.V.
16. APM Terminals Japan K.K.
17. APM Terminals Maasvlakte II B.V.
18. APM Terminals Mauritius Holding Ltd
19. APM Terminals Mauritius Ltd.
20. APM Terminals Mediterranean B.V.
21. APM Terminals Nansha Holding Ltd.
22. APM Terminals North America B.V.
23. APM Terminals North America Inc.
24. APM Terminals Pacific Ltd.
25. APM Terminals Qingdao Company Limited (Hong Kong)
26. APM Terminals Qingdao Holding Ltd.
27. APM Terminals Rotterdam B.V.
28. APM Terminals Shanghai Co. Ltd.
29. APM Terminals Shanghai Holding Inc.
30. APM Terminals Shanghai International Holding Ltd.
31. APM Terminals Taiwan Co. Limited
32. APM Terminals Tianjin Co. Ltd
33. APM Terminals Tianjin International Holding Ltd.
34. APM Terminals Tianjin Intl. Co. Ltd
35. APM Terminals Virginia, Inc.
36. APM Terminals Xiamen Co. Ltd
37. APM Terminals Xiamen Holding Ltd.
38. APM Terminals Yangshan Company Ltd
39. APM Terminals Yangshan Holding Ltd.
40. APM Terminals Zeebrugge NV
41. Cai Mep Int. Container Terminal Co. Ltd
42. Carnina Holdings Ltd.
43. China Terminal Services Holding Company Ltd.
44. Congo Terminal Holding SAS
45. Congo Terminal S.A.
46. Cosco Ports (Nansha) Ltd.

47. Dalian Container Terminal Co. Ltd.
48. Douala International Holding SAS
49. Egyptian International Container Terminal S.A.
50. Gateway Terminal India Pvt. Ltd
51. Gateway Terminals, LLC
52. Guangzhou South China Oceangate Container Terminal Co. Ltd.
53. Laem Chabang Container Terminal 1 Ltd.
54. LCMT Company Ltd.
55. Lome Terminal Services (L.T.S.) S.A.
56. Maersk Espana S.A.
57. Medcenter Container Terminal S.p.A
58. Meridian Port Holdings Ltd.
59. Meridian Port Services Ltd.
60. Millennium Marine Rail, LLC
61. Mobile Container Terminal, LLC
62. North China Ports Consortium Pte. Ltd
63. Pelabuhan Tanjing Pelepas Sdn. Bhd.
64. Pierpass Inc.
65. Professional Terminal Services Holdings Ltd.
66. Qingdao New Qianwan Container Terminal Co. Ltd.
67. Qingdao Qianwan Container Terminal Co. Ltd.
68. Salalah Port Services Co.
69. Sealand Iberica S.A.
70. Shanghai East Container Terminal Co. Ltd.
71. Shanghai Xiangdong International Container Terminal Co. Ltd.
72. Singapore Dalian Port Investments Pte. Ltd.
73. Société de Participations Portuaires SAS
74. Société D'Exploration Terminal de Vridi
75. Socimac S.A.
76. SOGESTER - Sociedade Gestora de Terminais **S**.A
77. South Asia Gateway Terminals (Private) Ltd
78. South Florida Container Terminal LLC
79. Suez Canal Container Terminal
80. Terminal 4 S.A.
81. Terminales de Contenedore de Andalucia, S.A
82. Tianjin Port Alliance International Container Terminal Co, Ltd.
83. Tianjin Port Euroasia Container Terminal Co, Ltd.
84. Universal Maritime Service Corporation
85. Voltri Terminal 2 S.r.l
86. West Africa Container Terminal (Nigeria) Ltd.
87. West Africa Container Terminal BVI Ltd
88. Xiamen Songyu Container Terminal Co. Ltd

GROUP COMPANIES

Companies forming part of the Group Companies

Unless otherwise stated none of the companies forming part of Group Companies is a sick company under the meaning of SICA and none of them are under winding up.

Five largest Group Companies (based on turnover)

1. APM Terminals Pacific Limited

Corporate Information

APM Terminals Pacific Limited was incorporated under the laws of the USA on May 16, 1978. APM Terminals Pacific Limited is a holding company with interests in a number of US container terminal operating companies.

Interest of the Promoter

APM Terminals B.V. holds 100% of the issued share capital of APM Terminals Pacific Limited through two other wholly owned subsidiaries, APM Terminals North America B.V. and APM Terminals North America Inc.

Financial Information

(In USD million, except share data)

Particulars	Year ended December 31, 2008	Year ended December 31, 2007	Year ended December 31, 2006
Equity Capital	59.22	59.22	59.22
Reserves and surplus (excluding revaluation reserves)	84	63	47.20
Income (including other income)	552	499	516.74
Profit After Tax	20	16	16.70
Earning Per Share (face value USD 1 each)	2,049	1,606	1,670.80
Net asset value per share	13,565	9,808	9,144.40

2. Qingdao Qianwan Container Terminal Co. Ltd.

Corporate Information

Qingdao Qianwan Container Terminal Co. Ltd. was incorporated under the laws of the People's Republic of China on May 17, 2000. Qingdao Qianwan Container Terminal Co. Ltd is a joint venture company and its business involves developing, constructing and operating an international terminal at Qingdao Qianwan Phase II, in the Peoples Republic of China.

Interest of the Promoter

APM Terminals B.V. holds 1,962,642 ordinary shares and 3,339 redeemable “A” ordinary shares representing 40.82% of the issued shares in Professional Terminal Services Limited, which in turn, holds 49% of the registered capital and loan capital of Qingdao Qianwan Container Terminal Co. Ltd.

Financial Information

(In USD million, except share data)

Particulars	Year ended December 31, 2008	Year ended December 31, 2007	Year ended December 31, 2006
Equity Capital*	355.07	259.48	-
Reserves and surplus (excluding revaluation reserves)	381	298	129.88
Income (including other income)	287	269	114.12
Profit After Tax	149	166	65.65
Earning Per Share	15	17	6.67
Net asset value per share	40	47	7.9

* *Comprising of registered capital and loan capital*

3. Maersk Espana S.A.

Corporate Information

Maersk Espana S.A. was incorporated under the laws of Spain on December 17, 1984. Maersk Espana S.A. is a holding company indirectly holding shares in the terminal operating company responsible for the operation of Algeciras Container Terminal.

Interest of the Promoter

APM Terminals B.V. owns 100% of the issued share capital of Maersk Espana S.A.

Financial Information

(In USD million, except share data)

Particulars	Year ended December 31, 2008	Year ended December 31, 2007	Year ended December 31, 2006
Equity Capital	13.99	14.58	-
Reserves and surplus (excluding revaluation reserves)	63	58	-
Income (including other income)	315	282	-
Profit After Tax	8	4	-
Earning Per Share (face value Euro 2,482 each)	200	112	-
Net asset value per share	3,339	4,322	-

4. SOGESTER – Sociedade Gestora de Terminais S.A

Corporate Information

SOGESTER - Sociedade Gestora de Terminais S.A was incorporated under the laws of Luanda on July 27, 2005. SOGESTER - Sociedade Gestora de Terminais S.A is the terminal operating company responsible for Luanda Container Terminal.

Interest of the Promoter

APM Terminals B.V. holds 40% of the issued share capital of SOGESTER - Sociedade Gestora de Terminais S.A.

Financial Information

(In USD million, except share data)

Particulars	Year ended December 31, 2008	Year ended December 31, 2007	Year ended December 31, 2006
Equity Capital	0.251	0.251	-
Reserves and surplus (excluding revaluation reserves)	12	(2)	-
Income (including other income)	104	10	-
Profit After Tax	14	(2)	-
Earning Per Share (face value USD 11.76 each)	1,207	(196)	-
Net asset value per share	3,390	3,431	118.97

5. APM Terminals Rotterdam B.V.

Corporate Information

APM Terminals Rotterdam B.V. was incorporated under the laws of the Netherlands on October 27, 1998. APM Terminals Rotterdam B.V.is a terminal operating company operating a container terminal at Rotterdam Port.

Interest of the Promoter

APM Terminals Rotterdam B.V is a 100% subsidiary of APM Terminals B.V.

Financial Information

(In USD million, except share data)

Particulars	Year ended December 31, 2008	Year ended December 31, 2007	Year ended December 31, 2006
Equity Capital	53.628	55.887	-
Reserves and surplus (excluding revaluation reserves)	20	19	-
Income (including other income)	206	172	-
Profit After Tax	1	2	-
Earning Per Share (face value Euro 454 each)	24	25	-
Net asset value per share	2,088	1,982	-

Group Companies with negative net worth

1. Cosco Ports (Nansha) Limited

Corporate Information

Cosco Ports (Nansha) Limited was incorporated on July 16, 2004 under the laws of the British Virgin Islands. Cosco Ports (Nansha) Limited is a holding company that participates in the joint venture company, Guangzhou South China Oceangate Container Terminal Company Limited, with Guangzhou Port Container Comprehensive Development Co., Ltd in relation to the construction, development and operation of the container terminal at Nansha Phase Two, Guangzhou, the People's Republic of China.

Interest of the Promoter

APM Terminals B.V. holds 100% of the issued share capital of APM Terminals Nansha Holding Ltd, a Hong Kong company, that, in turn, holds 16,950 ordinary shares of US$1.00 par value in the capital of the company equal to 33.9% of the total issued share capital of Cosco Ports (Nansha) Limited.

Financial Information

(In USD million, except share data)

Particulars	Year ended December 31, 2008	Year ended December 31, 2007	Year ended December 31, 2006
Equity Capital	0.01	0.01	0.01
Reserves and surplus (excluding revaluation reserves)	(2)	(1)	(0.14)
Income (including other income)	-	-	-
Profit After Tax	(1)	(0.04)	(0.14)
Earning Per Share (face value USD 1 each)	(29)	(8)	(2.96)
Net asset value per share	2,682	2,176	1,038.85

2. Meridian Port Holdings Limited

Corporate Information

Meridian Port Holdings Limited was incorporated on July 5, 2004 under the laws of England. Meridian Port Holdings Limited is a holding company that owns shares in Meridian Port Services Limited, the Ghanaian terminal operating company that manages and operates Tema Container Terminal.

Interest of the Promoter

APM Terminals B.V. holds 2338 ordinary shares in Meridian Port Holdings Limited equal to 46.75% of its issued share capital.

Financial Information

(In USD million, except share data)

Particulars	Year ended December 31, 2008	Year ended December 31, 2007	Year ended December 31, 2006
Equity Capital	0.009	0.009	0.009
Reserves and surplus (excluding revaluation reserves)	(4)	(3)	(2.09)
Income (including other income)	-	-	-
Profit After Tax	(1)	(1)	(0.67)
Earning Per Share (face value £1 Sterling each)	(320)	(576)	(286.57)
Net asset value per share	4,929	4,631	4,078.70

Details of other Group Companies

1. Terminal Operating Companies

The list of terminal operating companies amongst the Group Companies is provided below:

1. Allanza Int. Portuaria Alinport S.A.
2. APM Terminals (Jamaica) Ltd.
3. APM Terminals Argentina S.A.
4. APM Terminals Bahrain B.S.C.
5. APM Terminals Japan K.K.
6. APM Terminals Maasvlakte II B.V.
7. APM Terminals Mediterranean B.V.
8. APM Terminals Taiwan Co. Limited
9. APM Terminals Virginia, Inc.
10. APM Terminals Zeebrugge NV
11. Cai Mep Int. Container Terminal Co. Ltd

12. Carnina Holdings Ltd.
13. Congo Terminal S.A.
14. Dalian Port Container Terminal Co. Ltd.
15. Douala International Holding SAS
16. Gateway Terminal India Private Limited
17. Gateway Terminals, LLC
18. Guangzhou South China Oceangate Container Terminal Co. Ltd.
19. Laem Chabang Container Terminal 1 Ltd.
20. LCMT Company Ltd.
21. Lome Terminal Services (L.T.S.) S.A.
22. Medcenter Container Terminal S.p.A
23. Meridian Port Services Ltd.
24. Millennium Marine Rail, LLC
25. Mobile Container Terminal, LLC
26. Pelabuhan Tanjung Pelepas Sdn. Bhd.
27. Qingdao New Qianwan Container Terminal Co. Ltd.
28. Salalah Port Services Co.
29. Shanghai East Container Terminal Co. Ltd.
30. Shanghai Xiangdong International Container Terminal Co. Ltd.
31. Société D'Exploration Terminal de Vridi
32. South Asia Gateway Terminals (Private) Ltd
33. South Florida Container Terminal LLC
34. Suez Canal Container Terminal
35. Terminal 4 S.A.
36. Terminales de Contenedore de Andalucia, S.A.
37. Tianjin Port Alliance International Container Terminal Co, Ltd.
38. Tianjin Port Euroasia Container Terminal Co, Ltd.
39. Voltri Terminal 2 S.r.l
40. West Africa Container Terminal (Nigeria) Ltd.
41. West Africa Container Terminal BVI Ltd
42. Xiamen Songyu Container Terminal Co. Ltd

Corporate Information

The Group Companies (terminal operating companies) mentioned above are involved in the business of providing port and terminal management and operational expertise in serving over 60 container shipping line customers.

Interest of the Promoter

APM Terminals B.V. has shareholding in all Group Companies (terminal operating companies) mentioned above.

2. Holding Companies

The list of holding companies amongst the Group Companies is provided below:

1. APM Terminals (St. Lucia) Holding Ltd.
2. APM Terminals Arctic B.V.
3. APM Terminals Atlantic B.V.
4. APM Terminals China Co. Limited.
5. APM Terminals Crane & Engineering Services (Shanghai) Co. Ltd
6. APM Terminals Dachan Company Limited
7. APM Terminals Dalian Company Limited
8. APM Terminals Dalian Holding Ltd.
9. APM Terminals Invest Co. Ltd.

10. APM Terminals Investment B.V.
11. APM Terminals Mauritius Holding Ltd
12. APM Terminals Mauritius Ltd.
13. APM Terminals Nansha Holding Ltd.
14. APM Terminals North America B.V.
15. APM Terminals North America Inc.
16. APM Terminals Qingdao Company Limited (Hong Kong)
17. APM Terminals Qingdao Holding Ltd.
18. APM Terminals Shanghai Co. Ltd.
19. APM Terminals Shanghai Holding Inc.
20. APM Terminals Shanghai International Holding Ltd.
21. APM Terminals Tianjin Co. Ltd
22. APM Terminals Tianjin International Holding Ltd.
23. APM Terminals Tianjin Intl. Co. Ltd
24. APM Terminals Xiamen Co. Ltd
25. APM Terminals Xiamen Holding Ltd.
26. APM Terminals Yangshan Company Ltd
27. APM Terminals Yangshan Holding Ltd.
28. China Terminal Services Holding Company Ltd.
29. Congo Terminal Holding SAS
30. Cosco Ports (Nansha) Ltd.
31. Egyptian International Container Terminal S.A.
32. Meridian Port Holdings Ltd.
33. North China Ports Consortium Pte. Ltd
34. Pierpass Inc
35. Professional Terminal Services Holdings Ltd.
36. Sealand Iberica S.A.
37. Singapore Dalian Port Investments Pte. Ltd.
38. Société de Participations Portuaires SAS
39. Socimac S.A.
40. Universal Maritime Service Corporation

Corporate Information

The Group Companies (holding companies) mentioned above are involved in the business of acting as investment holding companies.

Interest of the Promoter

APM Terminals B.V. has shareholding in all Group Companies (holding companies) mentioned above.

RELATED PARTY TRANSACTIONS

(Rs. Millions)

PARTICULARS	9 months ended 30-Sept-09	9 months ended 30-Sept-08	12 months ended 31-Dec-08	12 months ended 31-Dec-07	12 months ended 31-Dec-06	9 months ended 31-Dec-05	12 months ended 31-Mar-05	12 months ended 31-Mar-04
TRANSACTIONS DURING THE PERIOD/ YEAR								
Income from port services								
- Party with substantial interest & its associates	422.49	294.90	376.30	518.95	496.26	228.24	-	-
- Enterprise significantly influenced by Key Management Personnel	-	-	-	-	-	-	234.02	42.25
- Fellow Subsidiary	0.26	-	-	-	-	-	-	-
Rent Income								
- Party with substantial interest & its associates	-	-	-	-	2.29	-	1.04	5.36
- Enterprise significantly influenced by Key Management Personnel	-	-	-	-	0.53	2.78	1.19	-
- Fellow Subsidiary	-	-	-	1.83	-	-	-	-
Interest income on Loan								
- Party with substantial interest & its associates	-	-	-	-	-	-	4.81	8.48
Rent Expenses								
- Enterprise significantly influenced by Key Management Personnel	-	-	-	-	-	-	4.52	9.75
- Fellow Subsidiary	2.71	2.48	2.89	0.91	-	-	-	-
Interest expense on Loan								
- Holding Company	13.61	14.79	21.77	25.95	-	-	-	-
- Party with substantial interest & its associates	-	-	-	-	-	2.70	-	-
- Enterprise significantly influenced by Key Management Personnel	-	-	-	-	-	-	9.29	-
- Fellow Subsidiary	61.49	-	1.77	-	-	-	-	-
Equipment hire charges incurred								
- Party with substantial interest & its associates	-	-	-	-	9.90	7.05	1.49	-
- Enterprise significantly influenced by Key Management Personnel	-	-	-	-	-	-	9.66	-
- Fellow Subsidiary	-	-	-	3.00	-	-	-	-
Professional fees								
- Party with substantial interest & its associates	-	-	-	-	12.84	45.54	-	-
- Fellow Subsidiary	24.28	6.21	23.66	8.71	-	-	-	-

PARTICULARS	9 months ended 30-Sept-09	9 months ended 30-Sept-08	12 months ended 31-Dec-08	12 months ended 31-Dec-07	12 months ended 31-Dec-06	9 months ended 31-Dec-05	12 months ended 31-Mar-05	12 months ended 31-Mar-04
Electricity expenses								
- Fellow Subsidiary	-	-	0.25	-	-	-	-	-
Guest house expenses								
- Fellow Subsidiary	-	0.21	-	-	-	-	-	-
Training expenses								
- Fellow Subsidiary	0.71	3.94	3.93	-	-	-	-	-
Other expenses incurred								
- Party with substantial interest & its associates	0.58	0.03	-	-	0.40	0.81	0.75	18.86
- Fellow Subsidiary	12.61	1.38	1.67	8.40	-	-	-	-
- Associate	0.66	-	-	-	-	-	9.40	-
Other recoveries								
- Party with substantial interest & its associates	-	-	-	-	0.05	0.38	-	12.58
Expenses incurred on their behalf								
- Party with substantial interest & its associates	-	0.09	-	-	-	-	21.07	4.88
- Enterprise significantly influenced by Key Management Personnel	-	-	-	-	-	-	1.68	-
- Fellow Subsidiary	6.63	1.13	1.24	-	-	-	-	-
Guarantee fees								
- Holding Company	13.30	-	0.59	-	-	-	-	-
Exceptional item								
- Party with substantial interest & its associates	-	-	-	-	-	-	130.00	-
Land Site development								
- Party with substantial interest & its associates	-	-	-	-	-	-	105.14	-
Transfer of fixed assets								
- Party with substantial interest & its associates	-	-	-	-	-	-	-	6.00
Purchase of Fixed Assets								
- Fellow Subsidiary	1.80	-	-	-	-	-	-	-
- Associate	20.40	-	-	-	-	-	-	-
Investment								
- Associate	-	50.00	50.00	-	-	-	-	-
Sale of Investment								
- Party with substantial interest & its associates	-	-	-	-	-	-	-	500.00
Equity contributed								
- Holding Company	-	-	-	2,481.48	-	-	-	-
- Party with substantial interest & its associates	-	-	-	-	-	98.10	570.00	-

PARTICULARS	9 months ended 30-Sept-09	9 months ended 30-Sept-08	12 months ended 31-Dec-08	12 months ended 31-Dec-07	12 months ended 31-Dec-06	9 months ended 31-Dec-05	12 months ended 31-Mar-05	12 months ended 31-Mar-04
- Fellow Subsidiary	-	-	-	35.00	-	-	-	-
Unsecured Loan								
- Holding Company	-	-		279.81	-	-	-	-
- Fellow Subsidiary	380.00	-	500.00	-	-	-	-	-
Loan repayment								
- Party with substantial interest & its associates	-	-	-	-	-	-	-	500.00
- Fellow Subsidiary	100.00	-	-	-	-	-	-	-
Short term loan								
- Enterprise significantly influenced by Key Management Personnel	-	-	-	-	-	-	285.00	-
Paid to contractors								
- Party with substantial interest & its associates	-	-	-	-	65.09	7.24	-	-
- Fellow Subsidiary	-	-	20.88	-	-	-	-	-
Provision for claim								
- Associate	125.30	213.17	282.38	266.15	277.07	275.65	209.11	-
Deposit paid								
- Key Management Personnel	11.50	-	-	-	-	-	-	-
Managerial remuneration								
- Key Management Personnel	22.05	19.64	25.95	13.80	5.19	0.54	-	8.10
CLOSING BALANCE								
Current account receivable								
- Party with substantial interest & its associates	50.02	4.59	3.84	2.07	44.09	23.52	220.00	191.43
- Enterprise significantly influenced by Key Management Personnel	-	-	-	-	-	0.09	11.33	-
- Fellow Subsidiary	1.90	0.27	-	0.17	-	-	-	-
- Associate	11.15	11.15	11.15	11.15	11.15	11.15	11.15	-
Current account payable								
- Holding Company	68.75	29.71	48.31	25.95	-	-	-	-
- Party with substantial interest & its associates	-	95.98	13.77	28.17	31.79	68.21	547.28	-
- Enterprise significantly influenced by Key Management Personnel	-	-	-	-	-	-	293.17	3.09
- Fellow Subsidiary	70.24	45.20	58.72	39.61	-	-	-	-
Claim payable								
- Associate	334.86	735.72	719.47	1,121.90	855.75	578.68	303.03	-
Investment								

PARTICULARS	9 months ended 30-Sept-09	9 months ended 30-Sept-08	12 months ended 31-Dec-08	12 months ended 31-Dec-07	12 months ended 31-Dec-06	9 months ended 31-Dec-05	12 months ended 31-Mar-05	12 months ended 31-Mar-04
- Associate	830.00	830.00	830.00	780.00	780.00	780.00	570.00	-
Deposit receivable								
- Key Management Personnel	11.50	-	-	-	-	-	-	-
Unsecured loan								
- Holding Company	338.67	333.27	344.00	279.81	-	-	-	-
- Enterprise significantly influenced by Key Management Personnel	-	-	-	-	-	-	-	52.86
- Fellow Subsidiary	780.00	-	500.00	-	-	-	-	-
Out of the above items, transactions in excess of 10% of the total related party transactions as under:								
Income from Port Services								
- Maersk India Pvt Ltd- acting as agent for AP Moller-Maersk A/S	373.61	246.20	319.93	448.37	473.21	182.41	-	-
- Maersk India Pvt Ltd- acting as agent for Safmarine Container Lines N.V.	48.88	48.70	56.37	70.58	23.05	45.83	-	-
- Maersk India Private Limited	-	-	-	-	-	-	195.55	42.25
- Safmarine India Private Limited	-	-	-	-	-	-	38.47	-
Rent Income								
- Gateway Terminals India Private Limited	-	-	-	0.50	0.53	2.78	1.19	-
- Maersk India Private Limited	-	-	-	1.33	2.29	-	-	-
- SKIL Infrastructure Limited	-	-	-	-	-	-	0.48	0.72
- Pipavav Ship Dismantling & Engineering Limited	-	-	-	-	-	-	0.56	4.64
Interest income on loan								
- Grevek Investment and Finance Private Limited	-	-	-	-	-	-	4.81	8.48
Rent expenses								
- Maersk India Private Limited	2.71	2.48	2.89	0.91	-	-	-	-
- Pipavav Ship Dismantling & Engineering Limited	-	-	-	-	-	-	-	2.36
- Awaita Properties Private Limited	-	-	-	-	-	-	4.52	7.39
Interest expense on loan								
- APM Terminals Mauritius Limited	13.61	14.79	21.77	25.95	-	-	-	-
- Maersk India Private Limited	-	-	-	-	-	2.70	9.29	-
- Gateway Terminals India Private Limited	61.49	-	1.77	-	-	-	-	-
Equipment hire charges								
- Maersk India Private Limited	-	-	-	3.00	9.90	7.05	9.66	-
- Pipavav Ship Dismantling & Engineering Limited	-	-	-	-	-	-	1.49	-
Professional fees								
- APM Terminals Management B.V.	20.53	6.21	23.66	8.71	12.84	45.54	-	-

PARTICULARS	9 months ended 30-Sept-09	9 months ended 30-Sept-08	12 months ended 31-Dec-08	12 months ended 31-Dec-07	12 months ended 31-Dec-06	9 months ended 31-Dec-05	12 months ended 31-Mar-05	12 months ended 31-Mar-04
- APM Terminals Crane & Engineering Services (Shanghai) Co. Limited	3.75	-	-	-	-	-	-	-
Electricity expenses								
-Maersk India Private Limited	-	-	0.25	-	-	-	-	-
Guest house expenses								
-APM Termianls China	-	0.21	-	-	-	-	-	-
Training expenses								
-APM Terminals Management B.V.	0.71	3.79	3.79	-	-	-	-	-
Other expenses incurred								
- APM Terminals Management B.V.	6.22	-	0.82	8.40	0.40	0.81	-	-
- Maersk India Private Limited	-	0.67	0.76	-	-	-	-	-
- Maersk Angola Lda	-	0.71	-	-	-	-	-	-
- SKIL Infrastructure Limited	-	-	-	-	-	-	-	16.45
- Gateway Termianls India Private Limited	4.16	-	-	-	-	-	-	-
- APM Terminals AMI Management DMCEST	1.56	-	-	-	-	-	-	-
- Awaita Properties Private Limited	-	-	-	-	-	-	0.75	2.36
- Pipavav Railway Corporation Limited	-	-	-	-	-	-	9.40	-
Guarantee fees								
- APM Terminals B.V.	13.30	-	0.59	-	-	-	-	-
Other recoveries								
- Gateway Terminals India Private Limited	-	-	-	-	0.05	0.38	-	-
- SKIL Infrastructure Limited	-	-	-	-	-	-	-	12.58
Expenses incurred on their behalf								
- SKIL Infrastructure Limited	-	-	-	-	-	-	20.50	3.45
- Maersk India Private Limited	-	-	-	-	-	-	-	1.43
- Gateway Terminals India Private Limited	-	-	-	-	-	-	1.68	-
- APM Terminals Management B.V.	4.00	0.98	1.13	-	-	-	-	-
- APM Terminals AMI Management DMCEST	1.59	-	-	-	-	-	-	-
Exceptional item								
- Pipavav Ship Dismantling & Engineering Limited	-	-	-	-	-	-	130.00	-
Land site development								
- SKIL Infrastructure Limited	-	-	-	-	-	-	105.14	-
Transfer of Fixed Assets								
- SKIL Infrastructure Limited	-	-	-	-	-	-	-	5.97
Purchase of Fixed Assets								

PARTICULARS	9 months ended 30-Sept-09	9 months ended 30-Sept-08	12 months ended 31-Dec-08	12 months ended 31-Dec-07	12 months ended 31-Dec-06	9 months ended 31-Dec-05	12 months ended 31-Mar-05	12 months ended 31-Mar-04
-Gateway Terminals Private Limited	1.80	-	-	-	-	-	-	-
-Pipavav Railway Corporation Limited	20.40	-	-	-	-	-	-	-
Sale of Investments								
- SKIL Infrastructure Limited	-	-	-	-	-	-	-	500.00
Investment								
- Pipavav Railway Corporation Limited	-	50.00	50.00	-	-	-	-	-
Equity Contributed								
- APM Terminals Mauritius Limited	-	-	-	2,481.48	-	98.10	570.00	-
Unsecured Loan								
- APM Terminals Mauritius Limited	-	-	-	279.81	-	-	-	-
- Gateway Terminals India Private Limited	380.00	-	500.00	-	-	-	-	-
Loan repayment								
- Gateway Terminals India Private Limited	100.00	-	-	-	-	-	-	-
- SKIL Infrastructure Limited	-	-	-	-	-	-	-	500.00
Short term loan								
- Maersk India Private Limited	-	-	-	-	-	-	285.00	-
Paid to Contractors								
- Maersk India Private Limited	-	-	3.32	-	9.90	7.24	-	-
- APM Terminals Management B.V.	-	-	17.56	-	55.19	-	-	-
Managerial remuneration								
Managing Director - Mr. Prakash Tulsiani	16.34	-	-	-	-	-	-	-
Managing Director - Mr. Philip Littlejohn	5.71	19.64	25.95	10.72	-	-	-	-
Managing Director - Mr. Rajeeva Sinha	-	-	-	3.08	5.19	0.54	-	-
Managing Director - Mr. Kamal Baluja	-	-	-	-	-	-	-	8.10
Deposit paid								
- Prakash Tulsiani	11.50	-	-	-	-	-	-	-
Provision for claims								
- Pipavav Railway Corporation Limited	125.31	213.17	282.38	266.15	277.07	275.65	209.11	-
Closing Balances								
Current account receivable								
- Safmarine India Pvt Limited- acting as agent for Safmarine Container Lines N.V.	-	-	-	2.24	0.01	3.97	2.44	-
- Maersk India Private Limited- acting as an agent for AP Moller-Maersk A/S	39.48	-	-	-	44.07	19.55	7.23	-
- Maersk India Pvt Limited- acting as an agent for Safmarine Container Lines N.V.	9.54	4.00	3.84	-	-	-	-	-
- Gateway Terminals India Private Limited	-	-	-	-	-	0.09	1.66	-
- Pipavav Railway Corporation Limited	11.15	11.15	11.15	11.15	11.15	11.15	11.15	-

PARTICULARS	9 months ended 30-Sept-09	9 months ended 30-Sept-08	12 months ended 31-Dec-08	12 months ended 31-Dec-07	12 months ended 31-Dec-06	9 months ended 31-Dec-05	12 months ended 31-Mar-05	12 months ended 31-Mar-04
- Grevek Investment and Finance Private Limited	-	-	-	-	-	-	-	24.54
- Pipavav Ship Dismantling & Engineering Limited	-	-	-	-	-	-	-	12.31
- SKIL Infrastructure Limited	-	-	-	-	-	-	220.00	177.18
Current account payable								
- APM Terminals Mauritius Limited	54.86	29.70	47.72	25.95	-	-	-	-
- APM Terminals B.V.	13.89	-	-	-	-	-	-	-
- Gateway Terminals India Private Limted	13.55	-	-	-	-	-	-	-
- Maersk India Private Limited	-	-	-	-	-	-	293.17	3.09
- Maersk India Private Limited- acting as an agents for AP Moller-Maersk A/S	-	-	13.77	28.17	-	0.64	-	-
- Maersk India Private Limited- acting as an agents for Safmarine Container Lines N.V.	-	95.98	-	-	-	-	-	-
- APM Terminals Management B.V.	53.00	43.40	56.69	39.61	31.15	67.57	-	-
- Pipavav Ship Dismantling & Engineering Limited	-	-	-	-	-	-	127.28	-
- SKIL Infrastructure Limited	-	-	-	-	-	-	420.00	-
- Awaita Properties Private Limted	-	-	-	-	-	-	-	22.59
Claim payable								
- Pipavav Railway Corporation Limited	334.86	735.72	719.47	1,121.90	855.75	578.68	303.03	-
Deposit receivable								
- Managing Director - Mr. Prakash Tulsiani	11.50	-	-	-	-	-	-	-
Unsecured loan								
- APM Terminals Mauritius Limited	338.67	333.27	344.00	279.81	-	-	-	52.86
-Gateway Terminals India Private Limted	780.00	-	500.00	-	-	-	-	-
Investments								
- Pipavav Railway Corporation Limited	830.00	830.00	830.00	780.00	780.00	780.00	570.00	-

DIVIDEND POLICY

In respect of each financial year, our Company's profits available for distribution in respect of the relevant financial year shall be distributed to the members by way of dividends, in proportion to the amount of capital paid up on the Equity Shares held by them respectively, subject to requirements under the Companies Act and such reasonable and proper reserves being retained for working capital requirements or other liabilities and the financing needs of our Company as the Board of Directors may consider appropriate from time to time having regard to the terms and conditions of the commitment of our Company pursuant to the existing debt arrangements in accordance with the financing agreements.

Our Company has not paid any dividend in the last five fiscal years ending December 31.

INDEBTEDNESS

Corporate Debt Restructuring Scheme

Our Company had outstanding borrowings of Rs. 2,985.30 million as at October 1, 2003. We were referred to the Corporate Debt Restructuring ("**CDR**") Cell for restructuring the debt under the Corporate Debt Restructuring guidelines issued by the RBI. The CDR Empowered Group approved a restructuring proposal at its meeting on October 30, 2003 which was communicated to us through a letter dated November 29, 2003, which was subsequently amended from time to time (the "**Restructuring Package**"). Under the Restructuring Package, we had entered into Restructuring Agreements and Loan Agreements with the CDR lenders, being IDBI Bank Limited, Punjab National Bank, Export Import Bank of India and Industrial Investment Bank of India Limited.

The CDR empowered group at its meeting held on August 22, 2008 has approved the proposed restructuring of debt of our Company under the CDR system. Our proposal of early repayment of the entire CDR debt including redemption of the Preference Shares was approved. The CDR empowered group also granted its no objection to our Company to raise further equity capital by way of an IPO to part finance the capital expenditure requirements of our Company and exit from CDR system upon payment of 0.03% as one time fee on outstanding amount. Our Company has repaid the loans availed from CDR lenders and exited the Restructuring Package.

Thereafter, our Company has entered into a loan agreement dated May 19, 2009 (the "**Loan Agreement**") with Infrastructure Development Finance Company Limited, IDBI Bank Limited, Syndicate Bank, Bank of India, Punjab National Bank, Export-Import Bank of India, Housing Development Finance Corporation Limited, Union Bank of India (together the "**Lenders**") with Infrastructure Development Finance Company Limited as lenders agent and security trustee for an amount of Rs. 12,000 million. The details of the Loan Agreement are set forth in the table below.

Sr. No.	Nature of borrowing	Lender	Amount Sanctioned (in Rs. Million)	Amount outstanding as of December 10, 2009 (in Rs. Million)	Tenure	Interest	Repayment
1.	Rupee term loan	Infrastructure Development Finance Company Limited	2,445.00	2,190.00	Till March 1, 2024	Spread of 2.5% pa over and above IDFC one year benchmark rate prevailing on the date of each disbursement. The aggregate loan amount outstanding upon the last disbursement shall carry interest at the weighted average rate of interest from the date of the last disbursement of the loan	To be made in 48 structured quarterly instalments starting from June 1, 2012. The percentage of the loan to be repaid every quarter is provided below: (i) 0.25% each quarter till March 1, 2013; (ii) 0.50% each quarter

Sr. No.	Nature of borrowing	Lender	Amount Sanctioned (in Rs. Million)	Amount outstanding as of December 10, 2009 (in Rs. Million)	Tenure	Interest	Repayment
2.		Punjab National Bank	2,000.00	1,768.00		Punjab National Bank BPLR + 0.5% + term premia of 0.5% pa	till March 2014; (iii) 1.50% each quarter till March 1, 2016; (iv) 1.75% each quarter till March 1, 2017; (v) 2.50% each quarter till March 1, 2018; (vi) 2% each quarter till March 1, 2019; (vii) 2.25% on March 1, 2020; (viii) 3% each quarter till March 1, 2021 and (ix) 3.25% each quarter till March 1, 2024
3.		Export-Import Bank of India	750.00	671.88		Export-Import Bank of India PLR prevailing on the date of each disbursement less 0.5% pa	
4.		IDBI Bank Limited	2,350.00	1,938.45		IDBI BPLR as prevailing on the date of each disbursement	
5.		Bank of India	2,000.00	1,791.67		Spread of 1% pa over and above Bank of India PLR	
6.		Syndicate Bank	1,000.00	895.83		Spread of 1% pa over and above Syndicate Bank PLR	
7.		Housing Development Finance Corporation Limited	1,000.00	895.83		Spread of 4% pa over and above benchmark rate prevailing on the date of each disbursement. Provided that the aggregate loan outstanding upon the last disbursement shall carry interest at weighted average rate of interest from the date of last disbursement of the loan.	

Sr. No.	Nature of borrowing	Lender	Amount Sanctioned (in Rs. Million)	Amount outstanding as of December 10, 2009 (in Rs. Million)	Tenure	Interest	Repayment
8.		Union Bank of India	455.00	407.60		Spread of 1% pa over and above Union Bank of India PLR	
		Total	**12,000.00**	**10,559.26**		-	

Security

The security interest is created by way of:

(i) a first and pari passu charge on the immovable properties forming part of the project assets;
(ii) a first charge by way of hypothecation on all the movables properties of our Company forming part of the project assets, including movable plant and machinery, machinery spares, tools and accessories, furniture, fixtures, vehicles;
(iii) a first charge on the cash flows, book debts, receivables and any revenues pertaining to the project of whatsoever nature of our Company, whether arising in present or future;
(iv) a first charge on all intangibles including but not limited to goodwill, uncalled capital, present and future of pertaining to the project;
(v) a first charge by way of assignment or creation of security interest in all the right, title, interest, benefit, claim and demand of our Company in the project documents, clearances and letters of credit, guarantees, corporate guarantees, bank guarantee or performance bond provided by any party to the project documents; and
(vi) a first charge on the trust and retention Account including all sub-accounts, debt service reserve account, and other reserves, and all other bank accounts of our Company wherever maintained
(vii) a pledge of shares held by APM Terminals representing 51% of the total paid up equity share capital of our Company. Currently, 65,786,999 Equity Shares held by APM Terminals have been pledged with the Lenders. The Equity Shares held by APM Terminals Mauritius Limited which are pledged as mentioned above do not constitute the minimum Promoter’s contribution which is 20% of the fully diluted post Issue share capital of our Company that will be locked in for a period of three years from the date of Allotment.

Corporate Actions

Our Company, in terms of the Loan Agreement, is required the prior written approval of the Lenders for certain corporate actions, such as:

(i) liquidation, consolidation, merger or sale of assets;
(ii) repayment or prepayment any subordinated loans;
(iii) making certain restricted payments such as dividends or other distributions unless certain conditions are satisfied such as the repayment of the principal amount of the loan having commenced and there having been no event of default.
(iv) engaging in business other than project, create any subsidiaries or change its name or location;
(v) issue any debentures, raise loans, change its capital structure, create any security interest on any project asset except as provided in the financing plan;
(vi) pay any commission to AP Moller Maersk group, directors, managers or other person for furnishing guarantees;
(vii) revalue its assets;
(viii) other than the security interest created under the Loan Agreement, encumber or create any legal or beneficial right on its property, assets and revenues on which it shall create security interest under the Loan Agreement.

Our Company is also required to maintain certain financial covenants.

Loan from Promoter

Our Company has availed an unsecured loan of Rs. 330.79 million as at November 30, 2009 from APM Terminals under the provisions of sponsor support loan. The salient terms of the same are as under:

- Interest payable is 12-months USD-LIBOR plus a margin of 2% p.a.
- The said loan shall be repaid by December 30, 2010 or such other date as may be agreed APM Terminals and our Company.

SECTION V – FINANCIAL INFORMATION

The Board of Directors
Gujarat Pipavav Port Limited
Empire Industries Complex
414 Senapati Bapat Marg
Lower Parel
MUMBAI 400 013

19 December 2009

Dear Sirs

1. We have examined the attached financial information of Gujarat Pipavav Port Limited ('Company') as approved by the Board of Directors of the Company, prepared in terms of the requirements of Paragraph B, Part II of Schedule II of the Companies Act, 1956 ('the Act') and the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations 2009 ('SEBI Regulations'), and in terms of our engagement agreed upon with you in accordance with our engagement letter dated 15 December 2009 in connection with the proposed issue of equity shares of the Company.

2. This information have been extracted by the Management from the financial statements for the years ended 31 March 2004 and 31 March 2005, nine month period ended 31 December 2005, years ended 31 December 2006, 31 December 2007 and 31 December 2008.

3. We have also examined the attached financial information of the Company for the periods 1 January 2009 to 30 September 2009 and 1 January 2008 to 30 September 2008 prepared and approved by the Board of Directors for the purpose of disclosure in the offer document of the Company mentioned in Paragraph (1) above.

   The financial information for the above period was examined to the extent practicable, for the purpose of audit of financial information in accordance with the Auditing and Assurance Standards issued by the Institute of Chartered Accountants of India. Those Standards require that we plan and perform our audit to obtain reasonable assurance, whether the financial information under examination is free of material misstatement.

   Based on the above, we report that in our opinion and according to the information and explanations given to us, we have found the same to be correct and the same have been accordingly used in the financial information appropriately.

4. In accordance with the requirements of Paragraph B of Part II of Schedule II of the Act, the SEBI Regulations and terms of our engagement agreed with you, we further report that:

   (a) The Restated Summary Statement of Assets and Liabilities and the Restated Statement of Cash Flow of the Company as at 31 March 2004, 31 March 2005, 31 December 2005, 31 December 2006, 31 December 2007, 31 December 2008 and 30 September 2009, examined by us, as set out in Annexure to this report are after making adjustments and regrouping as in our opinion were appropriate and more fully described in Significant Accounting Policies, Note and Changes in Significant Accounting Policies (Refer Annexure).

   (b) The Restated Summary Statement of Profit or Loss of the Company, for the years/ periods ended 31 March 2004, 31 March 2005, 31 December 2005, 31 December 2006, 31 December 2007, 31 December 2008, 30 September 2008 and 30 September 2009 (together with Restated Summary Statement of Assets and Liabilities and Restated Statement of Cash Flow 'Restated Summary Statements'), examined by us, as set out in Annexures II, I and III respectively to this report are after making adjustments and regrouping as in our opinion were appropriate and more fully described in Significant Accounting Policies, Note and Changes in Significant Accounting Policies (Refer Annexure IV).

5. Without qualifying our opinion and as further elaborated in Note 4(xii) appearing in Annexure IV, we draw attention to the fact that for the purpose of these Restated Summary Statements, due to practical difficulties in retrospective application of Accounting Standard ("AS") 15 (revised), the Company has adopted the revised AS 15 on Employee Benefits as prescribed by the Companies (Accounting Standards) Rules, 2006 issued by the Central Government, in consultation with the National Advisory Committee on Accounting

Standards effective 1 January 2007. Accordingly, the impact of the revised AS 15 has not been considered as an adjustment item for the purpose of the restatement of all the other periods presented. As reported in the audited financial statements of the Company as at and for the year ended 31 December 2007, the impact of adoption of the revised AS 15 by the Company on 1 January 2007 is Rs 0.29 million on the accumulated balance of employee benefits payable as on 31 December 2006.

6. (a) As further elaborated in Note 4(xiii)(b) appearing in Annexure IV, we draw attention to the fact that the Auditor's reports on the financial statements of the Company for the financial years ended 31 December 2007 and 2008 and for the nine months period ended 30 September 2009 has been qualified pending receipt by the Company of Central Government approval for remuneration of Rs 38.49 million paid/ payable to the erstwhile Managing Director, which was in excess of the limits specified in Schedule XIII of the Act. The Company has applied to the Central Government and the approval for the same is pending.

   (b) As further elaborated in Note 4(xiii)(b) appearing in Annexure IV, we draw attention to the fact that the Auditor's reports on the financial statements of the Company for the for the nine months period ended 30 September 2009 has been qualified for the managerial remuneration of Rs 16.34 million paid to the current managing director. The remuneration committee has approved a lower amount resulting into excess payment of Rs 6.18 million which will be adjusted in future against the approved remuneration. Further, the remuneration paid to the current managing director is in excess of the limits prescribed in Schedule XIII of the Companies Act, 1956 by Rs 14.72 million. The Company has applied to the Central Government for approval of the same

   (c) As further elaborated in Note 4(xiii)(c) appearing in Annexure IV, we draw attention to the fact that the Company has given an advance of Rs 11.50 million to the current managing director, as approved by the remuneration committee. However, the Company is in the process of applying to the Central Government for approval of the same.

7. Based on the above, we are of the opinion that the restated financial information have been made after incorporating:

   (i) adjustments for the changes in accounting policies retrospectively in respective financial years/periods to reflect the same accounting treatment as per changed accounting policy for all the reporting periods except to the extent stated in paragraph 5 above;

   (ii) adjustments for the material amounts in the respective financial years/ periods to which they relate;

   (iii) and there are no extra-ordinary items that need to be disclosed separately in the accounts and qualifications requiring adjustments except to the extent stated in paragraph 6 above.

8. We have also examined the following other financial information set out in the Annexures prepared by the management and approved by the Board of Directors relating to the Company for the years/ periods ended 31 March 2004, 31 March 2005, 31 December 2005, 31 December 2006, 31 December 2007, 31 December 2008, 30 September 2008 and 30 September 2009.

   (i) Statement of Other Income included in Annexure V.

   (ii) Statement of Secured and Unsecured loans included in Annexure VI.

   (iii) Statement of capitalization as at 30 September 2009, included in Annexure X.

   (iv) Statement of Accounting Ratios included in Annexure XI.

   (v) Statement of Tax Shelter included in Annexure XII.

9. The report should not in any way be construed as a reissuance or redating of any of the previous audit report issued by us.

10. We have no responsibility to update our report for events and circumstances occurring after the date of the report.

11. In our opinion the financial information contained in Annexure I to XII of this report read along with the Significant Accounting Policies, Changes in Significant Accounting Policies and Notes (Refer Annexures) prepared after making adjustments and regrouping as considered appropriate and read with paragraph 5 above and *subject to any adjustment that may be required in respect of matters stated in paragraph 6 above*, have been prepared in accordance with Part IIB of Schedule II of the Act and the SEBI Regulations.

12. Our report is intended solely for use of the management and for inclusion in the offer document in connection with the proposed issue of equity shares of the Company. Our report and should not be used for any other purpose except with our consent in writing.

For **B S R & Associates**
Chartered Accountants

Akeel Master

Partner
Membership No: 046768
Mumbai

ANNEXURE I : STATEMENT OF RESTATED ASSETS AND LIABILITIES

(Rs. millions)

PARTICULARS	As at 30-Sept-09	As at 30-Sept-08	As at 31-Dec-08	As at 31-Dec-07	As at 31-Dec-06	As at 31-Dec-05	As at 31-Mar-05	As at 31-Mar-04
Fixed Assets								
Gross Block	15,137.35	10,532.40	11,612.59	8,690.18	8,778.01	6,801.82	6,723.73	6,235.05
Less: Accumulated depreciation	1,976.15	1,532.30	1,648.63	1,280.95	1,074.24	891.94	733.72	542.22
Less: Asset impairment	1,375.23	1,375.23	1,375.23	1,375.23	1,593.52	1,603.93	1,603.93	1,603.93
Net Block	**11,785.97**	**7,624.87**	**8,588.73**	**6,034.00**	**6,110.25**	**4,305.95**	**4,386.08**	**4,088.90**
Capital Work in Progress including Capital Advances	**1,408.61**	**2,110.56**	**1,638.31**	**3,090.23**	**791.34**	**498.63**	**102.53**	**170.98**
Investments	**830.00**	**830.00**	**830.00**	**780.00**	**780.00**	**780.00**	**570.00**	**-**
Current Assets, Loans and Advances								
Inventories	62.14	52.02	47.37	45.47	26.66	14.00	18.21	11.62
Sundry Debtors	188.53	57.98	75.12	34.47	97.29	42.99	28.85	7.00
Unbilled revenue	11.00	-	-	-	-	-	-	-
Cash and bank balances	590.91	1,418.60	1,700.21	2,545.21	480.84	820.13	95.22	33.49
Other Current Assets	49.49	104.41	103.11	102.83	19.99	14.87	-	49.75
Loans and Advances	676.11	300.33	494.07	370.06	316.52	372.90	306.75	410.66
Total	**1,578.18**	**1,933.34**	**2,419.88**	**3,098.04**	**941.30**	**1,264.89**	**449.03**	**512.52**
Liabilities and Provisions								
Secured Loans	10,409.26	6,072.49	6,570.92	5,888.60	5,858.37	3,844.39	3,625.64	3,704.21
Unsecured loans	1,118.67	333.27	844.00	279.81	-	137.50	285.00	52.86
Deferred Tax liabilities (net)	-	-	-	-	-	-	-	-
Current liabilities	1,278.79	1,823.12	1,892.83	1,758.84	1,375.64	1,215.09	1,261.19	538.63
Provisions	326.84	322.21	328.21	481.57	453.88	285.83	277.36	180.72
Total	**13,133.56**	**8,551.09**	**9,635.96**	**8,408.82**	**7,687.89**	**5,482.81**	**5,449.19**	**4,476.42**
Net worth	**2,469.20**	**3,947.68**	**3,840.96**	**4,593.45**	**935.00**	**1,366.66**	**58.45**	**295.98**
Net worth represented by								
Share Capital	**2,937.00**	**3,454.80**	**3,454.80**	**3,454.80**	**2,618.76**	**2,481.26**	**2,118.76**	**1,600.96**
Reserves and Surplus								
Securities Premium Account	6,973.07	7,205.09	7,205.09	7,205.09	3,872.49	3,873.04	2,421.94	2,421.94
Less: Premium on redemption	29.07	219.00	232.02	176.27	126.01	75.74	37.87	-
Securities Premium Account	6,944.00	6,986.09	6,973.07	7,028.82	3,746.48	3,797.30	2,384.07	2,421.94
Profit and Loss Account	(7,411.80)	(6,493.21)	(6,586.91)	(5,890.17)	(5,430.24)	(4,911.90)	(4,444.38)	(3,726.92)
Reserves & Surplus	**(467.80)**	**492.88**	**386.16**	**1,138.65**	**(1,683.76)**	**(1,114.60)**	**(2,060.31)**	**(1,304.98)**
Net worth	**2,469.20**	**3,947.68**	**3,840.96**	**4,593.45**	**935.00**	**1,366.66**	**58.45**	**295.98**

Note:

The above statement should be read with Notes to the Summary of Statements of Restated Assets and Liabilities, Profits and Losses and Cash Flows, as restated under Indian GAAP (Refer Annexure IV).

ANNEXURE II : STATEMENT OF RESTATED PROFITS AND LOSSES

(Rs. millions)

PARTICULARS	9 months ended 30-Sept-09	9 months ended 30-Sept-08	12 months ended 31-Dec-08	12 months ended 31-Dec-07	12 months ended 31-Dec-06	9 months ended 31-Dec-05	12 months ended 31-Mar-05	12 months ended 31-Mar-04
Income								
Operating Revenue	1,508.60	1,215.58	1,674.89	1,516.04	1,349.63	676.23	762.07	492.52
Other Income	44.66	168.94	308.44	133.60	74.58	25.50	22.97	37.64
Total Income	**1,553.26**	**1,384.52**	**1,983.33**	**1,649.64**	**1,424.21**	**701.73**	**785.04**	**530.16**
Less: Expenditure								
Operating expenses	627.76	460.09	609.36	597.26	487.40	230.00	259.45	224.95
Repairs and maintenance	101.40	133.11	150.98	112.31	138.81	46.26	42.11	27.43
Staff cost	180.79	151.18	202.40	138.35	106.30	61.71	61.94	64.21
Administrative and other expenses	354.83	439.42	588.91	543.86	414.34	358.11	377.40	172.34
Borrowing cost	781.50	547.60	754.82	404.65	468.20	310.03	438.73	410.40
Depreciation / Amortisation	330.96	253.61	369.97	272.04	241.48	161.42	192.87	249.34
Impairment loss on fixed assets	-	-	-	-	-	-	-	1,603.93
Total expenditure	**2,377.24**	**1,985.01**	**2,676.44**	**2,068.47**	**1,856.53**	**1,167.53**	**1,372.50**	**2,752.60**
Profit / (Loss) before exceptional item and tax	**(823.98)**	**(600.49)**	**(693.11)**	**(418.83)**	**(432.32)**	**(465.80)**	**(587.46)**	**(2,222.44)**
Exceptional item	-	-	-	38.55	83.58	-	130.00	97.51
Profit / (Loss) before tax	**(823.98)**	**(600.49)**	**(693.11)**	**(457.38)**	**(515.90)**	**(465.80)**	**(717.46)**	**(2,319.95)**
Provision for tax								
Current Tax (including fringe benefits tax)	0.91	2.55	3.63	2.84	2.44	1.72	-	-
Deferred Tax	-	-	-	-	-	-	-	(24.47)
Total Provision for Tax	**0.91**	**2.55**	**3.63**	**2.84**	**2.44**	**1.72**	**-**	**(24.47)**
Net Profit / (Loss) as restated	**(824.89)**	**(603.04)**	**(696.74)**	**(460.22)**	**(518.34)**	**(467.52)**	**(717.46)**	**(2,295.48)**
Profit / (Loss) at the beginning of the period / year	(6,586.91)	(5,890.17)	(5,890.17)	(5,430.24)	(4,911.90)	(4,444.38)	(3,726.92)	(1,431.44)
Less: Reversal on account of transitional gratuity liability	-	-	-	(0.29)	-	-	-	-
Balance available for appropriation, as restated	**(7,411.80)**	**(6,493.21)**	**(6,586.91)**	**(5,890.17)**	**(5,430.24)**	**(4,911.90)**	**(4,444.38)**	**(3,726.92)**
Appropriations	-	-	-	-	-	-	-	-
Balance carried forwards restated	**(7,411.80)**	**(6,493.21)**	**(6,586.91)**	**(5,890.17)**	**(5,430.24)**	**(4,911.90)**	**(4,444.38)**	**(3,726.92)**

Note:

The above statement should be read with Notes to the Summary of Statements of Restated Assets and Liabilities, Profits and Losses and Cash Flows, as restated under Indian GAAP (Refer Annexure IV).

ANNEXURE III : STATEMENT OF RESTATED CASH FLOW

(Rs. millions)

PARTICULARS	9 months ended 30-Sept-09	9 months ended 30-Sept-08	12 months ended 31-Dec-08	12 months ended 31-Dec-07	12 months ended 31-Dec-06	9 months ended 31-Dec-05	12 months ended 31-Mar-05	12 months ended 31-Mar-04
A. Cash flow from operating activities								
Net Profit / (loss) before taxation	(823.98)	(600.49)	(693.11)	(457.38)	(515.90)	(465.80)	(717.46)	(2,319.95)
Adjustment for								
Depreciation	330.96	253.61	369.97	272.04	241.48	161.42	192.87	249.34
Impairment loss on fixed assets	-	-	-	-	-	-	-	1,603.93
Interest expenses	781.50	547.60	754.82	404.65	468.20	310.03	438.73	410.40
Interest income	(37.93)	(128.12)	(167.06)	(130.44)	(35.41)	(17.88)	(9.85)	(11.76)
Exceptional items	-		-	38.55	83.58	-	-	97.51
Preoperative expenses	-	-	-	-	-	2.53	0.97	-
(Profit)/Loss on sale/discard of assets	0.80	(20.39)	(20.39)	-	(27.31)	0.46	0.69	4.73
(Profit) / Loss on sale of investments	-	-	-	-	-	-	-	0.08
Operating profit / (loss) before working capital changes	251.35	52.21	244.23	127.42	214.64	(9.24)	(94.05)	34.28
Adjustment for								
(Increase) / Decrease in Inventories	(14.77)	(6.55)	(1.90)	(18.81)	(12.66)	11.53	(6.59)	(2.06)
(Increase) / Decrease in Sundry Debtors	(124.42)	(23.52)	(40.66)	62.83	(51.89)	(24.80)	(29.18)	(6.94)
(Increase) / Decrease in Loans and Advances	(143.35)	(43.56)	(233.58)	44.78	55.71	(57.56)	18.62	10.37
(Decrease) / Increase in Sundry Creditors and Other liabilities	(282.49)	39.88	(191.79)	483.40	237.77	195.97	334.21	84.87
Cash (used in) / generated from operation	(313.68)	18.46	(223.70)	699.62	443.57	115.90	223.01	120.52
Direct taxes (paid) / refunds received	(39.60)	(34.60)	(36.08)	(12.58)	(1.87)	7.14	5.78	(7.58)
Net cash (used in) / generated from operating activities	**(353.28)**	**(16.14)**	**(259.78)**	**687.04**	**441.70**	**123.04**	**228.79**	**112.94**
B. Cash flow from investing activities								
Purchase of Fixed assets	(3,374.11)	(1,090.40)	(1,487.86)	(2,769.05)	(2,418.19)	(301.24)	(340.53)	(392.08)
Proceeds from sale of fixed assets	1.87	27.03	27.17	-	64.82	21.08	1.16	0.25
Investments	-	-	-	-	-	(680.00)	(150.00)	-
Interest income	91.52	126.54	166.78	49.19	32.40	11.55	4.12	2.68
Net cash (used in) investing activities	**(3,280.72)**	**(936.83)**	**(1,293.91)**	**(2,719.86)**	**(2,320.97)**	**(948.61)**	**(485.25)**	**(389.15)**
C. Cash flow from financing activities								
Proceeds from issue of share capital	-	-	-	4,180.19	-	1,451.10	-	-
Proceeds from long term borrowings	11,844.24	652.24	1,302.44	1,047.95	1,999.46	509.17	432.18	317.53
Proceeds from short term borrowings	380.00	-	500.00	-	-	550.00	-	-
Repayment of long term borrowings	(8,026.34)	(464.99)	(614.54)	(857.49)	(244.86)	(701.59)	(38.83)	(22.59)
Repayment of short term borrowings	(100.00)	-	-	-	-	-	-	-
Repayment of preference shares	(517.80)	-	-	-	-	-	-	-
Premium on redemption of preference shares	(243.39)	-	-	-	-	-	-	-
Share issue expenses	-	-	-	(11.55)	(0.55)	-	-	-
Interest paid	(812.01)	(360.89)	(479.21)	(261.91)	(214.07)	(258.20)	(75.16)	(17.94)
Net cash generated from / (used in) financing activities	**2,524.70**	**(173.64)**	**708.69**	**4,097.19**	**1,539.98**	**1,550.48**	**318.19**	**277.00**
Net (decrease) / increase in cash and cash equivalents	(1,109.30)	(1,126.61)	(845.00)	2,064.37	(339.29)	724.91	61.73	0.79

PARTICULARS	9 months ended 30-Sept-09	9 months ended 30-Sept-08	12 months ended 31-Dec-08	12 months ended 31-Dec-07	12 months ended 31-Dec-06	9 months ended 31-Dec-05	12 months ended 31-Mar-05	12 months ended 31-Mar-04
Cash and cash equivalents, at beginning of period / year	**1,700.21**	**2,545.21**	**2,545.21**	**480.84**	**820.13**	**95.22**	**33.49**	**32.70**
Cash and cash equivalents, at end of period / year	**590.91**	**1,418.60**	**1,700.21**	**2,545.21**	**480.84**	**820.13**	**95.22**	**33.49**
Cash and cash equivalents includes deposits with banks on lien against bank guarantee issued to third parties	36.38	31.10	146.10	19.23	9.67	8.71	20.66	20.14
Notes:								

1. The Cash Flow Statement has been prepared under the indirect method as set out in Accounting Standard-3 on Cash Flow Statements prescribed in the Companies (Accounting Standards) Rules, 2006 issued by the Central Government, in consultation with the National Advisory Committee on Accounting Standard ('NACAS').
2. Cash and Cash equivalents consist of Cash on hand, Bank balances in current accounts and Deposit account.
3. The above statement should be read with Notes to the Summary of Statements of Restated Assets and Liabilities, Profits and Losses and Cash Flows, as restated under Indian GAAP (Refer Annexure IV).

ANNEXURE IV : NOTES TO THE SUMMARY OF STATEMENTS OF RESTATED ASSETS AND LIABILITIES, PROFITS AND LOSSES AND CASH FLOWS, AS RESTATED UNDER INDIAN GAAP.

1. Background

i. Gujarat Pipavav Port Limited, ("the Company") was incorporated on 5 August 1992 to construct, operate and maintain an all weather port at Pipavav, District Amreli, in the State of Gujarat.

ii. The port is designed to handle bulk, container and liquid cargo and to provide ancillary port services such as marine services, material handling, transit and storage operations.

iii. The Company has entered into a 30 year Concession Agreement with Government of Gujarat and Gujarat Maritime Board (GMB) dated 30 September 1998 to engage in the business of developing, constructing, operating and maintaining the port on a BOOT (Build Own Operate Transfer) basis. In certain events of default as per Concession Agreement, GMB has the step-in right by payment of consideration as per the agreement.

iv. AP Moller-Maersk group together with certain financial investors acquired the complete shareholdings held by the original promoter viz. SKIL group, on receipt of approval from Government of Gujarat and GMB during 2005. Accordingly, AP Moller-Maersk group has become the key promoter of the Company with management control.

The restated financial statements relate to the Company and have been prepared specifically for inclusion in the document to be filed by the Company with the Securities and Exchange Board of India ("SEBI") in connection with its proposed Initial Public Offering. The restated financial statements consist of the restated summary statement of assets and liabilities of the Company as at 31 March 2004, 2005, 31 December 2005, 2006, 2007, 2008 and 30 September 2008 and 2009, the related restated summary statement of profits and losses for the years / period ended 31 March 2004, 2005, 31 December 2005, 2006, 2007, 2008 and for the nine months ended 30 September 2008 and 2009 and the related restated summary statement of cash flows for each of the years / period ended 31 March 2004, 2005, 31 December 2005, 2006, 2007, 2008 and for the nine months ended 30 September 2008 and 2009 (these restated financial statements hereinafter are collectively referred to as "Restated Summary Statements").

The Restated Summary Statements have been prepared to comply in all material respects with the requirements of Schedule II to the Companies Act, 1956 ("the Act") and the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations 2009 ("the SEBI Regulations") notified by SEBI on August 26, 2009, as amended from time to time. The Act and the SEBI Regulations require the information in respect of the assets and liabilities and profits and losses of the Company for each of the eight years / periods immediately preceding the issue of the Prospectus.

2. Basis of preparation of financial statements

I. The financial statements have been prepared on a going concern basis and on accrual basis, under the historical cost convention and in accordance with the generally accepted accounting principles, the accounting standards prescribed in the Companies (Accounting Standards)

Rules, 2006 issued by the Central Government, in consultation with the National Advisory Committee on Accounting Standards ('NACAS') and relevant provisions of the Companies Act 1956 ('the Act'), to the extent applicable.

II. Going Concern

The Company's management believes that the Company will be able to meet its debts and other financial obligations as on 30 September 2009 and in the foreseeable future as and when they fall due based on the following mitigating factors.

i. Debt of Rs 12,000.00 million tied up with IDFC and other lenders, of which Rs 10,409.26 million has been drawn down till 30 September 2009;

ii. Expansion plan under implementation;

iii Updated cash flow projections as prepared by the management based on Business plan approved by Board of Directors; and

iv Sponsor support provided by A.P.Moller – Maersk A/S for an amount not exceeding Rs 3,266 million in terms of Sponsor Support Agreement entered into between the Company, New Lenders and A.P.Moller – Maersk A/S

Accordingly, these financial statements are prepared on a going concern basis. Management is of the opinion that no further adjustments are required to the recoverability and classification of the carrying amounts of the assets.

III. **Use of Estimates:**

The preparation of financial statements in conformity with the generally accepted accounting principles often requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent liabilities on the date of the financial statements. Actual results could differ from those estimates. Any revision to accounting estimates is recognised prospectively in current and future periods.

3. Significant accounting policies

I. Tangible fixed assets and depreciation

i. Tangible Fixed assets are stated at cost less accumulated depreciation and impairment loss, if any. Cost includes:

a) Preoperative expenses incidental and related to construction of the port facility upto the date of commencement of commercial operations, net of income earned from pre-commercial operations during the construction period; and

b) Inward freight, duties, taxes and expenses incidental to construction, acquisition and installation.

ii. Depreciation

Depreciation on tangible fixed assets is provided on straight line basis (SLM), at the rates and in the manner prescribed in Schedule XIV to the Companies Act, 1956 except in the case of following fixed assets, which are depreciated at different rates:

a) Expenditure on roads constructed on land not owned by the Company –over the remaining concession period

b) Capital Dredging - at 2% p.a.

c) Second hand Quay Cranes – First 5 year at 15% p.a. and next five years at 5% p.a.

iii. Leasehold improvements are depreciated over the primary lease period.

iv. Assets individually costing upto rupees five thousand are fully depreciated in the period / year of acquisition.

II. Intangible asset

Intangible assets are recognised only when it is probable that the future economic benefits that are attributable to the assets will flow to the company and the cost of such assets can be measured reliably.

Intangible assets are stated at cost less accumulated amortisation and impairment loss, if any. All costs relating to the acquisition are capitalised. Intangible assets are amortised over its estimated useful life.

III. Borrowing costs

Borrowing costs that are attributable to the acquisition or construction of qualifying assets are capitalised as a part of the cost of such assets. A qualifying asset is an asset that necessarily requires a substantial period of time to get ready for its intended use. All other borrowing costs are charged to the profit and loss account as and when incurred.

IV. Impairment of assets

In accordance with Accounting Standard 28 – Impairment of assets (AS 28), the carrying amounts of the Company's assets are reviewed at each balance sheet date to determine whether there is any indication of impairment. If any such indication exists, the asset's recoverable amount is estimated, as the higher of the net selling price and the value in use. Value in use is the present value of estimated future cash flows expected to arise from the continuing use of the assets and from its disposal at the end of its useful life. An impairment loss is recognised whenever the carrying amount of an asset or its cash generating unit exceeds its recoverable amount.

V. Foreign currency transactions

a. Foreign currency transactions are recorded using the rates prevailing on the date of the respective transactions. Exchange differences arising on foreign currency transactions settled during the period / year are recognized in the profit and loss account of the period / year.

b. Monetary assets and liabilities denominated in foreign currencies as at the balance sheet date are translated at the closing exchange rates on that date; the resultant exchange differences are recognised in the profit and loss account.

c. Exchange difference arising on the forward exchange contracts entered into to hedge the foreign currency risk of a firm commitment or a highly probable forecast transaction is recognized in the profit and loss account.

   Premium in respect of forward contracts, are recognized over the life of contract, and exchange difference arising on renewal or cancellation of forward exchange contracts are recognized in the profit and loss account.

VI. Investments

Long-term investments are stated at cost. Provision for diminution in the value of long term investments is made only if such decline is other than temporary.

VII. Inventories

Stores and spare parts, fuel and lubricants are valued at cost or net realisable value whichever is lower; the cost is calculated on first in first out ('FIFO') basis. Systematic provisioning is made for inventories held for more than a year.

VIII. Revenue recognition

i Revenue from operations is recognised as and when services are performed. Revenue is exclusive of Service Tax and Education Cess wherever applicable.

ii Interest income is recognised on a time proportion basis at the applicable interest rates.

IX. Employee retirement benefits

(a) Short Term employee benefits

All employee benefits payable wholly within twelve months of rendering the service are classified as short-term employee benefits. Benefits such as salaries, wages and short term compensated absences, etc. and the expected cost of ex-gratia are recognised in the period in which the employee renders the related service. The undiscounted amount of short term employee benefits, expected to be paid in exchange for the services rendered by employees is recognised during the period.

(b) Long Term employment benefits

The Company's net obligation in respect of long-term employment benefits, other than gratuity, is the amount of future benefit that employees have earned in return for their service in the current and prior periods. The obligation is calculated using the Projected Unit Credit Method and is discounted to its present value and the fair value of any related assets is deducted. The discount rates used for determining the present value of the obligation under defined benefits plan, are based on the market yields on Government securities as at the balance sheet date.

(c) Post employment benefits

Defined contribution plans:

Contributions payable to the recognized Provident Fund, which is a defined contribution scheme, is charged to the profit and loss account during the period in which the employee renders the related service. The Company has no further obligations under the provident fund plan beyond its monthly contributions.

Defined benefit plan:

The Company's gratuity benefit scheme is a defined benefit plan. The Company's net obligation in respect of the gratuity benefit scheme is calculated by estimating the amount of future benefit that employees have earned in return for their service in the current and prior periods; that benefit is discounted to determine its present value and the fair value of any plan assets is deducted.

The present value of the obligation under such defined benefit plan is determined based on actuarial valuation using the Projected Unit Credit Method, which recognizes each period of service as giving rise to one additional unit of employee benefit entitlement and measures each unit separately to build up the final obligation.

The obligation is measured at the present value of the estimated future cash flows. The discount rates used for determining the present value of the obligation under defined benefit plan are based on the market yields on Government securities as at the balance sheet date.

When the calculation results in a benefit to the Company, the recognised asset is limited to the net total of any unrecognised actuarial losses and past service costs and the present value of any future refunds from the plan or reductions in future contributions to the plan. Actuarial gains and losses are recognized immediately in the profit and loss account.

The Company has funded its gratuity liability with Life Insurance Corporation of India (LIC) under the Group Gratuity cum Life Assurance (Cash Accumulation) Scheme.

X. Taxation

Tax expense comprises current tax (i.e. amount of tax for the period / year determined in accordance with the income-tax law), deferred tax charge or credit (reflecting the tax effects of timing differences between accounting income and taxable income for the period/year) and fringe benefit tax. Provision for current tax is based on the results for the period ended 30 September 2009, in accordance with the provisions of the Income Tax Act, 1961. The final tax liability will be determined on the basis of the operations for the year 1 April 2009 to 31 March 2010, being the tax year of the Company.

The deferred tax charge or credit and the corresponding deferred tax liabilities or assets are recognised using the tax rates that have been enacted or substantively enacted by the balance sheet date. Deferred tax assets are recognised only to the extent there is reasonable certainty that the assets can be realised in future, however when there is unabsorbed depreciation or carry forward loss under taxation laws, deferred tax assets are recognised only if there is a virtual certainty of realisation of such assets.

Deferred tax assets are reviewed as at each balance sheet date and written down or written-up to reflect the amount that is reasonably / virtually certain (as the case may be) to be realised.

Provision for Fringe Benefits Tax is made on the basis of the applicable rates on the taxable value of eligible expenses of the Company, as prescribed under the Income Tax Act, 1961.

XI. ***Insurance Claims***

The Company recognises insurance claims when the recoverability of the claims is established with a reasonable certainty.

XII. ***Provisions and Contingent liabilities***

The Company creates a provision where there is present obligation as a result of a past event that probably requires an outflow of resources and a reliable estimate can be made of the amount of the obligation. A disclosure for a contingent liability is made when there is a possible or a present obligation that may, but probably will not require an outflow of resources. When there is a possible obligation in respect of which the likelihood of outflow of resources is remote, no provision or disclosure is made. In case of certain litigations, legal opinions are obtained as necessary to support management estimates.

XIII. ***Earnings per share (EPS)***

The basic earnings per share is computed by dividing the net profit attributable to the equity shareholders for the period / year by the weighted average number of equity shares outstanding during the period / year. Diluted EPS is computed by dividing the net profit attributable to the equity shareholders for the period / year by the weighted average number of equity and dilutive equity equivalent shares outstanding during the period / year, except where the results would be anti-dilutive.

4. Impact of material adjustments

Summary of results of restatements made in the audited financial statements of the Company for the respective periods / years and their impact on the profit / losses and assets and liabilities of the Company is as under:

Impact on Profit / Losses

(Rs. Millions)

Particulars	9 months ended 30-Sept-09	9 months ended 30-Sept-08	12 months ended 31-Dec-08	12 months ended 31-Dec-07	12 months ended 31-Dec-06	9 months ended 31-Dec-05	12 months ended 31-Mar-05	12 months ended 31-Mar-04	Prior to 01-Apr-03
i. Exchange difference on foreign currency loans (refer note i)									
- Exchange Loss / (Gain)	-	-	-	-	6.52	4.42	(2.96)	(14.63)	13.55
- Depreciation	0.61	0.61	0.81	0.81	(0.31)	(0.19)	(0.38)	(1.13)	(6.28)
- Profit on sale of asset	-	-	-	-	(9.76)	-	-	-	-
ii. Provision for contingencies (refer note ii, viii)	(12.77)	(143.03)	(143.03)	(342.26)	(109.43)	185.77	217.27	58.30	146.15
iii. Additions to fixed assets (refer note iii)									
- Borrowing cost & other expenses	-	-	-	-	-	-	-	-	580.82
- Depreciation	-	-	-	-	-	-	-	-	(20.62)
- Impairment loss	-	-	-	-	-	-	-	(560.20)	-
iv. Managerial remuneration (refer note iv)	-	-	-	-	-	-	(0.82)	-	0.82
v. Prior-period expenses/income (refer note v)									
- Deferred revenue expenses w/off	-	-	-	-	-	-	-	-	-

Particulars	9 months ended 30-Sept-09	9 months ended 30-Sept-08	12 months ended 31-Dec-08	12 months ended 31-Dec-07	12 months ended 31-Dec-06	9 months ended 31-Dec-05	12 months ended 31-Mar-05	12 months ended 31-Mar-04	Prior to 01-Apr-03
- Current tax	-	-	-	-	-	-	(0.60)	-	0.60
- Other income	-	-	-	-	-	-	(9.62)	1.58	8.04
vi. Depreciation written back (refer note vi)	-	-	-	4.18	(4.18)	-	-	-	-
vii. Sundry balances written off/back (refer note vii)									
- Operating revenue	6.36	20.09	49.20	-	-	-	0.02	0.33	2.18
- Operating expenses	-	-	-	(1.54)	(0.88)	-	-	-	-
- Other income	70.83	0.03	2.42	7.81	0.01	-	1.68	2.31	0.20
- Administrative and other expenses	(55.56)	(20.11)	(52.07)	(1.18)	(2.13)	(0.90)	(1.35)	(4.71)	(4.25)
- Interest expense	-	(5.03)	(6.58)	(6.95)	(5.25)	-	-	-	-
Total	**9.47**	**(147.44)**	**(149.25)**	**(339.13)**	**(125.41)**	**189.10**	**203.24**	**(518.15)**	**721.21**
Regroupings									
i. Administrative and other expenses (refer note xi)	-	-	-	0.07	0.08	-	0.30	0.30	
ii. Current tax (refer note xi)	-	-	-	(0.07)	(0.08)	-	(0.30)	(0.30)	

Impact on Assets and Liabilities (Cumulative)

(Rs. Millions)

Particulars	As at 30-Sept-09	As at 30-Sept-08	As at 31-Dec-08	As at 31-Dec-07	As at 31-Dec-06	As at 31-Dec-05	As at 31-Mar-05	As at 31-Mar-04	As at 1-Apr-03
Adjustments									
i. Fixed Assets									
- Gross Block	(567.02)	(567.02)	(567.02)	(564.38)	(564.38)	(582.40)	(577.99)	(579.75)	(594.38)
- Accumulated depreciation	15.74	16.55	16.35	17.16	22.15	28.60	28.42	28.03	26.90
- Impairment of assets	560.20	560.20	560.20	560.20	560.20	560.20	560.20	560.20	-
ii. Capital work in progress	-	-	-	(2.64)	(2.64)	1.20	1.20	-	-
iii. Sundry debtors	-	-	-	(0.02)	(0.35)	(0.37)	(0.39)	(0.67)	(0.91)
iv. Loans and Advances	-	-	-	-	-	-	-	(10.72)	(10.10)
v. Loans Funds	-	4.01	4.43	2.82	1.21	-	-	-	-
vi. Current liabilities	-	13.22	17.20	9.38	11.00	4.86	3.98	4.90	2.48
vii. Provisions	-	(10.38)	(12.77)	(329.65)	(623.19)	(683.23)	(459.59)	(205.05)	(145.20)
viii. Share premium account (refer note ix)	-	-	-	176.27	126.01	75.74	37.87	-	-
Regroupings (refer note xi)									
i. Capital work in progress	-	-	-	-	-	-	-	(0.33)	
ii. Inventories	-	-	-	-	-	-	-	0.33	
iii. Sundry debtors	-	-	-	-	-	(1.54)	-	-	
iv. Other current assets	-	-	-	85.83	-	14.87	-	49.75	

Particulars	As at 30-Sept-09	As at 30-Sept-08	As at 31-Dec-08	As at 31-Dec-07	As at 31-Dec-06	As at 31-Dec-05	As at 31-Mar-05	As at 31-Mar-04	As at 1-Apr-03
v. Loans and advances	-	-	-	2.34	(2.00)	(16.36)	(2.51)	(51.66)	
vi. Secured loan	-	-	-	1.97	0.93	-	-	-	
vii. Current liabilities (refer note x)	-	-	-	(1,105.36)	(836.80)	(549.43)	(294.97)	(95.24)	
viii. Provisions (refer note x)	-	-	-	1,015.22	837.87	552.46	297.48	97.15	

Notes on Adjustments for Restated Summary Statements

CHANGE IN ACCOUNTING POLICY AND ESTIMATE

i. Exchange difference on foreign currency loan:

Exchange difference on foreign currency loan taken for acquisition of fixed assets was capitalized with respective assets in earlier years. As per the Accounting Standard 11- The Effects of Changes in Foreign Exchange Rates (revised 2003) as notified under Companies (Accounting Standard) Rules, 2006, w.e.f. 1 January 2007, exchange differences relating to acquisition of imported fixed assets, which were hitherto adjusted in the carrying amount of the related fixed assets upto year 2006, is charged to profit & loss account from 1 January 2007. For the purpose of restatement, exchange differences capitalised in earlier years have been charged to profit and loss account and accordingly depreciation and profit / (loss) on disposal of fixed assets has been recomputed.

AUDITORS QUALIFICATIONS

ii. Provision for Contingencies:

Claim for shortfall in traffic guarantee from Pipavav Railway Corporation Limited (PRCL) was not recognised in the books till 31 March 2005 pending negotiations with PRCL and Ministry of Railways (MOR). During the period / year ended 31 Dec 2005 and 2006 the same was recognised in the books based on best estimate by the management. In the year 2007, a sub committee of the PRCL Board was constituted to review and consider various options in regard to the settlement of such potential claim. Considering the progress of the matter, the management considered prudent to recognise the liability in the books and accordingly provided an amount of Rs 621.91 million, in addition to Provision of Rs 500 million already made in the prior years. For the purpose of restatement, the liability has been restated to respective years based on the claim by PRCL.

iii. Additions to Fixed Assets:

The Company has capitalised certain indirect expenses (including borrowing cost) during the periods prior to year 2002-03, which were not capitalisable. These expenses were charged to profit and loss account as a part of impairment loss in the year 2003-04. For the purpose of restatement these expenses have been de-capitalised and charged to opening profit and loss account with a corresponding adjustment to the depreciation charge for the related year.

iv. Managerial remuneration:

Prior to year 2003-04, the Company has paid managerial remuneration in excess of the approval received from the Central Government under Sections 269, 198(4) / 302(3) of the Companies Act, 1956, which was included in loans and advances as at 31 March 2004. This excess remuneration has been charged to profit and loss account during the year 2004-05, on receipt of approval of waiver from Central Government. For the purpose of restatement, the same has been adjusted to opening profit and loss account, as it relates to the period prior to 31 March 2004 for the services rendered by the Director.

PRIOR PERIOD ADJUSTMENTS:

v. Prior period expenses / income:

In the financial statements for the year ended 31 March 2004 and 2005, the Company has classified certain transactions as prior period items. Accordingly, for the purpose of the Restated Summary Statements, the said transactions of income /expense have been appropriately adjusted in the respective years to which they relate.

vi. Depreciation written back:

During the year 2007, excess depreciation of earlier year with respect to plant and machinery was written back. For the purpose of restatement the same is adjusted to earlier year.

vii. Sundry balances written off/back:

In the financial statements for the year ended 31 March 2004, 2005 and period/year ended 31 December 2005, 2006, 2007, 2008 and nine months ended 30 September 2008, 2009, certain debit / credit balances pertaining to earlier years were adjusted to the profit and loss account. Accordingly, for the purpose of the Restated Summary Statements, such amounts have been appropriately adjusted to the respective years to which they relate.

OTHER SIGNIFICANT ADJUSTMENTS:

viii. Provision for contingencies:

The Company has been in discussions with certain parties for resolution of claims as raised by the supplier / customer. During year ended 31 December 2008 and nine months ended 30 September 2008 and 2009, considering the progress of the matter, the management considers prudent to recognise the liability in the books and accordingly have provided for the same. For the purpose of restatement, the liability has been restated to respective years in which the claims were initiated.

ix. Premium on redemption of 1% preference shares:

As more fully explained in note 'V-b' below, upon receipt of approval for variation in terms of preference shares, during the year ended 31 December 2008, premium on redemption of 1% Non-cumulative Redeemable Preference Shares has been amortised over its tenure and adjusted against the securities premium as at 31 December 2008. For the purpose of restatement, premium on redemption, being a period cost, has been adjusted to share premium for respective periods / years.

REGROUPINGS

x. During year ended 31 December 2008, on crystallisation of liability towards traffic guarantee claim, the provision amount is reclassified as creditors. Accordingly provisions for earlier periods have been reclassified.

xi. Figures have been regrouped for consistency of presentation.

NON ADJUSTMENTS

xii. Retirement Benefits:

The Company has adopted revised AS 15 on Employee Benefits effective 1 January 2007. It has not been possible for the management to determine the effect on the profits/losses for the years / periods ended 31 March 2004, 2005, 31 December 2005 and 31 December 2006, had the revised standard been adopted by the Company for each of those years/period. No adjustment has been made for earlier years, since in the opinion of the Company, the impact of the same on the restated financial statements is not material.

xiii. Non adjustments of auditors' qualifications:

Other Audit qualifications which do not require any corrective adjustment in the financial information are as follows:

a. During the year 2005, 2006 and 2007 the Company has paid managerial remuneration in excess of the ceiling on remuneration prescribed under Schedule XIII of the Companies Act, 1956 by Rs 0.19 million, Rs 0.36 million and Rs 9.41 million respectively, which was charged to profit and loss account. Subsequently the Company has received the Central Government approval for the same.

b. During the year 2007, 2008 and nine months ended 30 September 2009, the Company has paid managerial remuneration in excess of ceiling on remuneration prescribed under Schedule XIII of the Companies Act, 1956 by Rs. 38.49 million to the erstwhile managing director, who has since resigned. The Company has applied to the Central Government for approval of the same. For the current period, the Company has paid managerial remuneration of Rs 16.34 million to the current managing director, prior to approval of remuneration committee. Subsequently, the remuneration committee has approved a lower amount resulting into excess payment of Rs 6.18 million which will be adjusted in future against the approved remuneration. Further, the remuneration paid to the current managing director is in excess of the limits prescribed in Schedule XIII of the Companies Act, 1956 by Rs 14.72 million. The Company has applied to the Central Government for approval of the same.

c. The Company has given a deposit of Rs 11.50 million to the current managing director, as approved by the remuneration committee. However, the Company is in the process of applying to the Central Government for approval of the same.

5. Significant developments and other significant financial information:

I. Exceptional items

a. During the year 2003-04, due to change in the implementation plan for project, consultancy expenses of Rs.47.51 million were charged to profit and loss account.

During the same year, based on best estimate by the management, Rs. 50 million was recognised in the books towards claims by various parties.

b. During the year 2004-05 the company entered into a new agreement with Pipavav Ship Dismantling & Engineering Limited (SKIL group), in lieu of the existing land sub-lease agreements with them. Under the new arrangements, in addition to alternative land sites provided, the Company had agreed to pay Pipavav Ship Dismantling & Engineers Limited (SKIL group) an amount of Rs. 130 million.

c. During the year 2006, the management has approved the plan for construction of a new container jetty as a result of which part of the existing liquid jetty was required to be demolished. Based on the management technical evaluation, the Company had provided for Rs 83.58 million towards written down value of demolition. On further evaluation of the plan, the company additionally charged off Rs 38.55 million to profit and loss account during the year 2007.

II. Investment in Pipavav Railway Corporation Ltd (PRCL)

The Company has an investment of Rs. 830 million as at 30 September 2009.

The net worth of PRCL as per latest available audited financial statements for the year ended 31 March 2008, are lower than the cost. However taking into account the expected rise in rail volume on completion of the project which is under implementation and the new business opportunity available to PRCL for running container trains, the Company believes that the diminution in value of its investment is only temporary and accordingly no provision is made.

III. Corporate Debt Restructuring (CDR)

The Company had got its debt restructured under the Corporate Debt Restructuring (CDR) Scheme with effect from 1 October 2003. As per the scheme, part of the outstanding debt has been converted into foreign currency loan (FCL), 8.40% Optionally Convertible Cumulative Redeemable Preference Shares (OCCRPS) and the interest accrued thereon into 10.50% Non Convertible Debenture (NCD). During the year 2006, Corporate Debt Restructuring Cell approved early redemption of NCDs and replaced with Funded Interest Term Loan on similar terms. One of the conditions for the restructuring of debt was to increase share holding and acquire management control in the Company by AP Moller-Maersk group, which has been fulfilled.

During the nine months period ended 30 September 2009 debt restructured under CDR scheme has been repaid in full. The Company has exited from CDR and received no due certificate from all lenders except for Punjab National Bank (‘PNB’). As far as PNB is concerned, the Company is in dialogue with them to sort out certain issues pertaining to tax treatment of the redemption proceeds received by them and is likely to be resolved shortly.

IV. Share capital

a. Equity Share capital

i. Equity share capital includes 24,941,200 equity shares of Rs.10/- each which have been allotted as fully paid up, for consideration other than in cash.

ii. During the year 2006, on receipt of required approval from relevant authorities, 13,750,000, 0% Fully Convertible Debentures (Unsecured) have been converted into 13,750,000 equity shares of Rs. 10 each.

iii. During the year 2007, the Company issued 83,603,757 equity shares of Rs.10/- each at a premium of Rs.40/- per share aggregating to Rs. 4,180.89 million on rights basis to the existing shareholders. Of the above, the Company has utilized Rs 3,830.89 million to meet the objects of the issue.

b. Preference Share capital

In terms of the Corporate Debt Restructuring (CDR) scheme approved during November 2003, for the restructure of the debt of the Company, a part of the outstanding debt, due to the lenders of the Company, amounting to Rs. 517.8 million was converted into 8.4 % Optionally Convertible Cumulative Redeemable Preference Shares (OCCRPS). The OCCRPS together with accrued dividend have to be redeemed in three years in December 2009, December 2010 and December 2011.

The Company sought variation to the terms of issue of preference shares such that the rate of dividend was reduced from 8.4% to 1% and Cumulative Preference Shares were made non cumulative. The Company has since altered its Article and Memorandum of Association. Further, the preference shares would be redeemed at such premium as would provide the holders of preference shares similar yield as the original terms of preference shares would have provided. Accordingly, upon receipt of approval for the scheme of variation from CDR, premium on redemption of 1% Non Cumulative Redeemable Preference Shares has been amortised over its tenure and premium on redemption of preference shares has been adjusted against the Securities Premium.

During the nine months period ended 30 September 2009, the debt restructured under CDR scheme has been repaid in full and the Preference Shares issued to the lenders under the scheme have been fully redeemed.

V. Fixed assets

Land and site development includes-

a. Freehold land Rs.65.85 million

b. Land acquired for rail project to connect Port of Pipavav, not owned by the Company Rs. 1.57 million

c. Land includes Rs.11.33 million acquired to hand over to Government of Gujarat (GoG) in exchange of land survey 109, pursuant to Gujarat High Court order. Formality relating to transfer of title of the said land in the name of the company is yet to be completed.

d. Buildings includes expenditure of Rs 369.99 million on roads at the port, built on land not owned by the Company.

VI. Asset Impairment

During the year 2003-04, the Company had identified its assets whose carrying values had been impaired and having regards to the principles of Accounting Standard 28 – Impairment of Assets (AS 28), the Company had made a provision of Rs 1,603.93 million in respect of such impairment as at 31 March 2004.

As at 30 September 2009, the Company has re-assessed the impairment provision and retained the existing provision of Rs 1,375.23 million (after reversal of provision of Rs.228.70 million on sale/discard of assets in prior years). For the purpose of impairment testing, the entire port has been considered as a single cash generating unit as the port is a composite facility and can be operated in a commercial feasible manner only if it operates as a combined unit. The recoverable amount is the value in use, in the absence of a readily determinable net selling price.

Value in use is the present value of estimated future cash flows expected to arise from the continuing use of the assets and from its disposal at the end of its useful life. The estimated future cash flows have been discounted to their present value using a pre-tax discounting rate

VII. Traffic Guarantee Shortfall

The Company has accepted the claim of Pipavav Railway Corporation Limited (PRCL) under Traffic Guarantee Agreement subject to approval of waiver of interest by Ministry of Railways and provided Rs 1,419.78 million upto 30 September 2009. As per the agreed payment plan between Company and PRCL subject to approval of Ministry of Railways, Company has paid Rs 1,050.00 million to PRCL as on 30 September 2009 towards this claim.

VIII. Commitments

a. Consortium lending commitments

The Company has provided commitment of Rs 350 million towards consortium lending to Pipavav Shipyard Limited (formerly Pipavav Ship Dismantling & Engineering Limited) (SKIL group) conditional to fulfilment of certain obligations by Pipavav Shipyard Limited & other parties which remains unfulfilled and the company has sought discharge of this commitment, which is awaited.

b. Lease Commitments

The Company's leasing arrangement is in respect of a non-cancellable operating lease for the office premises. The lease payments recognized in the profit and loss account in respect of the operating leases aggregate as follows:

(Rs. Millions)

Particulars	9 months ended 30-Sept-09	9 months ended 30-Sept-08	12 months ended 31-Dec-08	12 months ended 31-Dec-07	12 months ended 31-Dec-06	9 months ended 31-Dec-05	12 months ended 31-Mar-05	12 months ended 31-Mar-04
Lease payments	8.75	15.24	21.11	7.66	4.17	4.17	4.62	--

The future minimum lease payments payable under non-cancellable operating lease for rented premises are as follows:

(Rs. Millions)

As at	30-Sept-09	30-Sept-08	31-Dec-08	31-Dec-07	31-Dec-06	31-Dec-05	31-Mar-05	31-Mar-04
Within one year	2.30	4.15	5.97	5.97	4.17	5.53	5.53	--
More than one year and less than five year	--	2.30	1.36	7.33	--	2.50	6.67	--
Total	2.30	6.45	7.33	13.30	4.17	8.03	12.20	--

c. Capital Commitments

The estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances) as follows:

(Rs. Millions)

As at	30-Sept-09	30-Sept-08	31-Dec-08	31-Dec-07	31-Dec-06	31-Dec-05	31-Mar-05	31-Mar-04
Capital commitments	257.05	1,301.88	3,423.15	916.74	2,658.78	1,482.49	153.35	123.01

IX. Contingent Liabilities

(Rs. Millions)

As at	30-Sept-09	30-Sept-08	31-Dec-08	31-Dec-07	31-Dec-06	31-Dec-05	31-Mar-05	31-Mar-04
Bank Guarantees outstanding (a)	280.52	253.07	263.07	157.35	46.72	157.60	154.17	154.17
Claims against company not acknowledged as debt, including claim from project contractors								
i. Claim from Suppliers / Consultants	417.11	416.45	416.79	410.87	651.14	410.72	409.76	--
ii. Interest on Traffic guarantee liability	190.34	149.75	46.39	109.74	57.87	30.30	9.39	--
iii.Other Claims	206.08	198.51	213.38	243.05	216.85	195.34	192.14	177.52
Sub Total (i+ii+iii)..(b)	813.53	764.71	676.56	763.66	925.86	636.36	611.29	177.52
Grand Total (a+b)	1,094.05	1,017.78	939.63	921.01	972.58	793.96	765.46	331.69
Provision for claims there against	320.17	314.99	318.29	298.71	234.10	202.92	235.92	177.52

Description of Contingent Liabilities

Sr. No.	Contingent Liability	Brief Description
1.	Bank Guarantees	Issued in favour of Government and court.
2.	Claims against Company not acknowledged as debts	The Company is a party to various legal proceedings and has also received various claims in the normal course of business. The Company does not expect the outcome of these proceedings / claims to have a material adverse effect on the Company's financial conditions, results of operation or cash flows.

X. EPCG Commitment

The Company had imported capital goods at concessional rate of import duty under Export Promotion Capital Goods ('EPCG') scheme by executing a legal undertaking in favour of Government of India with an obligation to export goods / services and realize foreign exchange:

(Rs. Millions)

As at	Obligation to export goods / service and realise foreign exchange	By the period ended
30 Sept 2009	Rs 7,259.61	December 2014 / 2015 /2017
30 Sept 2008	Rs 4,583.83	December 2014 / 2015
31 Dec 2008	Rs 4,583.83	December 2014 / 2015
31 Dec 2007	Rs 4,583.83	December 2014 / 2015
31 Dec 2006	Rs 1,616.88	December 2014

XI. The Company has only one reportable business segment, which is Port services and only one reportable geographical segment, which is the port at Pipavav. Accordingly, the segment information as required by Accounting Standard on Segment Reporting (AS 17), has not been separately disclosed.

XII. The Company used forward exchange contracts to hedge its exposure in Foreign Currency. The information on forward contracts is as follows.

a. Forward contracts outstanding as at 30 September 2009, 2008, 31 December 2006, 2007 and 2008

(Rs. Millions)

Payables as at	**Exposure**	**Exposure**	
	Indian Rupees	**US Dollars**	**Euro**
30 Sept 2009	NIL	NIL	NIL
30 Sept 2008	864.94	20.00	NIL
31 Dec 2008	3,389.53	19.34	35.95
31 Dec 2007	NIL	NIL	NIL
31 Dec 2006	747.27	15.90	NIL

b. Premium in respect of forward exchange contract to be recognised in subsequent period / year:

(Rs. Millions)

As at	**30-Sept-09**	**30-Sept-08**	**31-Dec-08**	**31-Dec-07**	**31-Dec-06**	**31-Dec-05**	**31-Mar-05**	**31-Mar-04**
Premium in respect of forward exchange contract	NIL	6.60	9.91	NIL	6.44	NIL	NIL	NIL

XIII. In terms of the Concession Agreement with Gujarat Maritime Board (GMB), the Company has sought approval for the increase in actual capital costs of contracted assets in excess of the approved capital costs of Rs 5,855.30 million as stated in Concession Agreement and the approval is awaited.

XIV. A. LIST OF RELATED PARTIES AND RELATIONSHIP

In the absence of comprehensive list of related parties as envisaged in Accounting Standard on Related Party Disclosures (AS 18), the names of the related parties with whom transaction have taken place during the period / year have been disclosed.

Name of the related party	Relation							
	30-Sept-09	30-Sept-08	31-Dec-08	31-Dec-07	31-Dec-06	31-Dec-05	31-Mar-05	31-Mar-04
APM Terminals Mauritius Limited	Holding Company	Holding Company	Holding Company	Holding Company	Party with substantial interest and its associates	Party with substantial interest and its associates	----	----
APM Terminals BV	Holding Company	Holding Company	Holding Company	----	----	----	----	----
Maersk India Private Limited- acting as agents for AP Moller-Maersk A/S	Party with substantial interest and its associates	Party with substantial interest and its associates	Party with substantial interest and its associates	Party with substantial interest and its associates	Party with substantial interest and its associates	Party with substantial interest and its associates	----	----
Maersk India Private Limited- acting as agents for Safmarine Containers Lines N.V.	Party with substantial interest and its associates	Party with substantial interest and its associates	Party with substantial interest and its associates	Party with substantial interest and its associates	Party with substantial interest and its associates	----	----	----

Name of the related party	Relation							
	30-Sept-09	30-Sept-08	31-Dec-08	31-Dec-07	31-Dec-06	31-Dec-05	31-Mar-05	31-Mar-04
Safmarine India Private Limited-acting as agents for Safmarine Containers Lines N.V.	----	----	----	----	----	Party with substantial interest and its associates	----	----
SKIL Infrastructure Limited (Erstwhile Sea King Infrastructure Limited)	----	----	----	----	----	----	Party with substantial interest and its associates	Party with substantial interest and its associates
Pipavav Ship Dismantling & Engineering Limited	----	----	----	----	----	----	Party with substantial interest and its associates	Party with substantial interest and its associates
Grevek Investment and Finance Private Limited	----	----	----	----	----	----	Party with substantial interest and its associates	Party with substantial interest and its associates
Awaita Properties Private Limited	----	----	----	----	----	----	Party with substantial interest and its associates	Party with substantial interest and its associates
Managing Director - Mr. Prakash Tulsiani	Key Management personnel (from 28-01-2009)	----	----	----	----	----	----	----
Managing Director - Mr. Philip Littlejohn	Key Management personnel (upto 28-01-2009)	Key Management personnel	Key Management personnel	Key Management personnel (w.e.f.12-06-2007)	----	----	----	----
Managing Director - Mr. Rajeeva Sinha	----	----	----	Key Management personnel (upto 07-06-2007)	Key Management personnel	Key Management personnel (w.e.f. 10-11-2005)	----	----
Managing Director - Mr. Hans-Ole Madsen	----	----	----	----	----	Key Management personnel (upto 10-11-2005)	Key Management personnel	Key Management personnel (w.e.f. 06-12-2003)
Managing Director - Mr. Kamal Baluja	----	----	----	----	----	----	----	Key Management personnel (upto 5-12-2003)
Gateway Terminals India Private Limited	Fellow Subsidiary	Fellow Subsidiary	Fellow Subsidiary	Fellow Subsidiary	Enterprise Significantly influenced by Key Management Personnel	Enterprise Significantly influenced by Key Management Personnel	Enterprise Significantly influenced by Key Management Personnel	----
Maersk India Private Limited	Fellow Subsidiary	Fellow Subsidiary	Fellow Subsidiary	Fellow Subsidiary	Party with substantial interest and its associates	Party with substantial interest and its associates	Enterprise Significantly influenced by Key Management Personnel	Enterprise Significantly influenced by Key Management Personnel

Name of the related party	Relation							
	30-Sept-09	30-Sept-08	31-Dec-08	31-Dec-07	31-Dec-06	31-Dec-05	31-Mar-05	31-Mar-04
APM Terminals Management B.V.	Fellow Subsidiary	Fellow Subsidiary	Fellow Subsidiary	Fellow Subsidiary	Party with substantial interest and its associates	Party with substantial interest and its associates	----	----
Safmarine India Private Limited	----	----	----	----	----	----	Enterprise Significantl y influenced by Key Managemen t Personnel	----
Maersk Angola Lda	Fellow Subsidiary	Fellow Subsidiary	----	----	----	----	----	----
Maersk Training Centre A/S	Fellow Subsidiary	----	----	----	----	----	----	----
APM Terminals Crane & Engineering Services (Shanghai) Co. Limited	Fellow Subsidiary	----	----	----	----	----	----	----
Maersk Global Services Centres (India) Private Limited	Fellow Subsidiary	----	----	----	----	----	----	----
APM Terminals AMI Management DMCEST	Fellow Subsidiary	----	----	----	----	----	----	----
APM Terminals China	Fellow Subsidiary	Fellow Subsidiary	----	----	----	----	----	----
Pipavav Railway Corporation Limited	Associate	Associate	Associate	Associate	Associate	Associate	Associate	

B. RELATED PARTY TRANSACTIONS

(Rs. Millions)

PARTICULARS	9 months ended 30-Sept-09	9 months ended 30-Sept-08	12 months ended 31-Dec-08	12 months ended 31-Dec-07	12 months ended 31-Dec-06	9 months ended 31-Dec-05	12 months ended 31-Mar-05	12 months ended 31-Mar-04
TRANSACTIONS DURING THE PERIOD/ YEAR								
Income from port services								
- Party with substantial interest & its associates	422.49	294.90	376.30	518.95	496.26	228.24	-	-
- Enterprise significantly influenced by Key Management Personnel	-	-	-	-	-	-	234.02	42.25
- Fellow Subsidiary	0.26	-	-	-	-	-	-	-
Rent Income								
- Party with substantial interest & its associates	-	-	-	-	2.29	-	1.04	5.36

PARTICULARS	9 months ended 30-Sept-09	9 months ended 30-Sept-08	12 months ended 31-Dec-08	12 months ended 31-Dec-07	12 months ended 31-Dec-06	9 months ended 31-Dec-05	12 months ended 31-Mar-05	12 months ended 31-Mar-04
- Enterprise significantly influenced by Key Management Personnel	-	-	-	-	0.53	2.78	1.19	-
- Fellow Subsidiary	-	-	-	1.83	-	-	-	-
Interest income on Loan								
- Party with substantial interest & its associates	-	-	-	-	-	-	4.81	8.48
Rent Expenses								
- Enterprise significantly influenced by Key Management Personnel	-	-	-	-	-	-	4.52	9.75
- Fellow Subsidiary	2.71	2.48	2.89	0.91	-	-	-	-
Interest expense on Loan								
- Holding Company	13.61	14.79	21.77	25.95	-	-	-	-
- Party with substantial interest & its associates	-	-	-	-	-	2.70	-	-
- Enterprise significantly influenced by Key Management Personnel	-	-	-	-	-	-	9.29	-
- Fellow Subsidiary	61.49	-	1.77	-	-	-	-	-
Equipment hire charges incurred								
- Party with substantial interest & its associates	-	-	-	-	9.90	7.05	1.49	-
- Enterprise significantly influenced by Key Management Personnel	-	-	-	-	-	-	9.66	-
- Fellow Subsidiary	-	-	-	3.00	-	-	-	-
Professional fees								
- Party with substantial interest & its associates	-	-	-	-	12.84	45.54	-	-
- Fellow Subsidiary	24.28	6.21	23.66	8.71	-	-	-	-
Electricity expenses								
- Fellow Subsidiary	-	-	0.25	-	-	-	-	-
Guest house expenses								
- Fellow Subsidiary	-	0.21	-	-	-	-	-	-
Training expenses								
- Fellow Subsidiary	0.71	3.94	3.93	-	-	-	-	-
Other expenses incurred								
- Party with substantial interest & its associates	0.58	0.03	-	-	0.40	0.81	0.75	18.86
- Fellow Subsidiary	12.61	1.38	1.67	8.40	-	-	-	-
- Associate	0.66	-	-	-	-	-	9.40	-
Other recoveries								
- Party with substantial interest & its associates	-	-	-	-	0.05	0.38	-	12.58
Expenses incurred on their behalf								
- Party with substantial interest & its associates	-	0.09	-	-	-	-	21.07	4.88
- Enterprise significantly influenced by Key Management Personnel	-	-	-	-	-	-	1.68	-
- Fellow Subsidiary	6.63	1.13	1.24	-	-	-	-	-

PARTICULARS	9 months ended 30-Sept-09	9 months ended 30-Sept-08	12 months ended 31-Dec-08	12 months ended 31-Dec-07	12 months ended 31-Dec-06	9 months ended 31-Dec-05	12 months ended 31-Mar-05	12 months ended 31-Mar-04
Guarantee fees								
- Holding Company	13.30	-	0.59	-	-	-	-	-
Exceptional item								
- Party with substantial interest & its associates	-	-	-	-	-	-	130.00	-
Land Site development								
- Party with substantial interest & its associates	-	-	-	-	-	-	105.14	-
Transfer of fixed assets								
- Party with substantial interest & its associates	-	-	-	-	-	-	-	6.00
Purchase of Fixed Assets								
- Fellow Subsidiary	1.80	-	-	-	-	-	-	-
- Associate	20.40	-	-	-	-	-	-	-
Investment								
- Associate	-	50.00	50.00	-	-	-	-	-
Sale of Investment								
- Party with substantial interest & its associates	-	-	-	-	-	-	-	500.00
Equity contributed								
- Holding Company	-	-	-	2,481.48	-	-	-	-
- Party with substantial interest & its associates	-	-	-	-	-	98.10	570.00	-
- Fellow Subsidiary	-	-	-	35.00	-	-	-	-
Unsecured Loan								
- Holding Company	-	-		279.81	-	-	-	-
- Fellow Subsidiary	380.00	-	500.00	-	-	-	-	-
Loan repayment								
- Party with substantial interest & its associates	-	-	-	-	-	-	-	500.00
- Fellow Subsidiary	100.00	-	-	-	-	-	-	-
Short term loan								
- Enterprise significantly influenced by Key Management Personnel	-	-	-	-	-	-	285.00	-
Paid to contractors								
- Party with substantial interest & its associates	-	-	-	-	65.09	7.24	-	-
- Fellow Subsidiary	-	-	20.88	-	-	-	-	-
Provision for claim								
- Associate	125.30	213.17	282.38	266.15	277.07	275.65	209.11	-
Deposit paid								
- Key Management Personnel	11.50	-	-	-	-	-	-	-
Managerial remuneration								
- Key Management Personnel	22.05	19.64	25.95	13.80	5.19	0.54	-	8.10
CLOSING BALANCE								
Current account receivable								
- Party with substantial interest & its associates	50.02	4.59	3.84	2.07	44.09	23.52	220.00	191.43
- Enterprise significantly influenced by Key Management Personnel	-	-	-	-	-	0.09	11.33	-

PARTICULARS	9 months ended 30-Sept-09	9 months ended 30-Sept-08	12 months ended 31-Dec-08	12 months ended 31-Dec-07	12 months ended 31-Dec-06	9 months ended 31-Dec-05	12 months ended 31-Mar-05	12 months ended 31-Mar-04
- Fellow Subsidiary	1.90	0.27	-	0.17	-	-	-	-
- Associate	11.15	11.15	11.15	11.15	11.15	11.15	11.15	-
Current account payable								
- Holding Company	68.75	29.71	48.31	25.95	-	-	-	-
- Party with substantial interest & its associates	-	95.98	13.77	28.17	31.79	68.21	547.28	-
- Enterprise significantly influenced by Key Management Personnel	-	-	-	-	-	-	293.17	3.09
- Fellow Subsidiary	70.24	45.20	58.72	39.61	-	-	-	-
Claim payable								
- Associate	334.86	735.72	719.47	1,121.90	855.75	578.68	303.03	-
Investment								
- Associate	830.00	830.00	830.00	780.00	780.00	780.00	570.00	-
Deposit receivable								
- Key Management Personnel	11.50	-	-	-	-	-	-	-
Unsecured loan								
- Holding Company	338.67	333.27	344.00	279.81	-	-	-	-
- Enterprise significantly influenced by Key Management Personnel	-	-	-	-	-	-	-	52.86
- Fellow Subsidiary	780.00	-	500.00	-	-	-	-	-
Out of the above items, transactions in excess of 10% of the total related party transactions as under:								
Income from Port Services								
- Maersk India Pvt Ltd- acting as agent for AP Moller-Maersk A/S	373.61	246.20	319.93	448.37	473.21	182.41	-	-
- Maersk India Pvt Ltd- acting as agent for Safmarine Container Lines N.V.	48.88	48.70	56.37	70.58	23.05	45.83	-	-
- Maersk India Private Limited	-	-	-	-	-	-	195.55	42.25
- Safmarine India Private Limited	-	-	-	-	-	-	38.47	-
Rent Income								
- Gateway Terminals India Private Limited	-	-	-	0.50	0.53	2.78	1.19	-
- Maersk India Private Limited	-	-	-	1.33	2.29	-	-	-
- SKIL Infrastructure Limited	-	-	-	-	-	-	0.48	0.72
- Pipavav Ship Dismantling & Engineering Limited	-	-	-	-	-	-	0.56	4.64
Interest income on loan								
- Grevek Investment and Finance Private Limited	-	-	-	-	-	-	4.81	8.48
Rent expenses								
- Maersk India Private Limited	2.71	2.48	2.89	0.91	-	-	-	-
- Pipavav Ship Dismantling & Engineering Limited	-	-	-	-	-	-	-	2.36
- Awaita Properties Private Limited	-	-	-	-	-	-	4.52	7.39
Interest expense on loan								
- APM Terminals Mauritius Limited	13.61	14.79	21.77	25.95	-	-	-	-
- Maersk India Private Limited	-	-	-	-	-	2.70	9.29	-
- Gateway Terminals India Private Limited	61.49	-	1.77	-	-	-	-	-
Equipment hire charges								
- Maersk India Private Limited	-	-	-	3.00	9.90	7.05	9.66	-
- Pipavav Ship Dismantling & Engineering Limited	-	-	-	-	-	-	1.49	-
Professional fees								
- APM Terminals Management B.V.	20.53	6.21	23.66	8.71	12.84	45.54	-	-

PARTICULARS	9 months ended 30-Sept-09	9 months ended 30-Sept-08	12 months ended 31-Dec-08	12 months ended 31-Dec-07	12 months ended 31-Dec-06	9 months ended 31-Dec-05	12 months ended 31-Mar-05	12 months ended 31-Mar-04
- APM Terminals Crane & Engineering Services (Shanghai) Co. Limited	3.75	-	-	-	-	-	-	-
Electricity expenses								
-Maersk India Private Limited	-	-	0.25	-	-	-	-	-
Guest house expenses								
-APM Termianls China	-	0.21	-	-	-	-	-	-
Training expenses								
-APM Terminals Management B.V.	0.71	3.79	3.79	-	-	-	-	-
Other expenses incurred								
- APM Terminals Management B.V.	6.22	-	0.82	8.40	0.40	0.81	-	-
- Maersk India Private Limited	-	0.67	0.76	-	-	-	-	-
- Maersk Angola Lda	-	0.71	-	-	-	-	-	-
- SKIL Infrastructure Limited	-	-	-	-	-	-	-	16.45
- Gateway Termianls India Private Limited	4.16	-	-	-	-	-	-	-
- APM Terminals AMI Management DMCEST	1.56	-	-	-	-	-	-	-
- Awaita Properties Private Limited	-	-	-	-	-	-	0.75	2.36
- Pipavav Railway Corporation Limited	-	-	-	-	-	-	9.40	-
Guarantee fees								
- APM Terminals B.V.	13.30	-	0.59	-	-	-	-	-
Other recoveries								
- Gateway Terminals India Private Limited	-	-	-	-	0.05	0.38	-	-
- SKIL Infrastructure Limited	-	-	-	-	-	-	-	12.58
Expenses incurred on their behalf								
- SKIL Infrastructure Limited	-	-	-	-	-	-	20.50	3.45
- Maersk India Private Limited	-	-	-	-	-	-	-	1.43
- Gateway Terminals India Private Limited	-	-	-	-	-	-	1.68	-
- APM Terminals Management B.V.	4.00	0.98	1.13	-	-	-	-	-
- APM Terminals AMI Management DMCEST	1.59	-	-	-	-	-	-	-
Exceptional item								
- Pipavav Ship Dismantling & Engineering Limited	-	-	-	-	-	-	130.00	-
Land site development								
- SKIL Infrastructure Limited	-	-	-	-	-	-	105.14	-
Transfer of Fixed Assets								
- SKIL Infrastructure Limited	-	-	-	-	-	-	-	5.97
Purchase of Fixed Assets								
-Gateway Terminals Private Limited	1.80	-	-	-	-	-	-	-
-Pipavav Railway Corporation Limited	20.40	-	-	-	-	-	-	-
Sale of Investments								
- SKIL Infrastructure Limited	-	-	-	-	-	-	-	500.00
Investment								
- Pipavav Railway Corporation Limited	-	50.00	50.00	-	-	-	-	-
Equity Contributed								
- APM Terminals Mauritius Limited	-	-	-	2,481.48	-	98.10	570.00	-

PARTICULARS	9 months ended 30-Sept-09	9 months ended 30-Sept-08	12 months ended 31-Dec-08	12 months ended 31-Dec-07	12 months ended 31-Dec-06	9 months ended 31-Dec-05	12 months ended 31-Mar-05	12 months ended 31-Mar-04
Unsecured Loan								
- APM Terminals Mauritius Limited	-	-	-	279.81	-	-	-	-
- Gateway Terminals India Private Limited	380.00	-	500.00	-	-	-	-	-
Loan repayment								
- Gateway Terminals India Private Limited	100.00	-	-	-	-	-	-	-
- SKIL Infrastructure Limited	-	-	-	-	-	-	-	500.00
Short term loan								
- Maersk India Private Limited	-	-	-	-	-	-	285.00	-
Paid to Contractors								
- Maersk India Private Limited	-	-	3.32	-	9.90	7.24	-	-
- APM Terminals Management B.V.	-	-	17.56	-	55.19	-	-	-
Managerial remuneration								
Managing Director - Mr. Prakash Tulsiani	16.34	-	-	-	-	-	-	-
Managing Director - Mr. Philip Littlejohn	5.71	19.64	25.95	10.72	-	-	-	-
Managing Director - Mr. Rajeeva Sinha	-	-	-	3.08	5.19	0.54	-	-
Managing Director - Mr. Kamal Baluja	-	-	-	-	-	-	-	8.10
Deposit paid								
- Prakash Tulsiani	11.50	-	-	-	-	-	-	-
Provision for claims								
- Pipavav Railway Corporation Limited	125.31	213.17	282.38	266.15	277.07	275.65	209.11	-
Closing Balances								
Current account receivable								
- Safmarine India Pvt Limited- acting as agent for Safmarine Container Lines N.V.	-	-	-	2.24	0.01	3.97	2.44	-
- Maersk India Private Limited- acting as an agent for AP Moller- Maersk A/S	39.48	-	-	-	44.07	19.55	7.23	-
- Maersk India Pvt Limited- acting as an agent for Safmarine Container Lines N.V.	9.54	4.00	3.84	-	-	-	-	-
- Gateway Terminals India Private Limited	-	-	-	-	-	0.09	1.66	-
- Pipavav Railway Corporation Limited	11.15	11.15	11.15	11.15	11.15	11.15	11.15	-
- Grevek Investment and Finance Private Limited	-	-	-	-	-	-	-	24.54
- Pipavav Ship Dismantling & Engineering Limited	-	-	-	-	-	-	-	12.31
- SKIL Infrastructure Limited	-	-	-	-	-	-	220.00	177.18
Current account payable								
- APM Terminals Mauritius Limited	54.86	29.70	47.72	25.95	-	-	-	-
- APM Terminals B.V.	13.89	-	-	-	-	-	-	-
- Gateway Terminals India Private Limted	13.55	-	-	-	-	-	-	-
- Maersk India Private Limited	-	-	-	-	-	-	293.17	3.09
- Maersk India Private Limited- acting as an agents for AP Moller- Maersk A/S	-	-	13.77	28.17	-	0.64	-	-
- Maersk India Private Limited- acting as an agents for Safmarine Container Lines N.V.	-	95.98	-	-	-	-	-	-
- APM Terminals Management B.V.	53.00	43.40	56.69	39.61	31.15	67.57	-	-
- Pipavav Ship Dismantling & Engineering Limited	-	-	-	-	-	-	127.28	-
- SKIL Infrastructure Limited	-	-	-	-	-	-	420.00	-
- Awaita Properties Private Limted	-	-	-	-	-	-	-	22.59

PARTICULARS	9 months ended 30-Sept-09	9 months ended 30-Sept-08	12 months ended 31-Dec-08	12 months ended 31-Dec-07	12 months ended 31-Dec-06	9 months ended 31-Dec-05	12 months ended 31-Mar-05	12 months ended 31-Mar-04
Claim payable								
- Pipavav Railway Corporation Limited	334.86	735.72	719.47	1,121.90	855.75	578.68	303.03	-
Deposit receivable								
- Managing Director - Mr. Prakash Tulsiani	11.50	-	-	-	-	-	-	-
Unsecured loan								
- APM Terminals Mauritius Limited	338.67	333.27	344.00	279.81	-	-	-	52.86
-Gateway Terminals India Private Limted	780.00	-	500.00	-	-	-	-	-
Investments								
- Pipavav Railway Corporation Limited	830.00	830.00	830.00	780.00	780.00	780.00	570.00	-

ANNEXURE V : STATEMENT OF OTHER INCOME

(Rs. Millions)

PARTICULARS	9 months ended 30-Sept-09	9 months ended 30-Sept-08	12 months ended 31-Dec-08	12 months ended 31-Dec-07	12 months ended 31-Dec-06	9 months ended 31-Dec-05	12 months ended 31-Mar-05	12 months ended 31-Mar-04
Other income, as restated	44.66	168.94	308.44	133.60	74.58	25.50	22.97	37.64
Net (loss) before tax and after prior period and extraordinary items, as restated	(823.98)	(600.49)	(693.11)	(457.38)	(515.90)	(465.80)	(717.46)	(2,319.95)
Percentage	**	**	**	**	**	**	**	**
Sources of Income								
Recurring:								
Interest received on bank deposits	37.92	120.21	155.18	112.74	21.80	11.04	5.04	1.10
Interest received on advances	0.01	7.91	8.19	17.70	13.61	6.84	4.81	9.06
Miscellaneous receipts	0.05	0.12	6.83	1.34	1.82	0.31	2.83	12.60
Reversal of provision for doubtful debts (net of provision)	6.68	-	-	-	-	-	-	-
Exchange gain, (net)	-	20.31	114.16	-	-	7.31	10.29	15.38
Non-recurring:								
Profit / (Loss) on sale of assets (net)	-	20.39	20.39	-	27.31	-	-	-
Interest on Income-tax refund	-	-	3.69	-	-	-	-	-
Insurance Claims	-	-	-	1.82	10.04	-	-	-
Other income as restated	**44.66**	**168.94**	**308.44**	**133.60**	**74.58**	**25.50**	**22.97**	**37.64**

Notes:

The classification of 'Other Income' as Recurring/ Non Recurring to business activities is based on the current operations and business activities of the Company as determined by the management.

In accordance with the accounting treatment consistently followed by the Company, exchange fluctuation gain / loss and profit / loss on sale of assets is disclosed net. Gross amounts in respect thereof are not readily determinable. Hence, net gain where applicable has been considered for the purpose of above disclosure.

The figures disclosed above are based on the restated summary statement of profits and losses of the Company.

** Since there is Net Loss before tax, the percentages have not been shown.

ANNEXURE VI : STATEMENT OF SECURED & UNSECURED LOANS

(Rs. Millions)

PARTICULARS	As at 30-Sept-09	As at 30-Sept-08	As at 31-Dec-08	As at 31-Dec-07	As at 31-Dec-06	As at 31-Dec-05	As at 31-Mar-05	As at 31-Mar-04
SUCURED LOANS								
Long term loans from banks								
Rupee term loan	4,863.10	1,068.46	1,146.39	916.59	823.17	450.80	405.73	610.83
Foreign currency term loan	-	-	-	-	-	48.11	81.61	-
Funded interest term loan	-	194.27	195.84	187.83	287.45	234.05	68.91	-
Interest accrued and due on above	-	-	-	-	-	-	-	99.83
Long term loans from financial institutions								
Rupee term loan	5,546.16	4,109.09	4,521.50	4,109.63	3,643.75	2,024.40	1,567.72	2,158.35
Foreign currency term loan	-	-	-	-	45.06	231.93	342.31	184.27
Funded interest term loan	-	700.67	707.19	674.55	1,058.94	661.96	255.14	-
Interest accrued and due on above	-	-	-	-	-	-	-	532.70
Debentures								
10.50% Non convertible debentures (NCD) of Rs.100 each	-	-	-	-	-	161.08	569.90	-
Deferred interest on the above	-	-	-	-	-	32.06	78.50	-
Short term loan from financial institutions								
Rupee term loan	-	-	-	-	-	-	255.77	116.20
Vehicle loans								
Bank	-	-	-	-	-	-	0.01	0.99
Others	-	-	-	-	-	-	0.04	1.04
Total-Secured loans	**10,409.26**	**6,072.49**	**6,570.92**	**5,888.60**	**5,858.37**	**3,844.39**	**3,625.64**	**3,704.21**
UNSECURED LOANS								
From Promoters	338.67	333.27	344.00	279.81	-	-	-	-
From Fellow subsidiary	780.00	-	500.00	-	-	-	285.00	-

From Financial Institution: 13,750,000, 0% Fully Convertible Debentures of Rs.10 each	-	-	-	-	-	137.50	-	-
From ex-promoters								52.86
Total-Unsecured loans	**1,118.67**	**333.27**	**844.00**	**279.81**	**-**	**137.50**	**285.00**	**52.86**
Grand Total-Loans	**11,527.93**	**6,405.76**	**7,414.92**	**6,168.41**	**5,858.37**	**3,981.89**	**3,910.64**	**3,757.07**
Notes:								

SECURED LOANS:

1.	Amounts repayable within one year: Nil
2.	**Long term loans from banks & financial institutions:**
(i) (ii) (iii)	**As at 30 September 2009** The Rupee Term Loan is secured by way of first mortgage and charge on the immovable properties forming part of the Project Assets, a first charge by way of hypothecation of all the Company's movables forming part of the Project Assets including movable plant and machinery, machinery spares, tools and accessories, furniture, fixtures, vehicles; a first charge on cash flows, book debts and receivables and any revenues pertaining to the Project; a first charge of all intangibles including but not limited to goodwill, uncalled capital present and future pertaining to the Project; a first charge by way of assignment or creation of security interest in all the rights, title, interest, benefits, claims and demands in the project documents (including but not limited to Insurance Contracts) all as amended, varied or supplemented lenders from time to time; all the rights, title, interest, benefits, claims and demands in any letter of credit, guarantee, corporate guarantee, bank guarantee or performance bond provided by any party to the project documents; a first charge on Trust and Retention Account including all sub-accounts, Debt Service Reserve Account; and other reserves and all other bank accounts of the company. The Company is yet to create charge against the same. These loans are also secured by pledge of shares held by the company's promoters, to the extent of 51% of the equity share capital of the Company and as may be stipulated by lenders from time to time. Infrastructure Development Finance Company Limited (IDFC) holds the aforesaid security mentioned in (i) and (ii) above for itself and on behalf of all other lenders by way of Security Trustee and Lenders Agent.
Upto 31 December 2008	
(i)	The debt comprising of Rupee Term Loans, Foreign Currency Term Loans and Funded Interest Term Loan (FITL) are secured by way of first mortgage, on pari passu basis, of the entire immovable properties of the Company, both present and future, situated at Pipavav Port, Taluka Rajula, Gujarat, and hypothecation of all the Company's movables including movable plant and machinery, machinery spares and stores, tools and accessories, both present and future subject to prior charges in favour of the Company's bankers on the stock of raw materials, semi-finished goods, consumable stores and books debts and other movables towards working capital facilities.
(ii)	The said loans are also secured by pledge of shares held by AP Moller Maersk Group (APMM), to the extent of 26% of the equity share capital of the company.
(iii)	Infrastructure Development Finance Company Limited (IDFC), holds the aforesaid security mentioned in (i) and (ii) above for itself and on behalf of other existing and new lenders by way of Security Trustee and Lenders Agent.
3.	**Debentures:**
(i)	10.50 % Non-convertible Debentures (NCD) were redeemable in 3 annual instalments on 1 October 2009, 1 October 2010 and 1 October 2011. During the year 2006, Corporate Debt Restructuring Cell approved early redemption of NCD's and replaced with Funded Interest Term Loan on similar terms. Accordingly NCD's aggregating to Rs.161.08 Million are substituted as Funded Interest Term Loan. Consequent to redemption of NCD, the deferred interest on NCD is considered a part of Funded Interest Term Loan.
(ii)	10.50% Non-convertible Debentures (NCD) were secured by way of first mortgage, on pari passu basis, of the entire immovable properties of the Company, both present and future, situated at Pipavav Port, Taluka Rajula, Gujarat, and hypothecation of all the Company's movables including movable plant and machinery, machinery spares and stores, tools and accessories, both present and future subject to prior charges in favour of the Company's bankers on the stock of raw materials, semi-finished goods, consumable stores and books debts on other movables towards working capital facilities. The extension of mortgage for FITL in replacement of 10.50% NCD's were being completed.
(iii)	16.75% Non-convertible Debentures (NCD) were redeemable at 30% of face value, each at the end of the third and fourth year and balance at the end of the fifth year from the date of allotment, i.e. 29 April 1998. The last instalment of Rs. 20 million due for redemption during the year 2003-04, was rescheduled by mutual consent. The redemption was made as per reschedulement by mutual consent.

(iv)	The 16.75% non-convertible debentures are secured by way of first mortgage on the entire immovable properties of the Company, both present and future, situated at Pipavav Port, Taluka Rajula, Gujarat, ranking pari passu amongst participating financial institutions/ banks and by first charge by way of hypothecation of all the Company's movable plant and machinery, machinery spares and stores, tools and accessories, both present and future subject to prior changes in favour of the Company's bankers on the stock of raw materials, semi-finished goods, consumable stores and book debts and other movables towards working capital facilities.
(v)	16.75% Non-convertible Debentures (NCD) were additionally secured by the Personal Guarantees of two directors and a relative of a director.
(vi)	The Company had not created a debenture redemption reserve due to unavailability of profits.
4.	**Short term rupee term loan:**
	The short term rupee loan from a financial institution was secured by hypothecation of plant and machinery acquired under the loan and pledge of shares held by APM Terminals Holdings Ltd (APMT) and maersk India Private Ltd (MIPL)
5.	**Vehicle loans:**
	Vehicle loans were secured by the assets acquired under the respective loans.
6.	**Loan from ex-promoters:**
	Loan from promoter SKIL Infrastructure Limited (‘SKIL’) (erstwhile Sea King Infrastructure Limited) was secured by pledge of shares, subscribed in Pipavav Railway Corporation Limited (PRCL), utilising the said loan by the Company.
UNSECURED LOANS:	
7	Amount payable within 1 year Rs. 1,118.67 million
8.	**From Promoters:**
	The existing unsecured loan was received under External Commercial Borrowing Guidelines from the promoter pursuant to Sponsor Support Agreement with the company's lenders and is subordinated to the lenders. The loan bear an interest @ 12 month USD libor plus 2% p.a. The outstanding amount including interest shall be repaid at the earlier of 30 December 2009.
9.	**From Fellow subsidiary:**
	During the year / period ended 31 December 2008 and 30 September 2009, the Company obtained short-term loan from Gateway Terminals India Private Limited, the same is secured by the guarantee given by APM Terminals B.V., ultimate holding Company. Interest @ 12.75% p.a. is payable on loan of Rs 500 million and @ 8.5% p.a. is payable on balance loan of Rs 280 million. The loan amount along with interest is repayable by 30 November 2009.
10.	**From Financial Institutions- Debentures:**
	During the fiscal 2005 the Company issued 0% Fully Convertible Debentures to Financial institution at a premium of Rs.30/- each. These Debentures were converted into 13,750,000 equity shares during the fiscal 2006.
11.	The unsecured loan from ex-promoter, SKIL Infrastructure Limited (SKIL), was interest free, with no stipulation to repayment terms. A partial withdrawal of Rs 151.99 was made during the financial year 2002-03 contrary to loan covenants, for which regularisation is sought from the lender. With the divestment of shareholdings by SKIL in favour of APMM and other financial investors, the unsecured loan was adjusted against the amount due and payable by the SKIL to the Company.
12.	The figures disclosed above are based on the restated summary statement of assets and liabilities of the Company.

ANNEXURE VII : STATEMENT OF SUNDRY DEBTORS

(Rs. Millions)

PARTICULARS	As at 30-Sept-09	As at 30-Sept-08	As at 31-Dec-08	As at 31-Dec-07	As at 31-Dec-06	As at 31-Dec-05	As at 31-Mar-05	As at 31-Mar-04
Debts outstanding for a period exceeding six months								
- considered good	0.83	23.08	3.93	1.26	1.59	0.98	2.09	0.12
- considered doubtful	13.72	2.37	3.43	0.57	2.15	1.10	0.07	0.24
Other debts								
- considered good	187.70	34.90	71.19	33.21	95.70	42.01	26.76	6.88
- considered doubtful	2.82	0.97	19.79	0.29	0.83	1.58	-	-
Less: Provision for doubtful debts	(16.54)	(3.34)	(23.22)	(0.86)	(2.98)	(2.68)	(0.07)	(0.24)
Total	**188.53**	**57.98**	**75.12**	**34.47**	**97.29**	**42.99**	**28.85**	**7.00**
Debt outstanding from Promoters and Promoter Group Companies	50.02	30.46	3.84	2.24	44.08	23.52	9.67	-

PARTICULARS	As at 30-Sept-09	As at 30-Sept-08	As at 31-Dec-08	As at 31-Dec-07	As at 31-Dec-06	As at 31-Dec-05	As at 31-Mar-05	As at 31-Mar-04
Notes:								
The list of persons / entities classified as 'Promoters' and 'Promoter Group Companies' has been determined by the Management and relied upon by Auditors. The Auditors have not performed any procedures to determine whether this list is accurate or complete.								
The figures disclosed above are based on the restated summary statement of assets and liabilities of the Company.								

ANNEXURE VIII : STATEMENT OF LOANS & ADVANCES

(Rs. Millions)

PARTICULARS	As at 30-Sept-09	As at 30-Sept-08	As at 31-Dec-08	As at 31-Dec-07	As at 31-Dec-06	As at 31-Dec-05	As at 31-Mar-05	As at 31-Mar-04
Advances recoverable in cash or in kind or for value to be received								
- considered good	114.46	66.90	81.20	100.10	43.22	34.26	23.33	60.98
- considered doubtful	11.78	11.78	11.78	11.78	11.78	-	-	-
Less: Provision for doubtful advances	(11.78)	(11.78)	(11.78)	(11.78)	(11.78)	-	-	-
Exchange gain on forward exchange contract	-	84.91	188.11	-	-	-	-	-
Balance with Excise authority	244.25	6.67	88.81	23.35	42.79	7.33	1.97	0.12
Prepaid expenses	206.63	63.81	63.38	55.55	42.57	21.42	13.21	15.87
Inter corporate loan								100.00
Due from SKIL Group, ex-promoter (Note 1)	-	-	-	94.22	94.22	221.33	220.00	167.57
Advance against investment (Note 2)	11.15	11.15	11.15	11.15	11.15	11.15	11.15	11.95
Share application money, pending allotment	-	-	-	50.00	50.00	50.00	-	-
Sundry deposits and short term advances	17.05	23.67	17.53	24.51	31.13	27.41	30.55	41.55
Income tax receivable	82.57	43.22	43.89	11.18	1.44	-	6.54	12.62
Total	**676.11**	**300.33**	**494.07**	**370.06**	**316.52**	**372.90**	**306.75**	**410.66**

Notes:

1. SKIL Infrastructure Ltd. (SKIL), had agreed to discharge the aforesaid obligation with interest and the obligation was guaranteed by a Director of SKIL.

2. Advance against investment relates to expenditure already spent by the Company on the formation and other expenses of the rail SPV, Pipavav Railway Corporation Limited (PRCL), on its behalf which is pending approval of Ministry of Railways (MOR). This expenditure would be adjusted towards equity share capital of PRCL after review by MOR. MOR has approved Rs. 2.65 million and the Company has taken up with PRCL and MOR for approval of the remaining expenses.

3. The figures disclosed above are based on the restated summary statement of assets and liabilities of the Company.

ANNEXURE IX : STATEMENT OF PRINCIPAL TERMS OF SECURED LOANS AND ASSETS CHARGED AS SECURITY

(Rs. Millions)

<table>
<tr><th>Particulars</th><th>As at
30 Sept 2009</th><th>Rate of Interest</th><th>Repayment</th><th>Security</th></tr>
<tr><td>RUPEE TERM LOAN</td><td></td><td></td><td></td><td rowspan="9">(i) The Rupee Term Loan is secured by way of first mortgage and charge on the immovable properties forming part of the Project Assets, a first charge by way of hypothecation of all the Company's movables forming part of the Project Assets including movable plant and machinery, machinery spares, tools and accessories, furniture, fixtures, vehicles; a first charge on cash flows, book debts and receivables and any revenues pertaining to the Project; a first charge of all intangibles including but not limited to goodwill, uncalled capital present and future pertaining to the Project; a first charge by way of assignment or creation of security interest in all the rights, title, interest, benefits, claims and demands in the project documents (including but not limited to Insurance Contracts) all as amended, varied or supplemented lenders from time to time; all the rights, title, interest, benefits, claims and demands in any letter of credit, guarantee, corporate guarantee, bank guarantee or performance bond provided by any party to the project documents; a first charge on Trust and Retention Account including all sub-accounts, Debt Service Reserve Account; and other reserves and all other bank accounts of the company.

(ii) These loans are also secured by pledge of shares held by the company's promoters, to the extent of 51% of the equity share capital of the Company and as may be stipulated by lenders from time to time.

(iii) Infrastructure Development Finance Company Limited (IDFC) holds the aforesaid security mentioned in (i) and (ii) above for itself and on behalf of all other lenders by way of Security Trustee and Lenders Agent</td></tr>
<tr><td>Bank of India</td><td>Rs 1,791.67</td><td>Spread of 1% per annum over and above Bank of India BPLR</td><td rowspan="8">48 quarterly installments (uneven), starting from June 1, 2012</td></tr>
<tr><td>Export Import Bank</td><td>Rs 671.88</td><td>EXIM Bank PLR prevailing on the date of each disbursement less 0.50% per annum</td></tr>
<tr><td>HDFC Ltd.</td><td>Rs 895.83</td><td>Spread of 4% per annum over and above the Benchmark Rate prevailing on the date of each disbursement. Provided that the aggregate Loan outstanding upon the last disbursement (under the respective tranches) shall carry interest at the Weighted Average Rate of Interest from the date of last disbursement of the Loan. “Benchmark Rate” shall mean 1 year AAA Bond Rate as displayed on Reuters “AAA INBMK” page. 1 year Bond Rate shall be fixed as the average rate for the previous 10 working days prior to the date of every disbursement or the Reset Date as applicable as appearing on the reuters “AAA INBMK” page.</td></tr>
<tr><td>Punjab National Bank</td><td>Rs 1,768.00</td><td>PNB BPLR + 0.50% + term premia of 0.50% per annum</td></tr>
<tr><td>IDBI Bank Limited</td><td>Rs 1,788.45</td><td>IDBI BPLR as prevailing on the date of each disbursement.</td></tr>
<tr><td>Syndicate Bank</td><td>Rs 895.83</td><td>Spread of 1% per annum over and above the Syndicate Bank PLR</td></tr>
<tr><td>IDFC Ltd</td><td>Rs 2,190.00</td><td>Spread of 2.50% per annum over and above IDFC 1 year Benchmark Rate prevailing on the date of each disbursement. Provided that the aggregate Loan outstanding upon the last disbursement (under the respective tranches) shall carry interest at the Weighted Average Rate of Interest from the date of last disbursement of the Loan</td></tr>
<tr><td>Union Bank of India</td><td>Rs 407.60</td><td>Spread of 1% per annum over and above the UBI PLR</td></tr>
<tr><td>Total</td><td>Rs 10,409.26</td><td></td><td></td><td></td></tr>
</table>

ANNEXURE X : STATEMENT OF CAPITALISATION AS AT 30 SEPTEMBER 2009

(Rs. Millions)

Particulars	Pre issue	Post issue
Long Term Debt **(A)**	10,409.26	
Short Term Debt	1,118.67	
Total Debt (B)	**11,527.93**	
Shareholders' funds		
- Equity share capital	2,937.00	
Reserves as restated		
- Securities Premium account	6,944.00	
- Profit and Loss account	(7,411.80)	
Total shareholders' funds (C)	**2,469.20**	
Long Term Debt / Shareholders' funds **(A / C)**	4.22	
Total Debt / Shareholders' funds **(B / C)**	4.67	

Notes:

1. Short Term Debt represents amount repayable within one year from 30 September 2009.
2. The figures disclosed above are based on the restated summary statement of assets and liabilities of the Company as at 30 September 2009.
3. The corresponding post issue figures are not determinable at this stage pending the completion of the Book building process and hence have not been furnished.

ANNEXURE XI : STATEMENT OF ACCOUNTING RATIOS

PARTICULARS	9 months ended 30-Sept-09	9 months ended 30-Sept-08	12 months ended 31-Dec-08	12 months ended 31-Dec-07	12 months ended 31-Dec-06	9 months ended 31-Dec-05	12 months ended 31-Mar-05	12 months ended 31-Mar-04
Earnings / (Loss) per share before extraordinary items-								
Basic & Diluted* (Rs.)	(2.81)	(2.05)	(2.37)	(1.96)	(2.55)	(2.44)	(4.48)	(14.34)
Earnings / (Loss) per share after extraordinary items-								
Basic & Diluted* (Rs.)	(2.81)	(2.05)	(2.37)	(1.96)	(2.55)	(2.44)	(4.48)	(14.34)
Return on Net worth %	-33.41%	-15.28%	-18.14%	-10.02%	-54.44%	-34.21%	-1,227.48%	-775.55%
Net Asset Value (NAV) per equity share (Rs.)	8.41	11.68	11.31	13.88	1.99	4.32	(2.87)	(1.39)
Weighted average no. of equity shares o/s during the period/ year	293,699,998	293,699,998	293,699,998	234,994,177	203,221,241	191,596,459	160,096,241	160,096,241
Total number of equity shares outstanding at the end of the period/ year	293,699,998	293,699,998	293,699,998	293,699,998	210,096,241	196,346,241	160,096,241	160,096,241
* face value of Rs. 10 each								

Notes:

1. The ratios have been computed as below:

Earning per share (Rs.) before extraordinary items:	Net profit / (loss) as restated, before extraordinary items, attributable to equity shareholders ____ Weighted average number of equity shares outstanding during the period / year
Earning per share (Rs.) after extraordinary items:	Net profit / (loss) as restated, attributable to equity shareholders ____ Weighted average number of equity shares outstanding during the period / year
Return on Net worth %:	Net profit / (loss) after tax, as restated ____ Net worth
Net Asset Value per Equity Share (Rs.):	Net worth less Preference Share capital ____ Number of equity shares outstanding at the end of the period / year

2. Net worth means Equity share capital + Preference share capital + Other reserves and surplus - Debit balance in Profit & Loss account.

3. Other Reserves and Surplus includes Securities premium.

4. Weighted average number of equity shares used in determining earnings per share is after considering the effect of right issue during the year ended 31 December 2007, which does not contain bonus element.

5. The long term loans and Optionally Convertible Non-cumulative Redeemable Preference Shares / 1% Non Cummulative Redeemable Preference Shares have a right to convert into equity shares of the Company at par in the event of default. Upto 31 December 2008, there were no defaults and therefore these instruments have not been considered for calculation of diluted earning per shares.

6. The figures disclosed above are based on the restated summary statements of the Company.

ANNEXURE XII : STATEMENT OF TAX SHELTER

(Rs. Millions)

PARTICULARS	31-March -09	31-March-08	31-March-07	31-March-06	31-March-05	31-March-04
Profit / (Loss) as per Profit and Loss Account	(1,043.56)	(831.15)	(648.80)	(353.23)	(383.31)	(2,837.80)
Income Tax Rates applicable	33.99%	33.99%	33.66%	33.66%	36.59%	35.88%
Tax at notional rates	-	-	-	-	-	-
Permanent Difference (A)						
Donations disallowed under the Income Tax Act	2.32	0.15	0.40	0.15	0.10	0.22
Interest / Penalty on Income Tax / TDS	-	-	-	-	-	0.18
Filing fees paid to ROC for increasing authorised share capital		-	-	-	-	-
Fringe Benefit Tax & Wealth Tax	-	3.00	-	-	-	-
Others	49.21	0.06	-	-	-	-
Total Permanent Difference (A)	**51.53**	**3.21**	**0.40**	**0.15**	**0.10**	**0.40**
Timing Difference (B)						
Differences between book depreciation and tax depreciation	(574.73)	(496.78)	(392.46)	(301.20)	(713.28)	(793.09)
Difference due to allowability / disallowability of Section 43B items	(34.20)	(392.74)	146.25	161.05	343.14	399.84
Amounts Inadmissible u/s 40(a) (ia)	67.84	(567.00)	-	(5.15)	-	-
Provision for Doubtful Debts, Advances and claims	76.46	0.98	468.31	101.83	65.00	0.24
Provision for Inventory Obsolescence	14.44	7.93	2.66	7.52	-	-
Leave encashment	-	-	-	1.17	2.06	-
Exceptional items	-	48.55	83.59	-	9.61	97.51
Exchange loss / (Gain) on Forward exchange contract	(101.13)	-	52.30	-	-	-
Impairment Loss on Fixed assets	-	-	-	-	-	2,164.13
Profit on sale of assets credited to Profit & Loss a/c	(19.25)	(0.02)	(17.78)	0.73	0.69	4.73
Interest income credited to CWIP	-	-	10.27	2.88	-	-
Income from other sources considered separately	-	-	-	(9.71)	(3.90)	0.03
Total Timing Difference (B)	**(570.57)**	**(1,399.08)**	**353.14**	**(40.88)**	**(296.68)**	**(1,873.39)**
Net Adjustments (A + B)	**(519.04)**	**(1,395.87)**	**353.54**	**(40.73)**	**(296.58)**	**(1,873.79)**
Tax Saving Thereon	-	-	119.00	-	-	672.32
Profits / (Losses) for the year taxable under the head Profit and Gains of Business or Profession	**(1,562.60)**	**(2,227.02)**	**(295.26)**	**(393.96)**	**(679.89)**	**(964.01)**
Income taxable under the head Capital Gains	-	-	-	-	-	-
Income taxable under the head Other sources	-	-	-	9.71	3.90	0.05
Profit / (losses) for the year before adjustment of brought forward losses	(1,562.60)	(2,227.02)	(295.26)	(384.25)	(675.99)	(963.96)
Total carried forward losses as per income tax returns	**(7,367.85)**	**(5,805.25)**	**(3,578.23)**	**(3,282.97)**	**(3,081.56)**	**(2,405.57)**

Note:

1.	The aforesaid Statement of Tax Shelters is not based on the Profits/ (Losses) as per the 'Restated Unconsolidated Summary Statement of Assets and Liabilities'. It has been prepared based on the standalone audited accounts of Gujarat Pipavav Port Limited.
2.	The permanent/timing differences have been computed considering the acknowledged copies of the income- tax returns filed by the Company for each of the respective years as stated above. Disallowances on account of assessment proceedings, appeals etc. have been given effect while arriving at the carried forward unabsorbed depreciation.
3.	In view of tax loss incurred by the Company during each of the years considered in the tax shelters, the Company has not calculated tax under normal provision of the Act. Similarly, since the Company also has book losses as well as brought forward unabsorbed deprecation during years considered in the tax shelters, the Company is not liable to pay Minimum Alternate Tax (MAT) under Section 115JB(2) of the Act.

4.	There was a change in the shareholding structure of the Company, wherein more than 51 per cent of the shares changed hands during the year ended March 31, 2006. Due to such change, on application of Section 79 of the Income Tax Act, brought forward business loss amounting to Rs.164,307,045 relating to the year ended 31 March 2003 could not be carried forward. This has been given effect in the amount of "Carried forward losses" for the year ending March 31, 2006.
5.	The total brought forward loss for the year ended 31 March 2006 is after effecting the disallowance made in the assessment order for the year ended 31 March 2003, 31 March 2004 and 31 March 2005.

MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

The following discussion and analysis of our financial condition and results of operations is derived from and should be read in conjunction with our restated financial statements as of and for the nine month period ended December 31, 2005, for the years ended December 31, 2006, 2007, 2008 and for the nine month periods ended September 30, 2008 and 2009, including the schedules, annexures and notes thereto and the reports thereon, beginning on page 134 of this Draft Red Herring Prospectus. Our restated financial statements are prepared in accordance with Indian GAAP, which differ in certain material respects from IFRS and U.S. GAAP.

We changed our year end from March 31 to December 31 from December 31, 2005 onwards. Consequently, our results of operations for the years ended December 31, 2005 and December 31, 2006 are not comparable.

The following discussion and analysis contains forward-looking statements that involve risks and uncertainties. For additional information regarding such risks and uncertainties, see "Forward - Looking - Statements" and "Risk Factors."

Overview

We are the developer and operator of APM Terminals Pipavav, India's first private sector port, which has multi-cargo and multi-user operations. We have the exclusive right to develop and operate APM Terminals Pipavav and related facilities until September 2028 pursuant to the Concession Agreement with GMB and the GoG.

We are promoted by APM Terminals, one of the largest container terminal operators in the world with a global network of 49 terminals in 32 countries and five continents. In the year ended December 31, 2008, APM Terminals handled 34.0 million TEUs and had revenues of over US$ 3.00 billion. APM Terminals is part of the APMM Group, which is one of the largest ship operators in the world. Since acquisition of management control by APM Terminals in March 2005, we have expanded facilities to handle up to 0.60 million TEUs of container cargo as well as approximately five million tonnes of bulk cargo per year, which varies depending on the type of cargo handled. Presently, APM Terminals owns a 57.9% equity interest in us.

APM Terminals Pipavav is one of the principal gateways on the west coast of India and is located in the Saurashtra region of the state of Gujarat. APM Terminals Pipavav is an all weather port and is protected by two islands, which act as a natural breakwater maximizing port safety. We are principally engaged in providing port handling and marine services for: (i) container cargo, (ii) bulk cargo, and (iii) LPG cargo. In addition, we operate a CFS and also generate revenue from land-related and infrastructure activities.

We commissioned the first jetty and commenced cargo handling operations at APM Terminals Pipavav in November 1996. We commenced container handling activities in April 1998 and obtained the exclusive right to develop and operate APM Terminals Pipavav and related facilities under the Concession Agreement on September 30, 1998. We commenced comprehensive commercial port operations in April 2002. See "History and Certain Corporate Matters" beginning on page 88 of this Draft Red Herring Prospectus.

APM Terminals Pipavav is strategically located near the entrance of the Gulf of Khambhat (formerly known as the Gulf of Cambay) on the main maritime trade routes, which helps us to serve imports from and exports to the Middle East, Asia, Africa, the United States, Europe and other international destinations. A wide range of customers use our port facilities. Our key customers in container cargo include shipping lines such as Maersk Line, Mitsui O.S.K Lines, Safmarine Container Lines, Samudera Shipping Line Limited, Shreyas Shipping and Logistics Limited, Hyundai Merchant Marine India Private Limited, The Shipping Corporation of India Limited, Emirates Shipping Line, Malaysia International Shipping Corporation, Orient Overseas Container Line Limited and United Arab Shipping Company. We also handle a variety of dry bulk and break bulk cargo such as coal, cement, clinker, gypsum, fertilisers, steel, steel scrap, iron ore, agricultural products, salt and soda ash. Some of our key customers in dry bulk and break bulk cargo are Indian Potash Limited, Bhatia International Limited, Gujarat Heavy Chemicals Limited and Ultratech Cement.

Factors Affecting Our Results of Operations

Our results of operations and financial condition are affected by a number of factors, including the following, which are of particular importance:

Cargo Volumes

In the years ended December 31, 2006, 2007 and 2008, APM Terminals Pipavav handled 2.15, 1.66 and 2.07 million tonnes of bulk cargo and 0.13 million TEUs, 0.19 million TEUs and 0.20 million TEUs of container cargo, respectively. In the nine month period ended September 30, 2009, APM Terminals Pipavav handled 2.38 MTs of bulk cargo and 0.21 million TEUs of container cargo.

Any slowdown in the Indian economy that results in a weakening of the volumes of bulk and container cargo handled at Indian ports may have a significant adverse impact on our results of operations. For instance, even though there was an increase in volume of bulk and container cargo handled at our Port in the nine month period ended September 30, 2009, we had a decrease in operating margins as a result of incentives given to customers, based on volume throughput, the extent of customers' commitment and other business factors. See "Risk Factors – Our business and results of operations are dependent on economic conditions in India and regional economic conditions and our rate of growth will be affected if the rate of economic development in India is less than the rate projected".

Other factors that affect cargo volumes include: (i) the levels of global and regional trade; (ii) the continuing increase in globalisation of world trade, which has led to an increase in the volume of seaborne cargo and growth in trade involving container cargo; (iii) competition from new and existing ports in India, particularly on the northwest coast; and (iv) industry trends such as consolidation and changes in shipping alliances.

Pricing

As a non-Major Port, we have considerable flexibility in determining the tariff rates at our Port. Generally, the prices we charge for our services depend on a number of factors including: (i) the volume of cargo handled; (ii) the types of customised and additional services undertaken for customers; and (iii) specific incentives with individual customers, based on volume throughput, the extent of customers' commitment and other business factors.

Cargo and Service Mix

Our results of operations are, to a significant extent, influenced by the type of cargo we handle and the other services that we provide. In addition, our results of operations will be dependent on our operating efficiency, capacity of our existing facilities and our ability to provide value-added services to our customers at competitive rates.

Capacity and Utilisation

Our container cargo handling volume for the years ended December 31, 2006, 2007, 2008 and for the nine month period ended September 30, 2009 was 135,167 TEUs, 192,015 TEUs, 195,546 TEUs and 211,247 TEUs, respectively. The average berth occupancy at our container terminal was 26.0% and 47.0% for the year ended December 31, 2008 and for the nine month period ended September 30, 2009, respectively. We have also created extensive support infrastructure to handle container, bulk and LPG cargo, such as container yards, yard handling equipment, a harbour crane, quay cranes, rubber-tyred gantry cranes, paved rail sidings, warehouses, open stackyards and a Port users' building to accommodate the offices of custom house agents, stevedores' agents and shipping lines.

Tax Benefits

Being an infrastructure company, we are eligible for tax deductions under section 80-IA of the I.T. Act, for a period of 10 consecutive years in a block of 15 years starting from the commencement of business for a deduction equivalent to 100.0% of profits derived from developing or operating APM Terminals Pipavav. Since we had business losses in our initial years of operations, we exercised the option of not claiming the deductions available under section 80 IA (4) (i) of the I.T. Act for the first five years since commencing commercial operations. Our tax-holiday period commenced in Fiscal 2008 and will be available for a consecutive period of 10 years until Fiscal 2018. The non-availability of these tax incentives in the future, as a result either of expending the years in which we qualify for deductions or due to any change in Indian tax policy, could adversely affect our financial condition and results of operations.

Certain Significant Accounting Policies

Our restated financial statements have been prepared on going concern basis and on accrual basis, under the historical cost convention and in accordance with Indian GAAP, the accounting standards prescribed in the Companies (Accounting Standards) Rules, 2006, issued by the central Government of India and the relevant provisions of the Companies Act, as adopted consistently by us. Certain significant accounting policies that are relevant to our business and operations are described below. See also Annexure IV note 3 to our restated financial statements on page 141.

Tangible Fixed Assets and Depreciation

Tangible fixed assets are stated at cost less accumulated depreciation and impairment loss, if any. Costs include inward freight, duties, taxes and pre-operative expenses incidental to construction, acquisition and installation of the Port facility up to the date of commencement of commercial operations, and is net of income earned from pre-commercial operations during the construction period.

Intangible assets are recognised only when it is probable that the future economic benefits that are attributable to the assets will flow to us and the cost of such assets can be measured reliably. Intangible assets are stated at cost less accumulated amortisation and impairment loss, if any. All costs relating to the acquisition are capitalised. Intangible assets are amortised over the useful life of the assets.

Depreciation on tangible fixed assets is provided on a straight-line basis, at the rates and in the manner prescribed in Schedule XIV to the Companies Act, 1956, except in the case of the following fixed assets, which are depreciated at different rates:

- expenditure on roads constructed on land not owned by us – over the remaining concession period;
- capital dredging - at 2% per annum; and
- second hand quay cranes - first five years at 15% per annum and the next five years at 5% per annum.

Leasehold improvements are amortised over the primary lease period. Assets individually costing up to Rs. 5,000 are fully depreciated in the period/year of acquisition.

Borrowing costs that are attributable to the acquisition or construction of qualifying assets are capitalised as part of the cost of such assets. A qualifying asset is an asset that requires a substantial period of time before it can be utilised for its intended use. All other borrowing costs are charged to the profit and loss account as and when incurred.

In accordance with Accounting Standard 28 – Impairment of assets ("AS 28"), promulgated by the Institute of Chartered Accountants of India, the carrying amounts of our assets are reviewed at each balance sheet date to determine whether there is any indication of impairment. If any such indication exists, the asset's recoverable amount is estimated, as the higher of the net selling price and the value in use. Value in use is the present value of estimated future cash flows expected to arise from the continuing use of the asset and from its disposal at the end of its useful life. An impairment loss is recognised whenever the carrying amount of an asset exceeds the 'value-in-use'.

Provisions and Contingent Liabilities

We create a provision where there is a present obligation as a result of a past event that probably requires an outflow of resources and a reliable estimate can be made of the amount of the obligation. A disclosure for a contingent liability is made when there is a possible or a present obligation that may, but probably will not, require an outflow of resources. When there is a possible obligation in respect of which the likelihood of outflow of resources is remote, no provision or disclosure is made. In case of certain litigations, legal opinions are obtained as necessary to support management estimates.

Investments

Long-term investments are stated at cost. Provision for diminution in the value of long-term investments is made only if such decline is not temporary in nature.

Inventories

Stores and spare parts, fuel and lubricants are valued at cost or net realisable value, whichever is lower; the cost is calculated on a first-in-first-out basis. Systematic provisioning is made for inventories held for more than a year.

Changes in Accounting Policies

We have described below certain changes in accounting policies in relation to the preparation of our financial statements.

Exchange Differences on Foreign Currency Loans

Exchange differences on foreign currency loans taken for the acquisition of fixed assets were capitalised to the respective assets in earlier years, and were adjusted in the carrying amount of the related fixed assets up to the year ended December 31, 2006 and charged to the profit and loss account from January 1, 2007.

Retirement Benefits

The Company has adopted revised AS 15 on Employee Benefits effective January 1, 2007. It has not been possible for the management to determine the effect on the profits/losses for the years / periods ended March 31, 2004, March 31, 2005, December 31, 2005 and December 31, 2006, had the revised standard been adopted by the Company for each of those years/period. No adjustment has been made for earlier years, since in the opinion of the Company, the impact of the same on the restated financial statements is not material.

Our Results of Operations

Our statements of restated profits and losses are not comparable for the nine month period ended December 31, 2005 and for the twelve month period ended December 31, 2006 as a result of the change of year end in December 2005. The following table sets forth selected financial data from our statements of restated profits and losses, the components of which are also expressed as a percentage of total income for the periods indicated.

	For the year ended December 31,								For the nine month period ended September 30,			
	2005 (nine month period)		2006		2007		2008		2008		2009	
Particulars	(Rs. in Million)	% of Total Income	(Rs. in Million)	% of Total Income	(Rs. in Million)	% of Total Income	(Rs. in Million)	% of Total Income	(Rs. in Million)	% of Total Income	(Rs. in Million)	% of Total Income
Income:												
Operating Revenue	676.23	96.4	1,349.63	94.8	1,516.04	91.9	1,674.89	84.4	1,215.58	87.8	1,508.60	97.1
Other Income	25.50	3.6	74.58	5.2	133.60	8.1	308.44	15.6	168.94	12.2	44.66	2.9
Total Income	**701.73**	**100.0**	**1,424.21**	**100.0**	**1,649.64**	**100.0**	**1,983.33**	**100.0**	**1,384.52**	**100.0**	**1,553.26**	**100.0**
Expenditure:												
Operating Expenses	230.00	32.8	487.40	34.2	597.26	36.2	609.36	30.7	460.09	33.2	627.76	40.4
Repairs and Maintenance	46.26	6.6	138.81	9.7	112.31	6.8	150.98	7.6	133.11	9.6	101.40	6.5
Staff Cost	61.71	8.8	106.30	7.5	138.35	8.4	202.40	10.2	151.18	10.9	180.79	11.6
Administrative and Other Expenses	358.11	51.0	414.34	29.1	543.86	33.0	588.91	29.7	439.42	31.7	354.83	22.8

Particulars	For the year ended December 31,								For the nine month period ended September 30,			
	2005 (nine month period)		2006		2007		2008		2008		2009	
	(Rs. in Million)	% of Total Income	(Rs. in Million)	% of Total Income	(Rs. in Million)	% of Total Income	(Rs. in Million)	% of Total Income	(Rs. in Million)	% of Total Income	(Rs. in Million)	% of Total Income
Borrowing Cost	310.03	44.2	468.20	32.8	404.65	24.5	754.82	38.1	547.60	39.6	781.50	50.4
Depreciation / Amortisation	161.42	23.0	241.48	17.0	272.04	16.5	369.97	18.7	253.61	18.3	330.96	21.3
Total Expenditure	**1,167.53**	**166.4**	**1,856.53**	**130.3**	**2,068.47**	**125.4**	**2,676.44**	**135.0**	**1,985.01**	**143.3**	**2,377.24**	**153.0**
Profit / (Loss) before Exceptional Item and Tax	**(465.80)**	**(66.4)**	**(432.32)**	**(30.3)**	**(418.83)**	**(25.4)**	**(693.11)**	**(35.0)**	**(600.49)**	**(43.3)**	**(823.98)**	**(53.0)**
Exceptional Item	0.00	0.0	83.58	5.9	38.55	2.3	0.00	0.00	0.00	0.0	0.00	0.0
Profit / (Loss) Before Tax	**(465.80)**	**(66.4)**	**(515.90)**	**(36.2)**	**(457.38)**	**(27.7)**	**(693.11)**	**(35.0)**	**(600.49)**	**(43.3)**	**(823.98)**	**(53.0)**
Current Tax (Including Fringe Benefits Tax)	1.72	0.2	2.44	0.2	2.84	0.2	3.63	0.2	2.55	0.2	0.91	0.1
Net Profit/ (Loss) as Restated	**(467.52)**	**(66.2)**	**(518.34)**	**(36.4)**	**(460.22)**	**(27.8)**	**(696.74)**	**(35.2)**	**(603.04)**	**(43.5)**	**(824.89)**	**(53.1)**

Total income. Our total income consists of operating revenue and other income. Historically, the principal component of our income has been our operating revenue. Our total income for the period ended December 31, 2005 was Rs. 701.73 million as compared to Rs. 1,424.21 million, Rs. 1,649.64 million, Rs. 1,983.33 million and Rs. 1,553.26 million for the years ended December 31, 2006, 2007 and 2008 and for the nine month period ended September 30, 2009, respectively. For the period ended December 31, 2005, and the years ended 2006, 2007 and 2008 and for the nine month period ended September 30, 2009, our operating revenue constituted 96.4%, 94.8%, 91.9%, 84.4% and 97.1% of our total income, respectively.

Operating revenue. Our operating revenue consists of income from services provided at our Port as well as rental income from premises which are sub-leased by us. Port services include services for container cargo, dry bulk cargo and LPG cargo and value-added port services, including container freight services. The principal component of our operating revenue is derived from container cargo and dry bulk cargo.

Our revenue from container cargo consists container handling charges, berth services, marine services and storage. Our revenue from bulk cargo consists of handling and storage of bulk cargo, marine services, berth hire charges, wharfage charges, stevedoring charges and port operation charges. Our revenue from LPG cargo consists of marine services and related ancillary facilities, including providing hose pipe connections to the vessels. Presently, Shell Gas is our sole customer in LPG cargo operations.

Our land-related income is derived from the lease of land at the Port.

The following table sets forth a breakdown of our total operating revenue by types of cargo and other services for the periods indicated:

Particulars	For the years ended December 31,								For the nine month period ended September 30,			
	2005 (nine month period)		2006		2007		2008		2008		2009	
	(in Rs. Million)	%	(in Rs. Million)	%	(in Rs. Million)	%	(in Rs. Million)	%	(in Rs. Million)	%	(in Rs. Million)	%
Container Cargo	266.41	39.4	667.93	49.5	899.63	59.3	891.00	53.2	653.52	53.8	723.31	48.0
Dry Bulk Cargo	352.21	52.1	594.31	44.1	543.96	35.8	704.62	42.1	509.44	41.9	671.10	44.5
LPG Cargo(1)	7.61	1.1	8.44	0.6	2.23	0.2	-	-	-	-	-	-
Land-related Revenue	10.92	1.6	17.57	1.3	20.49	1.4	26.92	1.6	16.84	1.4	16.55	1.1
Marine Services to Ultratech(2)	39.08	5.8	61.38	4.5	49.73	3.3	52.35	3.1	35.78	2.9	48.52	3.2
Others - Swiber Offshore Construction Pte. Ltd (3)	-	-	-	-	-	-	-	-	-	-	49.12	3.2
Total Operating Revenue	**676.23**	**100.0**	**1,349.63**	**100.0**	**1,516.04**	**100.0**	**1,674.89**	**100.0**	**1,215.58**	**100.0**	**1,508.60**	**100.0**

(1) The LPG cargo jetty is being relocated and therefore no revenue has been derived from LPG cargo operations since July 2007.

(2) We provide pilotage services to vessels calling on the captive jetty built by Ultratech Cement within our Port limits. We also collect port dues from these vessels.

(3) This includes operating revenue derived from providing non-recurring berthing services. In future, we do not expect to derive significant revenue from these services.

Our revenue from container cargo services increased from Rs. 266.41 million for the period ended December 31, 2005 to Rs. 891.00 million for the year ended December 31, 2008, primarily due to an increase in container cargo volume handled at our Port. The share of container cargo revenue as a percentage of our operating revenue has increased from 39.4% for the period ended December 31, 2005 to 53.2% for the year ended December 31, 2008. For the nine month period ended September 30, 2009, our container cargo revenue was Rs. 723.31 million, which accounted for 48.0% of our total operating revenue. Our container cargo volume increased from 62,488 TEUs for the period ended December 31, 2005 to 195,546 TEUs for the year ended December 31, 2008. For the nine month period ended September 30, 2009, the container cargo volume handled at our Port was 211,247 TEUs.

Our revenue from dry bulk cargo services increased from Rs. 352.21 million for the period ended December 31, 2005 to Rs. 704.62 million for the year ended December 31, 2008, primarily due to the increase in tariff for handling dry bulk cargo and a change in cargo mix towards fertilisers and project cargo. The share of dry bulk cargo revenue as a percentage of our operating revenue has decreased from 52.1% for the period ended December 31, 2005 to 42.1% for the year ended December 31, 2008, due to higher container throughputs. For the nine month period ended September 30, 2009, our dry bulk cargo revenue was Rs. 671.10 million, which accounted for 44.5% of our total operating revenue. Our dry bulk cargo volume increased from 1.68 million tonnes for the period ended December 31, 2005 to 2.07 million tonnes for the year ended December 31, 2008. For the nine month period ended September 30, 2009, the dry bulk cargo volume handled at our Port was 2.38 million tonnes.

Our revenue from LPG cargo services was Rs. 7.61 million, Rs. 8.44 million and Rs. 2.23 million for the period ended December 31, 2005 and years ended December 31, 2006 and 2007, respectively. Since July 2007, we have not derived any revenue from LPG cargo services due to the relocation of LPG jetty.

Our revenue from land-related activities increased from Rs. 10.92 million for the period ended December 31, 2005 to Rs. 26.92 million for the year ended December 31, 2008, primarily due to rental income from sub-leasing of land to various Port users. For the nine month period ended September 30, 2009, our revenue from land-related activities was Rs. 16.55 million, which accounted for 1.1% of our total operating revenue.

Our revenue from the Ultratech Cement jetty increased from Rs. 39.08 million for the period ended December 31, 2005 to Rs. 52.35 million for the year ended December 31, 2008, primarily due to an increase in the number of vessels handled at their captive jetty. For the nine month period ended September 30, 2009, our revenue from the Ultratech Cement jetty was Rs. 48.52 million, which accounted for 3.2% of our total operating revenue.

Our services range from marine services, to cargo handling and storage services, and sub-leasing of land. The services we provide to our customers, and the income that we derive from those services, vary depending on the type, volume and complexity of services we provide under our contracts.

We entered into a user agreement with Shell Gas on October 19, 1996 for utilising the LPG cargo jetty at APM Terminals Pipavav for a period of 25 years. Shell Gas has also set up a dedicated LPG import and storage facility. Under the terms of the user agreement, in addition to the Port tariff, Shell Gas pays user rent for the use of Port facilities and an additional specified corridor charge for use of the dedicated pipeline connecting the jetty to the storage tanks. We commenced the remodelling and relocation of LPG jetty in July 2007. The relocation of the LPG jetty has been completed and we are awaiting certain regulatory approvals for re-commencement of LPG cargo operations. During the period of relocation of LPG jetty, we entered into an agreement dated July 2, 2007 with Shell Gas wherein, effective July 1, 2007, we reimbursed Shell Gas a monthly sum Rs. 2.76 million in lieu of the additional expenses incurred by Shell Gas for import, storage and distribution of LPG cargo and as of September 30, 2009, we had paid Rs. 74.47 million to Shell Gas. We will continue to reimburse Shell Gas a monthly sum of Rs. 2.76 million until the LPG cargo jetty is re-operational.

Our ability to attract and retain customers is primarily dependent on the overall cost savings to the customer, including the end-to-end logistics cost. The cost savings, and our competitiveness, can be achieved in various ways, including by providing economies of scale through direct berthing facilities for large size vessels at our Port, faster cargo handling services and vessel turnaround times, reduced cargo losses because of mechanised handling, and multiple transport options and reductions in inland freight transit distances.

We expect that a significant portion of our operating revenue will continue to be attributable to a limited number of customers in the near future because of the nature of our business. The following table shows the revenue derived from the single largest contributor to our operating revenue, Maersk Line, and details of other large contributors to our operating revenue for the periods indicated and their contribution as a percentage to our operating revenue:

	For the years ended December 31,								For the nine month periods ended September 30,			
	2005 (nine month period)		2006		2007		2008		2008		2009	
Particulars	**(in Rs. Million)**	**%**	**(in Rs. Million)**	**%**	**(in Rs. Million)**	**%**	**(in Rs. Million)**	**%**	**(in Rs. Million)**	**%**	**(in Rs. Million)**	**%**
Maersk Line	182.41	27.0	473.21	35.1	448.37	29.6	319.93	19.1	246.20	20.3	373.61	24.8
Five Largest Contributors	432.18	63.9	918.63	68.1	872.32	57.5	762.89	45.5	557.51	45.9	748.48	49.6
10 Largest Contributors	537.80	79.5	1,119.50	82.9	1,097.02	72.4	1,003.55	59.9	737.88	60.7	1,020.24	67.6
20 Largest Contributors	608.41	90.0	1,239.59	91.8	1,297.10	85.6	1,303.63	77.8	940.72	77.4	1,237.37	82.0

Other income. Other income consists of interest on short-term bank deposits and other miscellaneous income.

Total expenditure. Our total expenditure consists of operational and other expenses, borrowing costs and depreciation. The following table sets forth a breakdown of our total expenditure for the periods indicated:

Particulars	For the years ended December 31,								For the nine month periods ended September 30,			
	2005 (nine month period)		2006		2007		2008		2008		2009	
	(in Rs. Million)	%	(in Rs. Million)	%	(in Rs. Million)	%	(in Rs. Million)	%	(in Rs. Million)	%	(in Rs. Million)	%
Expenditure:												
Operating Expenses	230.00	32.8	487.40	34.2	597.26	36.2	609.36	30.7	460.09	33.2	627.76	40.4
Repairs and Maintenance	46.26	6.6	138.81	9.7	112.31	6.8	150.98	7.6	133.11	9.6	101.40	6.5
Staff Cost	61.71	8.8	106.30	7.5	138.35	8.4	202.40	10.2	151.18	10.9	180.79	11.6
Administrative and Other Expenses	358.11	51.0	414.34	29.1	543.86	33.0	588.91	29.7	439.42	31.7	354.83	22.8
Borrowing Cost	310.03	44.2	468.20	32.8	404.65	24.5	754.82	38.1	547.60	39.6	781.50	50.4
Depreciation/ Amortisation	161.42	23.0	241.48	17.0	272.04	16.5	369.97	18.7	253.61	18.3	330.96	21.3
Total Expenditure	**1,167.53**	**166.4**	**1,856.53**	**130.3**	**2,068.47**	**125.4**	**2,676.44**	**135.0**	**1,985.01**	**143.3**	**2,377.24**	**153.0**

Operating expenses. Our operating expenses primarily include equipment hire charges, stevedoring charges, power and fuel and waterfront royalty payments to GMB under the terms of the Concession Agreement.

Our operating expenses were Rs. 230.00 million, Rs. 487.40 million, Rs. 597.26 million, Rs. 609.36 million and Rs. 627.76 million for the period ended December 31, 2005, and years ended December 31, 2006, 2007 and 2008 and for the nine month period ended September 30, 2009, respectively. Our operating expenses were 32.8%, 34.2%, 36.2%, 30.7% and 40.4% of our total income for the period ended December 31, 2005 and for the years ended December 31, 2006, 2007 and 2008 and for the nine month period ended September 30, 2009, respectively.

Repairs and maintenance expenses. Repairs and maintenance expenses were Rs. 46.26 million, Rs. 138.81 million, Rs. 112.31 million, Rs. 150.98 million and Rs. 101.40 million for the period ended December 31, 2005 and for the years ended December 31, 2006, 2007 and 2008 and for the nine month period ended September 30, 2009, respectively. Our repairs and maintenance expenses were 6.6%, 9.7%, 6.8%, 7.6% and 6.5% our total income for the period ended December 31, 2005 and for the years ended December 31, 2006, 2007 and 2008, and for the nine month period ended September 30, 2009, respectively.

Staff costs. All of our full-time employees are based in India. Our staff costs accounted for 8.8%, 7.5%, 8.4%, 10.2% and 11.6% of our total income for the period ended December 31, 2005 and for the years ended December 31, 2006, 2007 and 2008 and for the nine month period ended September 30, 2009, respectively.

Administrative and other expenses. Our administrative and other expenses primarily include provision for shortfall under the terms of the Traffic Guarantee Agreement, provision for foreign exchange losses, provision for bad debts, travel expenses, insurance premiums, legal, consultancy and professional fees. Our administrative and other expenses accounted for 51.0%, 29.1%, 33.0%, 29.7% and 22.8% of our total income for the period ended December 31, 2005 and for the years ended December 31, 2006, 2007 and 2008, and for the nine month period ended September 30, 2009, respectively.

Borrowing cost. Our borrowing cost primarily includes interest paid on outstanding bank loans, payments of interest on debentures and other financial charges. Our borrowing cost accounted for 44.2%, 32.8%, 24.5%, 38.1% and 50.4% of our total income for the period ended December 31, 2005 and for the years ended December 31, 2006, 2007 and 2008 and for the nine month period ended September 30, 2009, respectively. Borrowing costs that are attributable to the acquisition or construction of qualifying assets are capitalised as part of the cost of such assets. For the period ended December 31, 2005 and for the years ended December 31, 2006, 2007 and 2008, and for the nine month period ended September 30, 2009 borrowing costs capitalised during the period were Rs. 100.61 million, Rs. 31.77 million, Rs. 59.38 million, Rs. 24.45 million and Rs. 76.75 million, respectively.

Depreciation/amortisation. Our depreciation/amortisation expenditure primarily includes depreciation of dredging, buildings, plant and machinery, railway sidings, furniture, fixtures and vehicles. Depreciation/ amortisation accounted for 23.0%, 17.0%, 16.5%, 18.7% and 21.3% of our total income for the period ended December 31, 2005 and for the years ended December 31, 2006, 2007 and 2008, and for the nine month period ended September 30, 2009, respectively. In line with the growth of our operations, we expect our depreciation expenditure to increase, reflecting additional investments such as the development of jetties, buying or leasing of new equipment and setting up of other infrastructure facilities.

Provision for tax. We provide for income taxes, deferred taxes and fringe benefit tax. Tax on income for the current period is determined on the basis of estimated taxable income and tax credit, if any, and computed in accordance with the I.T. Act. Deferred tax arises mainly due to the timing differences between accounting income and the estimated taxable income for the period and is quantified using the tax rates and laws enacted or substantially enacted as on the relevant balance sheet date. Our deferred tax liability is recognised net of deferred tax assets, if any. Our provision for taxation also includes a provision for tax on fringe benefits paid to our employees.

Nine Month Period Ended September 30, 2009 Compared to Nine Month Period Ended September 30, 2008

Our results of operations for the nine month period ended September 30, 2009 were particularly affected by the following factors:

- increase in borrowing cost primarily on account of additional indebtedness and higher interest costs incurred during the period;
- exchange loss on forward exchange contract; and
- offset by an increase in revenue on account of increased bulk and container cargo volumes handled at the Port.

Total income. Our total income increased by 12.2% to Rs. 1,553.26 million for the nine month period ended September 30, 2009 from Rs. 1,384.52 million for the nine month period ended September 30, 2008.

Operating revenue. Our operating revenue increased by 24.1% to Rs. 1,508.60 million for the nine month period ended September 30, 2009 from Rs. 1,215.58 million for the nine month period ended September 30, 2008, primarily due to increase in bulk and container cargo handled at our Port.

Our container cargo revenue increased by 10.7% to Rs. 723.31 million for the nine month period ended September 30, 2009 from Rs. 653.52 million for the nine month period ended September 30, 2008, primarily due to increase in container cargo volume handled at our Port. Our container cargo volumes increased to 0.21 million TEUs for the nine month period ended September 30, 2009 from 0.15 million TEUs for the nine month period ended September 30, 2008.

Our bulk cargo revenue increased by 31.7% to Rs. 671.10 million for the nine month period ended September 30, 2009 from Rs. 509.44 million for the nine month period ended September 30, 2008, primarily due to increase in dry bulk cargo handled at our Port. Our bulk cargo volumes increased by 51.6% to 2.38 million tonnes for the nine month period ended September 30, 2009 from 1.57 million tonnes for the nine month period ended September 30, 2008 primarily due to increase in coal, fertiliser and minerals cargo handled at the Port.

Our revenue from land-related activities decreased by 1.7% to Rs. 16.55 million for the nine month period ended September 30, 2009 from Rs. 16.84 million for the nine month period ended September 30, 2008.

Our revenue from the Ultratech Cement jetty increased by 35.6% to Rs. 48.52 million for the nine month period ended September 30, 2009 from Rs. 35.78 million for the nine month period ended September 30, 2008, primarily due to increase in vessels handled during the period.

We received Rs. 49.12 million for providing berthing services to Swiber Offshore Construction Pte. Ltd. during the period ended September 30, 2009. This represents 3.2% of our total operating revenue for such period.

Other income. Our other income decreased by 73.6% to Rs. 44.66 million for the nine month period ended September 30, 2009 from Rs. 168.94 million for the nine month period ended September 30, 2008, primarily due to a decrease of 88.7% in interest income received from banks to Rs. 37.92 million for the nine month period ended September 30, 2009 from Rs. 120.21 million for the nine month period ended September 30, 2008 due to the utilisation of proceeds generated from our rights issue, which was partly offset by the reversal of a provision for doubtful debts of Rs. 6.68 million in the nine month period ended September 30, 2009.

Total expenditure. Our total expenditure increased by 19.8% to Rs. 2,377.24 million for the nine month period ended September 30, 2009 from Rs. 1,985.01 million for the nine month period ended September 30, 2008.

Operating expenses. Our operating expenses increased by 36.4% to Rs. 627.76 million for the nine month period ended September 30, 2009 from Rs. 460.09 million for the nine month period ended September 30, 2008, primarily due to an increase in equipment hire charges of 46.6% to Rs. 282.76 million for the nine month period ended September 30, 2009 from Rs. 192.82 million for the nine month period ended September 30, 2008 and an increase in stevedoring charges, in line with the increase in container and bulk volumes handled during the period.

Repairs and maintenance expenses. Our repairs and maintenance expenses decreased by 23.8% to Rs. 101.40 million for the nine month period ended September 30, 2009 from Rs. 133.11 million for the nine month period ended September 30, 2008, primarily due to costs incurred on remodelling and relocation of the LPG cargo jetty during the nine month period ended September 30, 2008.

Staff costs. Our staff costs increased by 19.6% to Rs. 180.79 million for the nine month period ended September 30, 2009 from Rs. 151.18 million for the nine month period ended September 30, 2008, primarily due to an increase in employees, one-time severance compensation paid and annual increments given to staff.

Administrative and other expenses. Our administrative and other expenses decreased by 19.3 % to Rs. 354.83 million for the nine month period ended September 30, 2009 from Rs. 439.42 million for the nine month period ended September 30, 2008, primarily due to a decrease in the provision for traffic guarantee shortfall by 41.2% to Rs. 125.31 million for the nine month period ended September 30, 2009 from Rs. 213.17 million for the nine month period ended September 30, 2008 due to an increase in rail cargo carried during the period, decrease in the provision for claims to Rs. 1.80 million for the nine month period ended September 30, 2009 from Rs. 10.11 million for the nine month period ended September 30, 2008, and decrease in legal, consultancy and professional fees by 70.8% to Rs. 24.59 million for the nine month period ended September 30, 2009 from Rs. 84.19 million for the nine month period ended September 30, 2008 as the public offering related expenses were charged off to profit and loss account during the nine months period ended September 30, 2008, which was partly offset by foreign exchange loss of Rs. 48.87 million for the nine month period ended September 30, 2009 against foreign exchange gain of Rs. 20.31 million for the nine month period ended September 30, 2008 due to volatility in exchange rates during the period.

Borrowing cost. Our borrowing costs increased by 42.7% to Rs. 781.50 million for the nine month period ended September 30, 2009 from Rs. 547.60 million for the nine month period ended September 30, 2008, primarily due to higher interest cost on CDR and the refinanced debt, additional indebtedness incurred during the period and other financial charges.

Depreciation/amortisation. Our depreciation/amortisation expenses increased by 30.5% to Rs. 330.96 million for the nine month period ended September 30, 2009 from Rs. 253.61 million for the nine month period ended September 30, 2008, primarily due to expansion of Port facilities and acquisition of new equipments.

Profit/ loss before tax. Our loss before tax increased by 37.2% to Rs. 823.98 million for the nine month period ended September 30, 2009 from Rs. 600.49 million for the nine month period ended September 30, 2008.

Provision for tax. Our provision for fringe benefit tax decreased to Rs. 0.91 million for the nine month period ended September 30, 2009 from Rs. 2.55 million for the nine month period ended September 30, 2008.

Net profit/loss as restated. Our net loss as restated increased by 36.8% to Rs. 824.89 million for the nine month period ended September 30, 2009 from Rs. 603.04 million for the nine month period ended September 30, 2008.

The Year Ended December 31, 2008 Compared to the Year Ended December 31, 2007

Our results of operations for the year ended December 31, 2008 were particularly affected by the following factors:

- increase in borrowing costs by 86.5% primarily due to additional drawings and higher rate of interest applicable for the year ended December 31, 2008 as compared to the year ended December 31, 2007 under the CDR Package;

- consultancy and professional costs paid; and

- partly offset by an increase in revenue on account of increased bulk volumes handled at the Port.

Total income. Our total income increased by 20.2% to Rs. 1,983.33 million for the year ended December 31, 2008 from Rs. 1,649.64 million for the year ended December 31, 2007.

Operating revenue. Our operating revenue increased by 10.5% to Rs. 1,674.89 million for the year ended December 31, 2008 from Rs. 1,516.04 million for the year ended December 31, 2007, primarily due to an increase in the bulk cargo volumes handled at our Port.

Our container cargo revenue decreased by 1.0% to Rs. 891.00 million for the year ended December 31, 2008 from Rs. 899.63 million for the year ended December 31, 2007.

Our bulk cargo revenue increased by 29.5% to Rs 704.62 million for the year ended December 31, 2008 from Rs. 543.96 million for the year ended December 31, 2007, primarily due to a increase in bulk cargo volumes by 24.7% to 2.07 million tonnes for the year ended December 31, 2007 from 1.66 million tonnes for the year ended December 31, 2007. This is principally attributable to an increase in coal cargo volumes handled at the Port.

We did not derive any revenue from our LPG cargo jetty for the year ended December 31, 2008 as the jetty was being relocated since July 2007.

Our revenue from land-related activities increased by 31.4% to Rs. 26.92 million for the year ended December 31, 2008 from Rs. 20.49 million for the year ended December 31, 2007, primarily on account of rental income from sub-leasing of land to various port users.

Our revenue from the Ultratech Cement jetty increased by 5.3% to Rs. 52.35 million for the year ended December 31, 2008 from Rs. 49.73 million for the year ended December 31, 2007, due to increase in number of vessel calls.

Other income. Our other income increased to Rs. 308.44 million for the year ended December 31, 2008 from Rs. 133.60 million for the year ended December 31, 2007, primarily due to bank interest received on short-term deposits from proceeds of our rights issue of shares and foreign exchange gains.

Total expenditure. Our total expenditure increased by 29.4% to Rs. 2,676.44 million for the year ended December 31, 2008 from Rs. 2,068.47 million for the year ended December 31, 2007.

Operating expenses. Our operating expenses increased by 2.0% to Rs. 609.36 million for the year ended December 31, 2008 from Rs. 597.26 million for the year ended December 31, 2007, primarily due to an increase in stevedoring charges by 21.2% to Rs. 174.16 million for the year ended December 31, 2008 from Rs. 143.68 million for the year ended December 31, 2007, which was in line with the increase in bulk volumes, increase of 14.5% in waterfront royalty paid pursuant to the terms of our Concession Agreement to Rs. 26.62 million for the year ended December 31, 2008 from Rs. 23.24 million for the year ended December 31, 2007 due to an increase in cargo handled at our Port. These increases in operating expenses were partly offset by a decrease in equipment hire charges of 8.5% to Rs. 273.26 million for the year ended December 31, 2008 from Rs. 298.55 million for the year ended December 31, 2007, primarily due to non-renewal of leases for certain container handling equipments.

Repairs and maintenance expenses. Our repairs and maintenance expenses increased by 34.4% to Rs. 150.98 million for the year ended December 31, 2008 from Rs. 112.31 million for the year ended December 31, 2007, due to an expenditure of Rs. 23.48 million incurred primarily on renovation of office buildings and a residential colony at the Port during the year ended December 31, 2008.

Staff costs. Our staff costs increased by 46.3% to Rs. 202.40 million for the year ended December 31, 2008 from Rs. 138.35 million for the year ended December 31, 2007, primarily due to an increase in employees, increase in expatriate staff and annual increments.

Administrative and other expenses. Our administrative and other expenses increased by 8.3% to Rs. 588.91 million for the year ended December 31, 2008 from Rs. 543.86 million for the year ended December 31, 2007, primarily due to an increase in the provision for claims to Rs. 302.03 million for the year ended December 31, 2008 from Rs. 279.65 million for the year ended December 31, 2007, an increase in legal, consultancy and professional fees paid in relation to proposed public offering by 65.9% to Rs. 94.81 million for the year ended December 31, 2008 from Rs. 57.16 million for the year ended December 31, 2007 and an increase in travelling expenses by 39.6% to Rs. 40.61 million for the year ended December 31, 2008 from Rs. 29.08 million for the year ended December 31, 2007, due to an increase in travel which were partly offset by nil exchange loss arising on foreign currency transactions during the year ended December 31, 2008 as compared to a loss of Rs. 55.10 million for the year ended December 31, 2007.

Borrowing cost. Our borrowing cost increased by 86.5% to Rs. 754.82 million for the year ended December 31, 2008 from Rs. 404.65 million for the year ended December 31, 2007, primarily due to increase in indebtedness and increase in rate of interest applicable for the year ended December 31, 2008 as compared to the year ended December 31, 2007 under the CDR Package.

Depreciation/amortisation. Our depreciation/amortisation expenses increased by 36.0% to Rs. 369.97 million for the year ended December 31, 2008 from Rs. 272.04 million for the year ended December 31, 2007, primarily due to the capitalisation of the container berth for the year ended December 31, 2008.

Profit/loss before exceptional item and tax. Our loss before exceptional item and tax increased by 65.5% to Rs. 693.11 million for the year ended December 31, 2008 from Rs. 418.83 million for the year ended December 31, 2007.

Exceptional items. In the year ended December 31, 2007, we made a provision of Rs. 38.55 million reflecting the written-down value of the dismantled portion of the jetty on account of remodelling and relocation of LPG berth and converting it into a multi-purpose cargo berth. We did not make any provisions for exceptional items for the year ended December 31, 2008.

Profit/loss before tax. Our loss before tax increased by 51.5% to Rs. 693.11 million for the year ended December 31, 2008 from Rs. 457.38 million for the year ended December 31, 2007.

Provision for tax. Our provision for fringe benefit tax increased by 27.8% to Rs. 3.63 million for the year ended December 31, 2008 from Rs. 2.84 million for the year ended December 31, 2007.

Net profit/loss as restated. Our net loss as restated increased by 51.4% to Rs. 696.74 million for the year ended December 31, 2008 from Rs. 460.22 million for the year ended December 31, 2007.

The Year Ended December 31, 2007 Compared to the Year Ended December 31, 2006

Our results of operations for the year ended December 31, 2007 were particularly affected by the following factors:

- increase in equipment hire charges by 56.2% due to hiring of additional equipment for handling container and bulk cargo;

- cost relating to dismantling and relocation of our LPG jetty and, consequently, loss of revenue from LPG cargo operations since July 2007; and

- partly offset by an increase in revenue on account of increased container volumes handled at the Port.

Total income. Our total income increased by 15.8% to Rs. 1,649.64 million for the year ended December 31, 2007 from Rs. 1,424.21 million for the year ended December 31, 2006.

Operating revenue. Our operating revenue increased by 12.3% to Rs. 1,516.04 million for the year ended December 31, 2007 from Rs. 1,349.63 million for the year ended December 31, 2006, primarily due to an increase in the container cargo volumes handled at our Port.

Our container cargo revenue increased by 34.7% to Rs. 899.63 million for the year ended December 31, 2007 from Rs. 667.93 million for the year ended December 31, 2006, primarily due to an increase in container cargo volumes by 46.2% to 0.19 million TEUs for the year ended December 31, 2007 from 0.13 million TEUs for the year ended December 31, 2006.

Our bulk cargo revenue decreased by 8.5% to Rs 543.96 million for the year ended December 31, 2007 from Rs. 594.31 million for the year ended December 31, 2006, primarily due to the decrease in coal and cement cargo volumes, partly offset by increase in fertiliser cargo volumes by 22.8% to 1.66 million tonnes for the year ended December 31, 2007 from 2.15 million tonnes for the year ended December 31, 2006.

Our LPG cargo revenue decreased by 73.6% to Rs. 2.23 million for the year ended December 31, 2007 from Rs. 8.44 million for the year ended December 31, 2006, primarily due to LPG berth being operational for only part of the year in 2007 on account of its remodelling and relocation. Our LPG cargo volumes decreased to 0.01 million tonnes for the year ended December 31, 2007 from 0.02 million tonnes for the year ended December 31, 2006.

Our revenue from land-related activities increased by 16.6% to Rs. 20.49 million for the year ended December 31, 2007 from Rs. 17.57 million for the year ended December 31, 2006, primarily due to rental income from sub-leasing of land to various Port users.

Our revenue from the Ultratech Cement jetty decreased by 19.0% to Rs. 49.73 million for the year ended December 31, 2007 from Rs. 61.38 million for the year ended December 31, 2006, primarily due to a decrease in volumes handled by us.

Other income. Our other income increased by 79.1% to Rs. 133.60 million for the year ended December 31, 2007 from Rs 74.58 million for the year ended December 31, 2006, primarily due to bank interest received on short term deposits from our rights issue of shares.

Total expenditure. Our total expenditure increased by 11.4% to Rs. 2,068.47 million for the year ended December 31, 2007 from Rs. 1,856.53 million for the year ended December 31, 2006.

Operating expenses. Our operating expenses increased by 22.5% to Rs. 597.26 million for the year ended December 31, 2007 from Rs. 487.40 million for the year ended December 31, 2006, primarily due to an increase in equipment hire charges by 56.2% to Rs. 298.55 million for the year ended December 31, 2007 from Rs. 191.10 million for the year ended December 31, 2006 for handling container and bulk cargo, and an increase in other operating charges from Rs. 9.45 million for the year ended December 31, 2006 to Rs. 19.75 million for the year ended December 31, 2007, due to an increase in security and safety expenses. The increase was partly offset by a decrease in stevedoring charges by 10.7% from Rs. 160.93 million for the year ended December 31, 2006 to Rs. 143.68 million for the year ended December 31, 2007, which was in line with a decrease in bulk cargo volumes handled during the year.

Repairs and maintenance expenses. Our repairs and maintenance expenses decreased by 19.1% to Rs. 112.31 million for the year ended December 31, 2007 from Rs. 138.81 million for the year ended December 31, 2006. The decrease was primarily due to an Rs. 83.77 million expenditure incurred on road repairs for the year ended December 31, 2006, which was partly offset by an increase in our repairs and maintenance cost on plant, machinery and other assets to Rs. 102.28 million for the year ended December 31, 2007 from Rs. 45.01 million for the year ended December 31, 2006. Repairs and maintenance expenses for the year ended December 31, 2007 also includes expenses incurred for upgrading of cranes and a new electrical distribution system.

Staff costs. Our staff costs increased by 30.2% to Rs. 138.35 million for the year ended December 31, 2007 from Rs. 106.30 million for the year ended December 31, 2006, primarily due to an increase in employees, including expatriate staff and annual increments.

Administrative and other expenses. Our administrative and other expenses increased by 31.3%, to Rs. 543.86 million for the year ended December 31, 2007 from Rs. 414.34 million for the year ended December 31, 2006, primarily due to an increase in legal, consultancy and professional fees, which increased to Rs. 54.60 million for the year ended December 31, 2007 from Rs. 17.03 million for the year ended December 31, 2006, Rs. 18.91 million for compensation payable to Shell Gas for disruption of operations at the LPG jetty for the year ended December 31, 2007, relocation costs of Rs. 10.43 million in relation to the LPG jetty for the year ended December 31, 2007, increase in exchange difference arising on foreign currency transactions of Rs. 55.10 million for the year ended December 31, 2007 from Rs. 4.72 million for the year ended December 31, 2006 and an increase in travelling expenses increased by 35.0% to Rs. 29.08 million for the year ended December 31, 2007 from Rs. 21.54 million for the year ended December 31, 2006, which was partly offset by a decrease in provision for shortfall under the Traffic Guarantee Agreement to Rs. 266.15 million for the year ended December 31, 2007 from Rs. 277.07 million for the year ended December 31, 2006,.

Borrowing cost. Our borrowing cost decreased by 13.6% to Rs. 404.65 million for the year ended December 31, 2007 from Rs. 468.20 million for the year ended December 31, 2006, primarily due to the lower rate of interest applicable for the year ended December 31, 2007 as compared to the year ended December 31, 2006 under the CDR Package.

Depreciation/amortisation. Our depreciation/amortisation expenses increased by 12.7% to Rs. 272.04 million for the year ended December 31, 2007 from Rs. 241.48 million for the year ended December 31, 2006, primarily due to capitalisation of dredging activities for the year ended December 31, 2007.

Profit/loss before exceptional items and tax. Our loss before exceptional item and tax decreased to Rs. 418.83 million for the year ended December 31, 2007 from Rs. 432.32 million for the year ended December 31, 2006.

Exceptional items. We remodelled and relocated the LPG berth and converted the original location into a multi-purpose cargo berth, for which we made provision of Rs. 38.55 million and Rs. 83.58 million, reflecting the written-down value of the dismantled/demolished portion of the jetty during the year ended December 31, 2007 and 2006, respectively.

Profit/loss before tax. Our net loss before tax decreased by 11.3% to Rs. 457.38 million for the year ended December 31, 2007 from Rs. 515.90 million for the year ended December 31, 2006.

Provision for tax. There was an increase in the provision for fringe benefit tax by 16.4% to Rs. 2.84 million for the year ended December 31, 2007 from Rs. 2.44 million for the year ended December 31, 2006.

Net profit/loss as restated. Our net loss as restated decreased by 11.2% to Rs. 460.22 million for the year ended December 31, 2007 from Rs. 518.34 million for the year ended December 31, 2006.

The Year Ended December 31, 2006 and December 31, 2005 (Nine Month Period Ended December 31, 2005)

Our year ended December 31, 2005 reflects a nine month period. As a result, our results of operations for the periods presented below are not comparable.

Our results of operations for the year ended December 31, 2006 were particularly affected by the following factors:

- an increase in equipment hire charges and deployment of an additional tug boat at the Port;
- an increase in power and fuel costs due to the commissioning of a power distribution system;
- road maintenance work undertaken at the Port;
- provision for remodelling and relocation of the LPG berth; and
- partly offset by an increase in revenue on account of increased container volumes handled at the Port.

Total income. Our total income was Rs. 701.73 million and Rs. 1,424.21 million for the period ended December 31, 2005 and for the year ended December 31, 2006, respectively.

Operating revenue. Our operating revenue was Rs. 676.23 million, or 96.4% of our total income for the period ended December 31, 2005 and Rs. 1,349.63 million, or 94.8% of our total income for the year ended December 31, 2006. This decrease in percentage was primarily due to a decrease in income derived from LPG cargo.

Our container cargo revenue accounted for Rs. 266.41 million, or 39.4% of our operating revenue for the period ended December 31, 2005. Our container cargo revenue accounted for Rs. 667.93 million, or 49.5% of our operating revenue for the year ended December 31, 2006. The increase in container cargo revenue was primarily due to an increase in container cargo volume from 0.06 million TEUs for the period ended December 31, 2005 to 0.13 million TEUs for the year ended December 31, 2006.

Our bulk cargo revenue accounted for Rs. 352.21 million, or 52.1% of our operating revenue for the period ended December 31, 2005. Our bulk cargo revenue accounted for Rs 594.31 million, or 44.1% of our operating revenue for the year ended December 31, 2006. The increase in bulk cargo revenue was primarily due to a 28.0% increase in bulk cargo volume from 1.68 million tonnes for the period ended December 31, 2005 to 2.15 million tonnes for the year ended December 31, 2006. The major bulk cargo types, such as fertilisers, coal and steel, project cargo, cement and iron accounted for 1.6 million tonnes amounting to Rs. 312.39 million, or 88.7% of the total bulk cargo volume and 2.03 million tonnes amounting to Rs. 557.88 million, or 93.9% of the total bulk cargo volume for the period ended December 31, 2005 and the year ended December 31, 2006, respectively.

Our LPG cargo revenue accounted for Rs. 7.61 million, or 1.1% of our operating revenue for the period ended December 31, 2005. Our LPG cargo revenue accounted for Rs. 8.44 million, or 0.6% of our operating revenue for the year ended December 31, 2006. Our LPG cargo volume was 0.02 million tonnes for the years ended December 31, 2005 and 2006.

Our revenue from land-related activities accounted for Rs. 10.92 million, or 1.6% of our operating revenue for the period ended December 31, 2005. Our land-related activities accounted for Rs. 17.57 million, or 1.3% of our operating revenue for the year ended December 31, 2006.

Our revenue from the Ultratech Cement jetty accounted for Rs. 39.08 million, or 5.8% of our operating revenue for the period ended December 31, 2005. Our revenue from the Ultratech Cement jetty accounted for Rs. 61.38 million, or 4.5% of our operating revenue for the year ended December 31, 2006.

Other income. Our other income accounted for Rs 25.50 million, or 3.6% of our total income for the period ended December 31, 2005 and Rs. 74.58 million, or 5.2% of our total income for the year ended December 31, 2006, primarily relating to increase in interest income for the year ended December 31, 2006. The other income also includes profit from the sale of assets amounting to Rs. 7.79 million for the year ended December 31, 2006.

Total expenditure. Our total expenditure was Rs. 1,167.53 million and Rs. 1,856.53 million for the period ended December 31, 2005 and for the year ended December 31, 2006, respectively.

Operating expenses. Our operating expenses were Rs. 230.00 million, or 32.8% of our total income for the period ended December 31, 2005 and Rs. 487.40 million, or 34.2% of our total income for the year ended December 31, 2006. This increase in percentage was primarily due to an increase in equipment hire charges, and an increase in power and fuel expenses. In addition, there was an increase in stevedoring charges from Rs. 67.10 million for the period ended December 31, 2005 to Rs. 160.93 million for the year ended December 31, 2006, in line with the increase in bulk cargo volumes handled at the Port.

Repairs and maintenance. Our repairs and maintenance expenses were Rs. 46.26 million, or 6.6% of our total income for the period ended December 31, 2005 and Rs. 138.81 million, or 9.7% of our total income for the year ended December 31, 2006. This increase in percentage was due to expenditure of Rs. 86.77 million incurred primarily on road repairs at APM Terminals Pipavav and Rs. 37.01 million incurred on plant and machinery repairs and maintenance.

Staff costs. Our staff costs were Rs. 61.71 million, or 8.8% of our total income and Rs. 106.30 million, or 7.5% of our total income for the period ended December 31, 2005 and for the year ended December 31, 2006, respectively, primarily due to an increase in employees from 314 to 374, and due to annual increments.

Administrative and other expenses. Our administrative and other expenses were Rs. 358.11 million, or 51.0% of our total income and Rs. 414.34 million, or 29.1% of our total income for the period ended December 31, 2005 and for the year ended December 31, 2006, respectively. This increase was primarily due an increase in insurance premium from Rs. 12.48 million to Rs. 31.76 million and an increase in legal, consultancy and professional fees from Rs. 13.02 million to Rs. 17.03 million for the period ended December 31, 2005 to the year ended December 31, 2006 and an increase in provision for traffic guarantee claims from Rs. 275.65 million for the period ended December 31, 2005 to Rs. 277.07 million for the year ended December 31, 2006,.

Borrowing cost. Our borrowing cost was Rs. 310.03 million, or 44.2% of our total income and Rs. 468.20 million, or 32.8% of our total income for the period ended December 31, 2005 and for the year ended December 31, 2006, respectively. Our finance costs increased for the year ended December 31, 2006 due to increase in our indebtedness and premium paid for the forward cover on foreign currency transactions.

Depreciation/amortisation. Our depreciation/amortisation expenses were Rs. 161.42 million, or 23.0% of our total income and Rs. 241.48 million, or 17.0% of our total income for the period ended December 31, 2005 and for the year ended December 31, 2006, respectively. This increase was primarily due to capitalisation of dredging to increase draught to 12.5 meters and eight RTGs being commissioned during the year ended December 31, 2006.

Profit/loss before exceptional item and tax. Our loss before exceptional item and tax was Rs. 465.80 million and Rs. 432.32 million for the period ended December 31, 2005 and for the year ended December 31, 2006, respectively.

Exceptional items. During the year ended December 31, 2006, provision of Rs. 83.58 million was made towards the remodelling and relocation of the LPG cargo jetty, which has been shown as an exceptional item.

Profit/loss before tax. Our net loss before tax was Rs. 465.80 million and Rs. 515.90 million for the period ended December 31, 2005 and for the year ended December 31, 2006, respectively.

Provision for tax. There was a provision for fringe benefit tax of Rs. 1.72 million and Rs. 2.44 million for the period ended December 31, 2005 and for the year ended December 31, 2006, respectively.

Net profit/loss as restated. Our net loss as restated was Rs. 467.52 million and Rs. 518.34 million for the period ended December 31, 2005 and for the year ended December 31, 2006, respectively.

Cash Flows

The table below summarises our cash flows for the periods indicated:

(Rs. in Million)

Particulars	**For the years ended December 31,**				**For the nine month period ended September 30,**
	2005	**2006**	**2007**	**2008**	**2009**
Net cash (used in)/generated from operating activities	123.04	441.70	687.04	(259.78)	(353.28)
Net cash (used in) investing activities	(948.61)	(2,320.97)	(2,719.86)	(1,293.91)	(3,280.72)
Net cash generated from/ financing activities	1,550.48	1,539.98	4,097.19	708.69	2,524.70
Net (decrease) / increase in cash and cash equivalents	724.91	(339.29)	2,064.37	(845.00)	(1,109.30)

As of September 30, 2009, we had cash and cash equivalents of Rs. 590.91 million. This represents cash and bank balances with banks in India. We do not have cash and bank balances outside India. Cash in the form of bank deposits, current account deposits, margin money, deposits with banks on lien against bank guarantee issued to third parties and cash on hand represent our cash and cash equivalents.

Operating Activities

Net cash used in our operating activities for the nine month period ended September 30, 2009 was Rs. 353.28 million primarily as a result of net loss before taxation of Rs. 823.98 million, as adjusted for interest expenses of Rs. 781.50 million paid on term loans, depreciation of Rs. 330.96 million and decrease in sundry creditors and other liabilities of Rs. 282.49 million.

Net cash used in our operating activities for the year ended December 31, 2008 was Rs. 259.78 million primarily as a result of net loss before taxation of Rs. 693.11 million, as adjusted for interest expenses of Rs.

754.82 million paid on term loans, depreciation of Rs. 369.97 million, increase in loans and advances of Rs. 233.58 million mainly on account of unrealised exchange gain on forward exchange contract in relation to dredging activities and decrease in sundry creditors and other liabilities of Rs. 191.79 million.

Net cash generated from our operating activities for the year ended December 31, 2007 was Rs. 687.04 million primarily as a result of net loss before taxation of Rs. 457.38 million, as adjusted for interest expenses of Rs. 404.65 million on term loans, depreciation of Rs. 272.04 million, interest income of Rs. 130.44 million, exceptional items of Rs. 38.55 million and increase in sundry creditors and other liabilities of Rs. 483.40 million.

Net cash generated from our operating activities for the year ended December 31, 2006 was Rs. 441.70 million primarily as result of net loss before taxation of Rs. 515.90 million, as adjusted for interest expense of Rs. 468.20 million on term loans, depreciation of Rs. 241.48 million, exceptional items of Rs. 83.58 million consisting of the written down value of the dismantled portion of our LPG jetty and interest income of Rs. 35.41 million.

Net cash generated from our operating activities for the period ended December 31, 2005 was Rs. 123.04 million primarily as a result of net loss before taxation of Rs. 465.80 million, as adjusted for interest expenses of Rs. 310.03 million, depreciation of Rs. 161.42 million and interest income of Rs. 17.88 million and increase in sundry creditors and other liabilities of Rs. 195.97 million.

Investing Activities

Net cash used in investing activities for the nine month period ended September 30, 2009 was Rs. 3,280.72 million, primarily due to purchases of fixed assets of Rs. 3,374.11 million which includes expenditure on dredging activity and purchase of rail-mounted quayside container cranes, which was partly offset by interest income of Rs. 91.52 million.

Net cash used in investing activities for the year ended December 31, 2008 was Rs. 1,293.91 million, primarily due to purchases of fixed assets of Rs. 1,487.86 million for our expansion plans, including the construction of a container berth, LPG cargo jetty and the purchase of rail-mounted quayside container cranes, which was partly offset by cash received from sales of fixed assets and interest income of Rs. 166.78 million.

Net cash used in investing activities for the year ended December 31, 2007 was Rs. 2,719.86 million, primarily due to the purchase of fixed assets of Rs. 2,769.05 million for our expansion plans, including the construction/modification of LPG cargo jetty and the purchase of rail-mounted quayside container cranes and RTGs, which was partly offset by interest income of Rs. 49.19 million.

Net cash used in investing activities for the year ended December 31, 2006 was Rs. 2,320.97 million, primarily due to the purchase of fixed assets such as the acquisition of land for our rail project and the development of container terminal, amounting to Rs. 2,418.19 million. These cash expenditures were partly offset by cash received from sale proceeds of fixed assets of Rs. 64.82 million and from interest income of Rs. 32.40 million.

Net cash used in investing activities for the period ended December 31, 2005 was Rs. 948.61 million, primarily due to the equity investment of Rs. 680.00 million in PRCL and the purchase of fixed assets for widening our bulk cargo jetty amounting to Rs. 301.24 million. These cash expenditures were partly offset by cash received from sale proceeds of fixed assets of Rs. 21.08 million and from interest income of Rs. 11.55 million.

Financing Activities

Net cash generated from financing activities for the nine month period ended September 30, 2009 was Rs. 2,524.70 million, primarily due to proceeds from long-term borrowings of Rs. 11,844.24 million and short-term borrowings of Rs. 380.00 million, which were partly offset by the repayment of long-term borrowing of Rs. 8,026.34 million and short-term borrowings of Rs. 100.00 million, interest payments of Rs. 812.01 million, redemption of preference shares of Rs. 517.80 million and premium on redemption of preference shares of Rs. 243.39 million.

Net cash generated from financing activities for the year ended December 31, 2008 was Rs. 708.69 million, primarily due to proceeds from long-term borrowings of Rs. 1,302.44 million and proceeds from short-term borrowings of Rs. 500.00 million. This was partly offset by the repayment of long-term borrowings of Rs. 614.54 million and interest payments of Rs. 479.21 million.

Net cash generated from financing activities for the year ended December 31, 2007 was Rs. 4,097.19 million, primarily as a result of proceeds from our rights issue of Equity Shares for an aggregate amount of Rs. 4,180.19 million and long-term borrowings of Rs. 1,047.95 million. This was partly offset by the repayment of long-term borrowings of Rs. 857.49 million, interest payments of Rs. 261.91 million and share issue expenses of Rs. 11.55 million.

Net cash generated from financing activities for the year ended December 31, 2006 was Rs. 1,539.98 million, primarily as a result of long-term borrowings of Rs. 1,999.46 million, which were partly offset by interest payments of Rs. 214.07 million and repayment of long-term borrowings of Rs. 244.86 million.

Net cash generated from financing activities for the period ended December 31, 2005 was Rs. 1,550.48 million, primarily as a result of proceeds of equity shares for an aggregate amount of Rs. 1,451.1 million and long-term borrowings of Rs. 509.17 million, which was partly offset by repayment of long-term borrowings of Rs. 701.59 million and interest paid of Rs. 258.2 million.

Capital Expenditure

For the nine month period ended September 30, 2009 and for the year ended December 31, 2008, 2007 and 2006, we spent Rs. 3,374.11 million, Rs. 1,487.86 million, Rs. 2,769.05 million and Rs. 2,418.19 million, respectively, on capital expenditures. Capital expenditures for the nine month period ended September 30, 2009 consisted primarily of expenditure on dredging activity. The capital expenditures for the year ended December 31, 2008, 2007 and 2006 primarily consisted of purchases of quay cranes and RTGs, the acquisition of land and construction of a container berth, LPG cargo jetty and container yard. We expect our capital expenditure needs for the year ended December 31, 2010 to be approximately Rs. 1,200.00 million and expect to meet these capital expenditure needs from cash generated from operating activities and the net proceeds of the Issue. See "Objects of the Issue" on page 35 of this Draft Red Herring Prospectus.

Indebtedness

Our total borrowings, particularly term loans from bank and other financial institutions, have increased from Rs. 3,844.39 million as of December 31, 2005 to Rs. 10,409.26 million as of September 30, 2009. The increased borrowings reflect increased capital expenditure to expand Port facilities.

The following table summarises our secured and unsecured long-term indebtedness and subordinated debt obligations as of the dates indicated:

(Rs. in Million)

Particulars	As of December 31, 2005	2006	2007	2008	As of September 30, 2009
Secured Loans					
Debentures					
Non Convertible Redeemable Debentures	161.08	-	-	-	-
Deferred Interest on the Above	32.06	-	-	-	-
Term Loans					
Long-term Loan					
From Banks	732.96	1,110.62	1,104.42	1,342.23	4,863.10
From Financial Institutions	2,918.29	4,747.75	4,784.18	5,228.69	5,546.16
Short-term Loan					
From Financial Institution	-	-	-	-	-
Vehicle Loans	-	-	-	-	-
Total Secured Loans	3,844.39	5,858.37	5,888.60	6,570.92	10,409.26
Unsecured Loans					
From Promoters	-	-	279.81	344.00	338.67
From Others	-	-	-	500.00	780.00
Fully Convertible Debentures	137.50	-	-	-	-
Total Unsecured Loans	137.50	-	279.81	844.00	1,118.67
Total	**3,981.89**	**5,858.37**	**6,168.41**	**7,414.92**	**11,527.93**

See "Indebtedness" beginning on page 130 of this Draft Red Herring Prospectus.

Contractual Obligations and Commercial Commitments

Our purchase and other obligations include our capital expenditure obligations and other obligations and commitments, including for rental and finance lease payments. We define a purchase obligation as an arrangement to purchase goods or services that is enforceable and legally binding on us.

The following table summarises our contractual obligations and commercial commitments as of September 30, 2009 and the effect such obligations and commitments are expected to have on our liquidity and cash flows in future periods.

Contractual Obligations	As of September 30, 2009	Less than 1 year	1-5 years	More than 5 years
				(Rs. in Million)
Long-term / Short-term debt	11,527.93	1,118.67	540.00	10,987.93
Operating leases (1)	-	2.30	-	-

(1) Our leasing arrangement is in respect of a non-cancellable operating lease for our office premises.

Contingent Liabilities

As of September 30, 2009, our contingent liabilities were Rs. 1,094.05 million, which included bank guarantees outstanding of Rs. 280.52 million, claims from suppliers/consultants and other claims amounting to Rs. 417.11 million, interest on traffic guarantee claims of Rs. 190.34 million and other claims of Rs. 206.08 million. We have been unable to meet the Minimum Guaranteed Quantity of traffic under the terms of the Traffic Guarantee Agreement in all relevant years. We have accepted the claim made by PRCL and have accordingly provided for a liability of Rs. 1,419.78 million up to the period ended September 30, 2009. As of September 30, 2009, we have paid a sum of Rs 1,050.00 million to PRCL. Additionally, we have made provisions of Rs. 320.17 million towards claims from suppliers, consultants, other claims and interest payments on traffic guarantee claims.

Related Party Transactions

We have engaged in the past, and may engage in the future, in transactions with related parties, including our affiliates and certain key management members, on an arm's length basis. Such transactions could be for provision of services, lease of assets or property (including intellectual property), sale or purchase of Equity Shares or could entail incurrence of indebtedness. See "Related Party Transactions" on page 122 of this Draft Red Herring Prospectus.

Seasonality

Our results of operations do not generally exhibit seasonality. However, there may be some variation in our quarterly income or profit/loss as a result of various factors, including those described in "– Factors Affecting Our Results of Operations" and "Risk Factors" on pages 170 and xiv, respectively, of this Draft Red Herring Prospectus.

Impact of Inflation

Although India has experienced an increase in inflation rates in recent years, inflation has not had a material impact on our business and results of operations.

Off- Balance Sheet Arrangements

We do not have any off-balance sheet arrangements, derivative instruments, swap transactions or relationships with unconsolidated entities or financial partnerships that would have been established for the purpose of facilitating off-balance sheet transactions.

Qualitative And Quantitative Disclosures About Market Risks

Market risk is the risk of loss related to adverse changes in market prices, including interest rate risk, foreign currency exchange risk and commodities risk. We are exposed to foreign currency exchange risk and interest rate risk in the normal course of our business.

Foreign Exchange Risk

The foreign exchange risk of either appreciation or depreciation of the Indian rupee would have some impact depending on our level of foreign currency exposure. If the Indian rupee becomes stronger, it could affect the revenue from Port operations since certain components of Port revenue are U.S. dollar-denominated. We presently do not hedge income from Port operations.

Interest Rate Risk

Changes in interest rates could affect our results of operations as a significant part of our borrowings are at floating rates of interest or subject to reset of interest rate at periodic intervals. We currently also maintain deposits of cash and cash equivalents with banks and other financial institutions and thus are exposed to market risk as a result of changes in interest rates.

Significant Developments Occurring After September 30, 2009

Except as stated elsewhere in this Draft Red Herring Prospectus, to our knowledge no circumstances have arisen since the date of the last financial statements as disclosed in this Draft Red Herring Prospectus which materially and adversely affect, or are likely to affect, our operations or profitability, or the value of our assets or our ability to pay our material liabilities within the next 12 months.

Unusual or Infrequent Events or Transactions

To our knowledge, except as disclosed in this Draft Red Herring Prospectus, during the periods under review there have been no transactions or events which, in our best judgment, would be considered unusual or infrequent.

Known Trends or Uncertainties

Our business has been affected and we expect that it will continue to be affected by the trends identified in "– Factors Affecting Our Results of Operations" and the uncertainties described in the section titled "Risk Factors" on pages 170 and xiv, respectively, of this Draft Red Herring Prospectus. To our knowledge, except as disclosed in this Draft Red Herring Prospectus, there are no known factors which we expect to have a material adverse effect on our income.

Competitive Conditions

We expect competition in our industry from existing and potential competitors to intensify. For details, please refer to the discussions of our competition in the sections "Risk Factors" and "Our Business" in this Draft Red Herring Prospectus.

Increase in Income

Increases in our income are due to the factors described in "– Factors Affecting Our Results of Operations" and "Risk Factors" on pages 170 and xiv, respectively, of this Draft Red Herring Prospectus.

New Products or Business Segments

We have not announced and do not expect to announce in the near future any new products or business segments, except in the ordinary course of our business.

Significant Dependence on a Single or Few Customers

For details, please refer to the sections "Risk Factors" and "Business" in this Draft Red Herring Prospectus.

SECTION VI – LEGAL AND OTHER INFORMATION

OUTSTANDING LITIGATION AND MATERIAL DEVELOPMENTS

Except as stated below there are no outstanding litigation, suits, criminal or civil prosecutions, proceedings or tax liabilities against our Company, Directors, Promoters and the Group Companies and there are no defaults, non payment of statutory dues, over-dues to banks/financial institutions, defaults against banks / financial institutions, defaults in dues payable to holders of any debenture, bonds and fixed deposits and arrears of preference shares issue by our Company, defaults in creation of full security as per terms of issue/other liabilities, proceedings initiated for economic/civil/any other offences (including past cases where penalties may or may not have been awarded and irrespective of whether they are specified under paragraph (I) of Part 1 of Schedule XIII of the Companies Act) other than unclaimed liabilities of our Company and the subsidiary and no disciplinary action has been taken by SEBI or any stock exchanges against our Company, its Subsidiaries, the Promoters, Group Companies and Directors.

Litigation Against our Company

Criminal Cases

1. M/s. Mantech Consultants has filed a case (Criminal Case No. 2273 of 2001) before Court of Metropolitan Magistrate, Ahmadabad against our Company and Mr. Nikhil Gandhi on November 25, 1999 for the offences under section 138 read with section 142 of the Negotiable Instruments Act, 1881. The brief facts are that our Company had entered into two lease agreements dated September 26, 1996 and September 27, 1996 for leasing 910 gas cylinders and further 515 gas cylinders respectively. Our Company had issued 12 post dated cheques under each agreement payable quarterly to M/s. Mantech Consultants. Out of the same two cheques No. 408571 and 440969 of Rs. 322,574 and Rs. 569,984 respectively were dishonoured. M/s. Mantech Consultants issued statutory notice to our Company on October 15, 1999 and our Company replied on October 27, 1999. Thereafter, M/s. Mantech Consultants filed the present proceedings praying summons be served and a criminal case be filed against our Company and Mr. Nikhil Gandhi. The Magistrate Court has issued summons on October 10, 2001. Our Company and Mr. Nikhil P. Gandhi have filed an application (no. 6642 of 2003) before the High Court to quash and set aside the said complaint. Our Company has also sought stay of the proceedings in the criminal case before the Metropolitan Magistrate. By an order dated September 30, 2003 stayed the proceedings in the criminal case no. 2273 of 2001. The Hon'ble High Court by an order dated March 16, 2007 has directed our Company to make the payment of approximately Rs. 0.75 million without prejudice to their rights and contentions. The matter is currently pending.

2. By a letter dated June 25, 2007 (Ref no. 4251 of 07) the Police Officer, Cuffe Parade Police Station, Mumbai informed our Company that Vasant Investment Corporation Limited has filed a complaint against our Company (Ref no. MECR No.1/2007-2/2007) under Sections 420, 465, 467, 468, 471 and 34. By a letter dated November 7, 2007 the Police Officer, Cuffe Parade Police Station directed our Company to submit relevant documents or else there would be presumption that our Company has nothing to submit to defend itself. By letter dated November 8, 2007 and November 15, 2007 our Company has furnished relevant documents to the Police Inspector. The matter is currently under investigation.

3. Our Company has filed a criminal application before the High Court of Gujarat (Special Criminal Application No. 2246 of 2007) on November 20, 2007 seeking directions to quash a complaint filed by Mr. Mayabhai Valabhai. The brief facts are that Mr. Mayabhai Valabhai has filed a complaint with the Police Sub-inspector, Marine Police Station, APM Terminals Pipavav on October 10, 2007 against Mr. Mark Pettigrew, Project Manager, Mr. Sanjay Sharma, Manager Administration and Mr. Mukesh S. Dave under the Schedule Caste and Schedule Tribe (Prevention of Atrocities) Act, 1999 on the grounds that the officers of our Company are trying to usurp the land situated at survey no. 109 admeasuring 30 acres by encroached upon the pasture land and constructing a gate violating easement rights and thus preventing Mr. Mayabhai Valabhai from approaching his farm land. Mr. Mayabhai Valabhai filed an affidavit in reply to the criminal application on March 29, 2008 stating that the complaint filed by him makes out a prima facie case and our Company cannot ask the High Court to inquire into the reliability or genuineness of the allegations made in the complaint. The matter is currently pending.

Civil Proceedings

1. Vasant Investment Corporation Limited has instituted a suit (Summary Suit No. 6470 of 1999) before the Bombay High Court claiming a sum of Rs. 7.10 million (including interest) from our Company as acceptors of certain bills of exchange. Vasant Investment Corporation Limited has alleged that three bills of exchange were drawn by M/s. Sharda Steel Corporation on our Company towards payment of certain invoices payable by our Company to M/s. Sharda Steel Corporation and that our Company neglected to make payment on such bills of exchange. The High Court by its order dated April 15, 2002 has transferred the case from the summary suit division to the commercial suit division. Our Company has filed its written statement in the matter on October 13, 2003. The matter is currently pending before the High Court.

2. Sharda Steel Corporation and others have filed a notice of motion (No. 118 of 2008) in an insolvency matter (Insolvency Notice No. 109 of 2007) filed before the Bombay High Court of Judicature at Bombay. The said insolvency matter has been filed by Vasant Investment Corporation Limited against Sharda Steel Corporation and others, wherein Sharda Steel Corporation and others have been declared judgement debtors. The notice of motion has been filed in the insolvency matter seeking to implead our Company and its then directors and employees, being Mr. Hans Ole Madsen, Mr. Christian Møller Laursen, Mr. Dinesh Lal, Mr. Johan Herman Kerkhof, Mr. Luis Miranda, Mr. Harekrushna Das, Mr. Sethurathnam Ravi, Mr. Philip Littlejohn, Mr. Philip Garling and Mr. C. S. Venkiteswaran, as proposed judgement debtors in the said insolvency matter on the grounds that by not complying with the requisitions of payment of bill of exchanges the proposed judgment debtors had committed an act of insolvency on which insolvency proceedings may be initiated. The judgment debtors' have claimed that the proposed judgment debtors are proper parties to the insolvency proceedings and that the suit filed by Vasant Investment Corporation Limited against our Company (Summary Suit No. 6470 of 1999, as mentioned in point no. 1 above) is still pending. The matter is currently pending before the High Court.

3. Sharda Steel Corporation Limited has filed a suit (Special Suit No. 36 of 2000) before the Court of Civil Judge (Senior Division) at Amreli against our Company for the recovery of approximately Rs. 233.12 million as amount due by our Company for the various quantities of steel, cement and building materials purchased by our Company. The court by its order dated April 13, 2000 directed that all bank accounts of our Company be frozen and further restrained our Company from transferring, selling, mortgaging or alienating any of its immovable properties. Our Company filed an appeal challenging the order dated April 13, 2000 before the Gujarat High Court. By an order dated May 10, 2000, the order dated April 13, 2000 was modified directing our Company to maintain a balance amount in all its accounts aggregating to Rs. 10.00 million. Thereafter, our Company filed its written statement alongwith a counter claim in the said suit on July 26, 2000 denying the claims of the plaintiff and raising a counter claim of approximately Rs. 19.4 million against the plaintiff. The plaintiff on September 14, 2000, filed an application praying for the exclusion of the counter claim. By an order dated October 23, 2000 the Civil Court, Amreli granted an ex-parte injunction restraining our Company from transferring, selling or mortgaging the immovable properties worth Rs. 300 million. Subsequently, the parties have filed consent terms dated February 15, 2002 in the said suit in terms of which our Company has undertaken that the decree for any claim in the suit, if granted, will be satisfied by our Company by making payment within 90 days from the date of such decree. The payment shall be made without prejudice to our Company's right to file an appeal and the plaintiff shall pay back the amount paid within 90 days in case of reversal of judgment. Our Company shall furnish a bank guarantee for an amount of approximately Rs. 30.50 million and it shall file an undertaking that the whatever amount can be satisfied by furnishing "C" forms or amount adjudicated shall be paid within 90 days. the Order dated October 23, 2000 restraining our Company from transferring, selling or mortgaging the immovable properties worth Rs. 300 million, was modified in terms of the consent terms. The matter is currently pending before the Court at Amreli, Gujarat. Further, the parties have agreed to appoint M/s. Chajjad & Doshi, Mumbai to look into complex set of transactions to arrive at the outstanding amount.

4. Sharda Steel Corporation has filed a suit (Special Suit No. 35 of 2000) before the Court of Civil Judge, Amreli against our Company for the recovery of approximately Rs. 6.52 million which had been advanced as loan to our Company by Sharda Steel Corporation. Our Company has filed its written statement in the matter on September 14, 2000. The matter is currently pending.

5. M/s. Mahavir Corporation has filed a suit (Summary Suit No. 37 of 2000) before the Court of Civil Judge (Senior Division), Amreli for recovery of an amount of approximately Rs. 4.98 million. The brief facts of the case are that M/s. Mahavir Corporation had advanced a sum of Rs. 1.50 million to our Company for its business necessities at an interest of 42% per annum. M/s. Mahavir Corporation has alleged that the said advanced amount is due from our Company alongwith interest and in view thereof M/s. Mahavir Corporation has filed the proceeding for recovery of money against our Company. Our Company has filed its written statement in the matter on September 14, 2000. The matter is currently pending.

6. M/s. Mantech Consultants has filed a suit (Civil Suit No. 34 of 2000) before the City Civil Court, Ahmedabad against our Company. The brief facts of the case are that the parties had entered into two lease agreements dated September 26, 1996 and September 27, 1996 for lease of gas cylinders by M/s. Mantech Consultants to our Company. It is alleged by M/s. Mantech that our Company has failed to pay the last quarterly instalment in respect of each of the lease agreements. Further, it is alleged that the gas cylinders were not returned to M/s. Mantech by our Company and thus a claim for damages arose against our Company. M/s. Mantech has claimed a sum of approximately Rs. 0.89 million being the amount of lease rental payable by our Company and a sum of approximately Rs. 0.89 million being the amount of damages payable by our Company alongwith further damages at the rate of Rs. 0.89 million for every quarter till the gas cylinders are returned. The matter is currently pending.

7. Riddhi Siddhi Builders have filed a suit (Special Suit No. 125 of 2000) before the Court of Civil Judge, Amreli for recovery of a sum of Rs. 32.79 million from our Company as damages. Riddhi Siddhi Builders have claimed that our Company had agreed to purchase flats developed by Riddhi Siddhi Builders which it has failed to purchase. Riddhi Siddhi Builders also filed an interim application for restraining our Company from transferring its property, however, the same was dismissed by the court by its order dated April 26, 2001. Thereafter, our Company has filed a caveat application before the Hon'ble High Court praying that no ex-parte order be passed against our Company by the Hon'ble Court. The matter is currently pending before the court.

8. ICICI Bank Limited has filed an application (Original Application No. 210 of 2004) before the Mumbai Debt Recovery Tribunal against our Company, Seaking Engineers Limited and Mr. Nikhil Gandhi for recovery of approximately Rs. 5.89 million. The brief facts of the matter are that ICICI Bank Limited had advanced lease assistance of Rs. 50 million to our Company by way of an agreement (a lease agreement) dated March 18, 1995. The terms of the agreement stated that the liability arising towards sales tax, surcharges and cess would be payable by our Company. Subsequently, a demand of approximately Rs. 3.30 million was raised by the Sales Tax Officer for lease effected during the period 1995-1998 which was paid by ICICI Bank Limited. Thereafter, ICICI Bank Limited has claimed a sum of Rs. 5.85 million from our Company, being the sales tax liability paid as on November 30, 2004 alongwith interest of 19.5%. ICICI Bank Limited in its application has sought to recover the amount paid towards the sales tax liability and has further sought a temporary injunction restraining the defendants from alienating or disposing any property held by them. Further, it is also prayed by ICICI Bank Limited that a receiver be appointed for Seaking Engineers Limited and Mr. Nikhil Gandhi and pending disposal of the application the defendants shall furnish security for the amount claimed as well as property of our Company be attached. Our Company filed its affidavit of claim on February 6, 2008 and the matter is currently pending before the Debt Recovery Tribunal.

9. Jagriti Upbhogta Kalyan Parishad and others have filed a writ petition (No. 758 of 1996) before Supreme Court against Union of India through Secretary, Ministry of Petroleum and others. The petition was filed on the grounds that S. B. Petroleum Limited had made a public announcement stating that it was proposing to start import and manufacture of LPG which would be supplied through state, district and area level distributors. For this purpose S. B. Petroleum Limited had collected a sum of approximately of Rs. 20 million however no supply was provided to the public. The Supreme Court by its order dated January 13, 2003 directed High Court of Allahabad to appoint a special bench to deal with the matter and a special commissioner to implement the order. By an order dated November 18, 2003 Justice R. A. Sharma (Retd.) was appointed as special commissioner. The special commissioner by a letter dated October 10, 1998 attached a sum of Rs. 1.70 million which our Company had received from S. B. Petroleum advance towards allotment of land. Further, by an order dated January 7, 2005 the special commissioner also directed our Company to either deposit a sum of Rs. 12.27 million or permit the special commissioner to take charge of the two properties which were leased to S. B. Petroleum Limited. Our Company filed an interim application (I. A. No. 28 of 2005) in the said writ

petition to be added as a respondent and sought modification of the order dated January 13, 2003 by deleting properties mentioned as survey no. 42 which is practically whole of Port and not 20 acres alongwith other interim relief. Our Company has also filed a Special Leave Petition (No. 7804 of 05) against the special commissioner and S. B. Petroleum Limited against the said order dated January 7, 2005 passed by the special commissioner and the said order dated November 18, 2003 passed by Allahabad High Court appointing the special commissioner. The Supreme Court has, by its order dated March 15, 1998, permitted the release of charge on the property of our Company as there is no property in the name of S. B. Petroeum Limited in APM Terminals Pipavav. The special leave petition are currently pending.

10. The Directorate of Revenue Intelligence, Regional Unit Jamnagar had issued a show cause notice (F. No. DRI/JRU/INV-02/2004) dated October 4, 2004 to our Company, M/s. Kotex Infrastructure Limited, M/s. Pipavav Ship Dismantling and Engineering Limited, M/s. Asia Overseas (C&F) Private Limited., M/s. Chiyoda Corporation and M/s. Pipavav Railway Corporation Limited and other individuals to show cause as to why penalty should not be imposed on them under Section 112 of the Customs Act, 1962. The show caused notice stated that certain structures/plant/machinery were imported by M/s. Kotex Infrastructure Limited by improper utilisation of the Special Imprest License and that our Company had at certain stages knowingly acquired possession of or dealt with such structures/plant/machinery. Our Company by its letter dated January 14, 2005 addressed to the Commissioner of Customs, Jamnagar, Commissioner of Customs, Mumbai and Commissioner of Customs (Import), Mumbai has replied to the said show cause notice. The matter is currently pending before Commissioner of Customs Adjudication, Mumbai.

11. M/s. Kalvir, through its proprietor Mr. Kantilal Vitthaldas Patel, has filed a special civil application (No. 7137 of 1998) before the High Court of Gujarat at Ahmedabad against the State of Gujarat, The Secretary, Port Department and the then Managing Director of our Company. The brief facts of the matter are that M/s Kalvir had applied to our Company for allotment of a plot of land for carrying out ship-breaking activity and for that purpose it had forwarded two cheques for an amount of Rs. 0.50 million and Rs. 0.20 million. It has been alleged by M/s. Kalvir that our Company has not made a decision to allot land for carrying out ship breaking activity although the money has been paid in 1993. In view thereof, M/s Kalvir filed the abovementioned civil application for issue of a writ or direction to the respondents in the matter to refund the said amount of Rs. 0.70 million with interest at the rate of 24% p.a. The High Court of Gujarat by its order dated October 16, 2008 directed our Company to refund an amount of Rs. 0.50 without interest within three months to M/s Kalvir. Our Company filed a Letters Patent Appeal (No. 78 of 1999) challenging the order dated October 16, 1998 alongwith a Civil Application (No. 164 of 1999) for stay of the order dated October 16, 1998 till final disposal of the Letters Patent Appeal. The Hon'ble High Court granted a stay against the order dated October 16, 1998 and by its order dated March 15, 2000 allowed the Letters Patent Appeal, setting aside the order dated October 16, 2008. The Hon'ble High Court has directed that the matter be remanded to the Single Judge. The matter is currently pending.

12. Indo-Dutch Business Development Centre has instituted a suit (Civil Suit No. 600 of 1998) before the City Civil Court, Ahmedabad against our Company and Mr. Nikhil Gandhi on January 31, 1998. In the said matter Indo-Dutch Business Development Centre has claimed an amount of Rs. 115.50 million equivalent to Dutch Guiders 6,079,306 against our Company being the amount due under the agreement dated September 25, 1992 between Indo-Dutch Business Development Centre and our Company. By virtue of the agreement, the Indo-Dutch Business Development Centre was appointed as the overall consultant for setting up and development of the Port and was also to serve as adviser to our Company in all matter with foreign consultants, contractors, manufacturers, suppliers, financial institutions etc. in order to setting up of modern and efficient port. Indo-Dutch Business Development Centre has also claimed to have rendered services as overall consultant for the entire project for the development of Port and our Company has neglected to make payment under the agreement. Further, Indo-Dutch Business Development Centre has on March 2, 1998 sought permission to amend the plaint to raise the amount claimed to Rs.135.86 million equivalent to Dutch Guilders 6,793,006. Our Company has filed its written statement dated July 6, 1999 before the City Civil Court. The matter is currently pending.

13. Fairdeal Supplies Limited had filed a civil miscellaneous application (No. 955 of 2009) under section 9 of the Arbitration and Conciliation Act, 1996 against our Company before the City Civil Court, Ahmedabad seeking that our Company and its men be restrained from refusing to release of certain

goods. By the order dated September 15, 2009, and amendment order dated October 9, 2009 our Company had been directed to release certain goods to Fairdeal Supplies Limited as per the delivery order letters dated August 10, 2009, August 14, 2009 and August 17, 2009 against bank guarantee of approximately Rs. 15.26 million. The court also directed that arbitration proceedings be commenced within a month. The said order was stayed by a further order dated September 23, 2009 Our Company has filed an appeal (No. 5814 of 2009) and a civil miscellaneous application (No. 12582 of 2009) before the High Court of Gujarat to quash and set aside the order dated September 15, 2009 and October 9, 2009. The matter is currently pending.

Land related litigation

1. Mr. Gulabsinh Agarsinh Vala has filed a civil suit (No. 77 of 2002) before the Court of Civil Judge, Amreli against the State of Gujarat, GMB and our Company on the grounds that GMB has, without acquiring land through the state government under the Land Acquisition Act, leased land to our Company. The Plaintiff claims that portions of land bearing survey no. 6 admeasuring approximately 2,529 sq. mts, out of 0 acres 30 gunthas, from survey no. 8, 21,347 sq. mts out of 5 acres 11 gunthas, which is part of the land leased to our Company is owned by the plaintiff. The plaintiff has claimed that the defendants have no power to deal with the said disputed land and that GMB has no authority to lease the land. The plaintiff has sought that the lease deed be declared null and void and a permanent stay be issued against the defendant not to interfere in the ownership rights of the plaintiff. Our Company and GMB have filed their written statements in the matter on September 15, 2003. The matter is currently pending.

2. Mr. Mayabhai Valabhai Khasia and Mr. Khodabhai Valabhai Khasia have instituted a suit (Regular Suit No. 170 of 1998) dated November 3, 1998 before the Hon'ble Civil Judge, Amreli against the State of Gujarat, through the Collector, Amreli, the Chief Secretary, Revenue Department and our Company. The brief facts of the matter are that Mr. Mayabhai Valabhai Khasia, Mr. Khodabhai Valabhai Khasia and their father were allotted 30 acres of land by the Collector, Amreli by an order dated March 15, 1982 and were required to pay the value of the land in five instalments. The plaintiffs have claimed that they were unaware of the requirement to pay the value of the land amounting to Rs. 2,783.75 with interest at 6% p.a. and consequently their allotment was cancelled. The plaintiffs have filed the suit for declaration and permanent injunction on the grounds that the land bearing survey No. 109 admeasuring 30 gunthas situated in village Rampara -2 is allotted to them by way of tenancy and hence, they are the owners of the same and the plaintiff are ready and willing to pay its value. The plaintiffs also filed an application for ad-interim injunction dated November 3, 1998 praying that the State of Gujarat and Chief Secretary, Revenue Department be restrained from interfering with the use and occupation of the land, however, the application was dismissed by an order of the Civil Judge dated January 15, 1996. Our Company in its written statement dated July 5, 2003 has stated that the matter should be dismissed as the same has been adjudicated in a previous application (Sp. C.A. 3762 of 1998) filed by the plaintiffs against our Company.

3. The Gram Panchayat, Rampara-2, has filed an application (Special Civil Application No. 3016 of 2008) against our Company and others before the High Court of Gujarat on February 15, 2008. The brief facts are that land situated at survey no. 42 was allotted to GMB in 1986. The Deputy Director of Land Revenue, Bhavnagar by an order dated February 16, 2006 cancelled the measurements carried out in respect of survey no. 42 and survey no. 740 of Rampura Village based on which the allotment of land was made. Our Company, in possession of the land, preferred an appeal before the Settlement Commissioner and Inspector of Land Records, Gujarat. The Settlement Commissioner and Inspector of Land Records, Gujarat passed an order setting aside the order dated February 16, 2006. Thereafter, the Gram Panchayat issued a notice to our Company dated August 19, 2004 for removal of encroachment stating that the Gram Panchayat was the owner of the land bearing survey no. 42 and that our Company had encroached upon the same. Our Company replied to the notice on August 28, 2004 claiming lawful possession of the land. By notice dated April 5, 2007 the Gram Panchayat informed our Company that it intended to remove the encroachment by employing bull dozers, JCB machines, trucks and labourer. Aggrieved by this our Company preferred an appeal (Appeal No. 3 of 2007) on April 18, 2007 before the District Panchayat Appellate Committee, Amreli. By an order dated July 26, 2007 the appeal of our company was rejected and our Company was directed to remove the encroachment within the time limit. The Gram Panchayat, by a letter dated August 6, 2007 instructed the Company to remove the encroachment upon the land before August 9, 2007 failing which the same would be removed at the cost and expense of our Company. Thereafter, our Company preferred

an appeal before the Secretary, Panchayat Development, Sachivalaya, Gandhinagar on August 8, 2007. However, prior to the hearing of the parties in the matter the representatives of the Gram Pancahayat on August 10, 2007 commenced demolition of parking structure and also threatened to demolish the port user building. Subsequently, the Officer on Special Duty and Deputy Secretary (Inquiry) by an order dated January 28, 2008 allowed the revision application of our Company and set aside the order dated July 26, 2007 passed by the Appellate Committee and further quashed and set aside all notices issued by the Gram Panchayat. Aggrieved by this the Gram Panchayat has preferred the present application. Our Company filed its affidavit in reply on March 13, 2008. The High Court of Gujarat has by its order dated February 6, 2009, permitted our Company to undertake construction subject to the final judgment. The matter is currently pending.

4. Mr. Harijan Rudabhai Aalabhai and Mr. Ram Jivabhai have filed an appeal (Appeal No. 67 of 2006) before the Collector, Amreli on September 26, 2006 against the Deputy Collector and Infrastructure Construction Company Limited, C/o our Company. Infrastructure Construction Company Limited purchased agricultural land comprising of survey No. 54/2 admeasuring approximately 11 acres and survey no. 54/1 admeasuring approximately 11 acres situated in village Bherai and applied to the Collector, Amreli to allow the use of land for industrial purpose. The Deputy Collector, Rajula by an order dated July 30, 2005 granted permission for use of the said land for industrial purpose. The said order has been challenged on the grounds that the survey numbers mentioned in the order are not consistent in view of the details of possessor as per government records. Thus Mr. Harijan Rudabhai Aalabhai and Mr. Ram Jivabhai have prayed that the certificate issued by the Deputy Collector be declared illegal. The Infrastructure Company Limited has filed its reply on October 16, 2007 seeking a dismissal of the appeal. The matter is currently pending.

5. Mr. Jivabhai Rambhai Ram has filed an appeal (Entry Appeal Revision Case No. 323 of 2008) dated January 17, 2008 against the Deputy Collector, Rajula, Circle Officer, Rajula, Mamlatdar Rajula, Talati-cum-mantri Bherai and the Infrastructure Company Limited C/o. our Company before the District Collector, Amreli. The brief facts are that land bearing survey no. 54/A/2 situated in Bherai Village, Taluka Rajula was purchased by Infrastructure Construction Company Limited registered vide document no. 981 of 1998 dated August 20, 1998. An entry no. 1241 of the purchase was noted in land records, however, the same was challenged by Mr. Jivabhai Rambhai Ram by filing an appeal before the Deputy Collector (Entry Appeal Case No. 34 of 2006) stating that the entry was illegally sanctioned. The Deputy Collector, Rajula by an order dated December 17, 2007 dismissed the appeal and the decision of the Circle Officer relating to the entry for purchase was kept unchanged. Thereafter Mr. Jivabhai Rambhai Ram has preferred the present application challenging the order of the Deputy Collector dated December 17, 2007. The Infrastructure Company Limited has filed an application on July 29, 2008 stating that an application (Case No. 67 of 2007) has been instituted before the Collector, Amreli in relation to land bearing survey no. 54/1 and 54/2 against Infrastructure Company Limited and has thus requested the Court to first render decision in that matter before adjudging on this appeal.

6. Mr. Jivabhai Rambhai Ram (Power of attorney holder of Harijan Rudabhai Alabhai) has filed an appeal (Entry Appeal Revision Case No. 324 of 2008) against the Deputy Collector, Rajula, Circle officer, Rajula, Mamlatdar Rajula, Talati-cum-mantri Bherai and the Infrastructure Company Limited C/o. our Company on January 17, 2008 before the District Collector, Amreli. The brief facts are that land bearing survey no. 54/A/3 located in Bherai Village, Taluka Rajula, was purchased by Infrastructure Construction Company Limited by an agreement dated August 20, 1998. On the basis of this, entry was noted in village format no. 6 vide entry no. 1242. Mr. Jivabhai Rambhai Ram had filed an appeal to the Deputy Collector and Sub divisional Magistrate (Entry Appeal Case No. 36 of 2006) stating that the entry was illegally sanctioned. The Deputy Collector, Rajula passed an order dated December 12, 2007 dismissing the said appeal. Thereafter Mr. Jivabhai Rambhai Ram preferred the present application challenging the order of the Deputy Collector dated December 17, 2007. The Infrastructure Company Limited has filed an application on July 29, 2008 stating that an application (Case No. 67 of 2007) has been instituted before the Collector, Amreli in relation to land bearing survey no. 54/1 and 54/2 against Infrastructure Company Limited and has thus requested the Court to first render decision in that matter before adjudging on this appeal.

7. Mr. Valabhai Jivabahi (deceased) through his heirs, Khodabhai Valabhai and Mayabhai Valabhai has filed a special leave petition (No. 3698 of 2009) against the judgment and final order dated October 10, 2008 passed by the High Court of Gujarat in civil application no. 12139 of 2005 in letters patent appeal 889 of 2009 in relation to cancellation of grant of land bearing plot no. 109 of village Rampara. Mr.

Valabhai Jivabahi (deceased) through his heirs had filed civil application no. 12139 of 2005 before the High Court of Gujarat against the Collector, Amreli, our Company and others being aggrieved by the order dated October 5, 1998 dismissing the special application filed by our Company due to delay. Our Company has filed its written statement on October 28, 2009 and prayed for the allotment of the said portion of the land to our Company.

8. Our Company had filed a civil application (No. 8152 of 2008) seeking permission of the court for construction of a road which passes through land bearing survey no. 109. The High Court of Gujarat, by an order dated August 1, 2008 has permitted our Company to undertake construction of road in survey no. 109. Mr. Mayabhai Valabhai and Mr. Khodabhai Valabhai have filed a special leave petition (No. 9614 of 209) before the Supreme Court of India against the order dated August 1, 2008 issued by the High Court of Gujarat.

9. Bhayabhai Kalabhai Vagh and Rambahi Desurbhai had filed a suit (no. 21 of 1993) before the City Civil Court, Rajula against our Company. Bhayabhai Kalabhai Vagh and Rambahi Desurbhai have claimed that survey no. 206 admeasuring 6 acre and 10 guntha and survey no. 207 admeasuring 12 acres and 4 guntha of village Rampara-2 are their ancestral properties and the said lands are also running in their names in revenues records. They have alleged that our Company is trying to enter illegally in the said land and seek to remove the residential construction of the plaintiff. They have filed the suit to restrain our Company from abstracting their possession and also restraining them from causing damages to the existing construction. By an order dated April 30, 1999, the City Civil Court rejected the prayers of Bhayabhai Kalabhai Vagh and Rambahi Desurbhai. Bhayabhai Kalabhai Vagh and Rambahi Desurbhai have preferred an appeal (no. 38 of 1999) before the District Court, Amreli seeking an order restraining the entry of Company and any of its employees and protection against any damage is demanded. By an order dated May 18, 1999 the order dated April 30, 1999 is stayed until June 21, 1999 and the parties are directed the maintain status quo. The matter is currently pending.

Labour Proceedings

1. Mr. Chetan Pravinbhai Vyas has in the year 2003 filed an application (L.CA. No. 7 of 2003) before the Labour Court, Amreli. Our Company terminated the services of Mr. Vyas with effect from June 30, 2002 by giving him 15 days notice of termination. Upon his services being terminated Mr. Vyas filed the abovementioned application praying our Company be directed to continue services of Mr. Vyas as Accounts Assistant and to pay him salary for the days he was removed from service. The Labour Court by its award dated September 29, 2006 dismissed the application as neither Mr. Vyas nor his advocate had appeared in the matter. Thereafter, Mr. Vyas filed another application before the Labour Court, Amreli (I.D.P.C. No. 5 of 2006) praying that the original application filed by him be heard again which was again dismissed by an order dated February 26, 2007. Mr. Vyas has filed an application (No. 11817 of 2007) before the High Court of Gujarat seeking issuance of a writ of certiorari or any other writ quashing the orders passed the Labour Court. The matter is currently pending.

2. Mr. Rahimbahi Ganibhai Saiyad has filed an application (L.C.A. No. 19 of 2007) before the Labour Court, Amreli seeking an order directing our Company to reinstate the services of Mr. Saiyad from the date of retrenchment i.e. September 9, 2005 and also to pay the salary due to him by our Company from the date of retrenchment till the date of rejoining. Our Company has filed a written statement on January 25, 2008. The matter is currently pending.

3. Mr. Mohmad Salim Selot has filed a suit (LCA No. 6 of 2005) against our Company before the Labour Court, Amreli for his reinstatement to employment from the date of retrenchment and for payment of salary from date of retrenchment until the date of reinstatement. Our Company has filed its statement of reply on February 2, 2007 stating that he was removed from employment, as his services were not satisfactory during the probation period. The matter is currently pending.

4. Mr. Prithvirajsinh J. Gautam has filed an application (L.CA. No. 4 of 2005) against our Company before the Labour Court, Amreli for reinstatement of Mr. Gautam to his previous designation in our Company with full back wages, continuity of service and other incidental benefits from August 25, 2004 with revised salary for interrupted period. Mr. Gautam claims that being a workman he is entitled to the relief claimed. Our Company in its written statement dated October 28, 2005 has stated that Mr. Gautam is not a workman and therefore he is not entitled to the relief claimed. The matter is currently pending.

5. Mr. Saiyad M. Selot has filed an application (L. C. A. 7 of 2005) before the Labour Court, Amreli against our Company challenging the termination of his services without proper notice or notice pay. Our Company has filed its reply on February 2, 2007 claiming that Mr. Selot was employed as a probationer and his services were terminated as he did not perform satisfactorily. The matter is currently pending.

6. Mr. Vikrambhai S. Wagh has filed an application (L.CA. No. 31 of 2007) against our Company before the Labour Court, Amreli praying before the Court to issue directions to our Company to re-employ him and pay back wages. Our Company has filed its reply in the matter on August 22, 2008. The matter is currently pending.

7. Mr. Parbatbhai J. Vadher has filed an application (L.C.A. No. 16 of 2005) before the Labour Court, Amreli praying that the Court set aside his dismissal order and direct our Company to re-employ him with all benefits and wages. Our Company has filed its reply dated February 23, 2007 wherein stating that the applicant was relieved from his employment after giving a show cause notice and conducting a departmental inquiry for indiscipline. The matter is currently pending.

8. Mr. Rajeshkumar Chandulal Mehta has filed an application (Special Civil Application No. 28278 of 2007) before the High Court of Gujarat, Ahmedabad against the Manager, Port of Pipavav challenging the ex parte order dated October 10, 2007 passed by the Labour Court, Amreli rejecting the miscellaneous application (No. 4 of 2006) filed by Mr. Mehta. Mr. Mehta had filed reference proceedings (LCA No. 37 of 2003) before the Labour Court, Amreli for wrongful termination of his services. The application was rejected by the court by an order dated October 13, 2006. Thereafter, Mr. Mehta filed a miscellaneous application (No. 4 of 2006) before the Labour Court, Amreli for restoration of reference proceedings (LCA No. 37 of 2003). The Labour Court, Amreli by an ex parte order dated October 10, 2007 rejected the miscellaneous application. Mr. Mehta has filed the special civil application (No. 28278 of 2007) before the High Court of Gujarat seeking an order quashing the impugned order dated October 10, 2007 and direction for restoration of original reference (LCA No. 37 of 2003). The matter is currently pending.

9. Mr. Laxminarayan R. Pandey has instituted a compliant (Complaint (ULP) No. 197 of 2004) dated April 29, 2004 before the VIIth Labour Court, Mumbai against our Company and Henrik Christensen, Chief Executive Officer of our Company seeking an order setting aside the notice of retrenchment dated June 14, 2004 and a direction to our Company to reinstate Mr. Laxminarayan R. Pandey with full back wages and continuity of service. The complaint was dismissed by the Labour Court by its order dated November 12, 2008. Against this order, Mr. Laxminarayan R. Pandey has filed an appeal (no. 8 of 2009) before the Industrial Court, Maharashtra. The matter is currently pending.

10. Mr. T. Balan has instituted a compliant (Complaint (ULP) No. 198 of 2004) dated April 29, 2004 before the VIIth Labour Court, Mumbai against our Company and Henrik Christensen, Chief Executive Officer of our Company. In the complaint Mr. Balan has sought an order setting aside the notice of retrenchment dated June 14, 2004 and a direction to our Company to reinstate Mr. Balan with full back wages and continuity of service. Our Company filed its written statement in the matter on November 5, 2005. The matter is currently pending.

11. Mr. S. Mani has instituted a compliant (Complaint (ULP) No. 199 of 2004) dated April 29, 2004 before the VIIth Labour Court, Mumbai against our Company and Henrik Christensen, Chief Executive Officer of our Company. In the complaint Mr. Mani has sought an order setting aside the notice of retrenchment dated June 14, 2004 and a direction to our Company to reinstate him with full back wages and continuity of service. Our Company filed its written statement in the matter on November 5, 2005. The matter is currently pending.

12. Mr. Virambhai Chandrakantbhai Dave has filed an application (I.E.S.O. Application No. 2 of 2008) dated August 20, 2008 against Mr. R. Muthukumar, head of human resource department of our Company before the Labour Court, Amreli. Mr. Dave has alleged that Mr. Muthukumar gave him an oral threat on August 19, 2008 that our Company will remove him from service. Mr. Dave has prayed before the Court to interpret the said oral order and pass any relief which is deemed fit. Mr. Dave has also filed an interim application seeking an injunction restraining our Company from preventing his performance or stopping his monthly salary as well as the allowances of the applicant. Our Company

in its written statement dated September 12, 2008 has stated that Mr. Dave has been served with termination notice on August 11, 2008 as his performance was not found to be satisfactory, however, the notice was not accepted by Mr. Dave. Our Company prays that the application and the interim application be dismissed with cost. The matter is currently pending.

13. Mr. Lavjibhai Bhagwanbhai Bhil has filed an application (Non Fatal Compensation Application No. 11 of 2004) dated August 9, 2004 before the Labour Court, Amreli against our Company, M/s.Cotex Instructors Limited, Oriental Insurance Company Limited and National Insurance Company Limited. Mr. Lavjibhai Bhagwanbhai Bhil while driving the dumper owned by M/s. Cotex Instructors Limited was injured due to the carelessness of the driver of the crane belonging to our Company. Mr. Lavjibhai Bhagwanbhai Bhil has claimed a sum of approximately Rs. 0.21 million as compensation. Mr. Lavjibhai Bhagwanbhai Bhil has also filed an application for condonation of delay on August 9, 2004 and requests the court to pass an order for registering the compensation application under Workmen Compensation Act and allowing the application. Our Company in its written statement dated February 8, 2005 has stated that Mr. Bhil was not a labourer or employee of our Company on date of the accident and prays that the application be dismissed. The matter is currently pending.

14. The Assistant Labour Commissioner, GoG has referred an industrial dispute between our Company and its workmen, C/o. Amreli Jilla Mazdoor Sabha and Mr. Dula S. Wagh to the Industrial Tribunal, Bhavnagar (Reference IT No. 31 of 2003). The question for determination is whether or not 17 employees of our Company should be made permanent employees with effect from their date of joining and should be paid the wages, allowances and all other benefits together with arrears as available to permanent employees. By an application dated October 29, 2004 the APM Terminals Pipavav Mazdoor Sangh has sought to be added as a party to the matter as it represents some of the employees involved. By a part order dated October 18, 2006 the Industrial Tribunal, Bhavnagar, granted permission to withdraw the dispute of 16 workmen as they have entered into a settlement. The reference is pending with regard to one Mr. Vikram S. Wagh. The matter is currently pending.

Arbitration Proceedings

1. Indian Oil Corporation Limited and our Company have initiated arbitration proceedings to be adjudicated upon by a sole arbitrator to determine a claim raised by Indian Oil Corporation Limited against our Company towards refund of the land premium deposited by Indian Oil Corporation Limited under a user license agreement dated February 27, 1998 under which right to use the land admeasuring approximately 70 acres for various purposes such as construction of import, storage, handling, filling and distribution facilities for LPG/petroleum oil and lubricants/chemicals etc was granted to Indian Oil Corporation Limited by our Company. The claim of Indian Oil Corporation Limited arose on account of alleged breach of the terms and conditions of the said user license agreement by our Company which led to the frustration of Indian Oil Corporation Limited's purpose of entering into the said agreement acquiring the right to use the said land. The total amount claimed against our company is approximately Rs. 204.74 million. Our Company has raised a counter claim of approximately Rs. 1,424.27 million against Indian Oil Corporation Limited towards certain development charges for the land payable by Indian Oil Corporation Limited, contribution towards the liability incurred by our Company under the Traffic Guarantee Agreement with Pipavav Railway Corporation Limited, user charges etc. The matter is currently pending.

Income Tax Proceedings

1. Our Company has filed an appeal before the Commissioner of Income-tax (Appeals) on August 28, 2008 challenging the order dated July 24, 2008 passed by the Assessing Officer in relation to assessment year 2008-09. The facts in brief are that our Company had entered into a contract with Shanghai Zhenhua Port Machinery Company Limited, China for supply of cranes and separate service contracts for installation and commissioning services in relation to the cranes. Our Company had appointed Liftech Consultants Inc., USA for rendering of engineering services in relation to the review of pre-determined design and construction audit. A demand of Rs.15.85 million was raised against our Company as assessee in default for failing to deduct tax at source. Our Company has submitted that it cannot be treated as assessee in default under Section 201 of the Income Tax Act, 1961 on account of failure to deduct tax on payment made under the aforementioned contracts. The Income Tax Officer (International Taxation) TDS-3, has issued a rectification order dated December 8, 2008 under section 154 of the Income Tax Act, 1961 enhancing the amount of demand. However, only method is

prescribed in the order and the amount is not mentioned. Our Company has filed a reply dated December 30, 2008 with the Income Tax Officer (International Taxation) TDS-3 and an appeal before the Commisioner of Income Tax (Appeals) against the said order. The proceedings are in currently ongoing.

2. Our Company has filed an appeal before the Commissioner of Income-tax (Appeals) on August 28, 2008 challenging the order dated July 24, 2008 in relation to the assessment year 2007-08. A demand of Rs. 1.19 million has been raised against our Company as assessee in default for failing to deduct tax at source. Our Company has submitted that it cannot be treated as assessee in default under Section 201 of the Income Tax Act, 1961 on account of failure to deduct tax on payments made to Liftech Consultants Inc., USA. Our Company has filed an appeal before the Commisioner of Income Tax (Appeals) against the said order. The proceedings are in currently ongoing.

3. Our Company filed an appeal before the Commissioner of Income Tax (Appeals) on March 23, 2003 against the assessment order dated March 26, 2002 for the assessment year 1999-2000. Our Company claims that the assessing officer had erred in treating the income of Rs. 36,525,000 as income from other sources instead of business income and not allowing netting off of interest income of Rs.1,171,000 against interest payment on funds kept as deposit and other permissible set off of losses. By an order dated July 25, 2003 the Commissioner of Income Tax (Appeals) dismissed the appeal. Our Company had filed an appeal before the Income Tax Appellant Tribunal on September 24, 2003 and the same was dismissed in limine by an order dated May 29, 2007 due to non-appearance of our Company. Our Company has filed a miscellaneous application under section 254(2) of the Income Tax Act, 1961 before the Income Tax Appellant Tribunal praying that the order dated May 29, 2007 be withdrawn. The Income Tax Appellate Tribunal, Mumbai has, vide its order dated September 18, 2009 confirmed the order passed by the Commissioner of Income Tax (Appeals) with regard to certain items be treated as income from other source and the other disputed items have been remanded back to the files of the Assessing Officer for examination. The matter is pending.

Notice issued to our Company

1. A legal notice dated April 22, 2008 has been issued by M/s. RITES Limited to our Company calling upon our Company to clear payments of Rs. 3,500,000 plus service plus interest at 24% per annum from the date they have become due plus legal notice charges of Rs. 5,500, within 60 days of receipt of notice. It is alleged that M/s. RITES Limited had raised fees a for reconnaissance survey of 1,700 km LNG pipeline from the Gujarat coast to Gorakpur by letter dated December 7, 1998. M/s. RITES Limited allege that in spite of completion of work in January 2001 and several reminders vide letters dated August 3, 2000, February 28, 2001, April 12, 2001, May 23, 2001, May 29, 2001, August 3, 2001 and July 20, 2006 no response was received from our Company. The notice provides that if our Company does not make payment within the stipulated period which legal action will be instituted against our Company. By a letter dated August 22, 2008 RITES Limited has called upon our Company to release outstanding payment for the Natural Gas Pipeline Project – Reconnaissance Survey. By a letter dated September 8, 2008 RITES Limietd has requested payment of outstanding dues. By a letter dated November 4, 1008 our Company has intimated that we are examining the matter and by a further letter adted March 25, 2009 RITES Limited has requested that our Company examine the matter of outstanding dues.

2. Our Company has recevied a letter dated August 13, 2009 issued by Income Tax Officer (International Taxation) TDS-3 in relation to proceedings for remittance made under section 195 of the Income Tax Act for the assessment year 2009-10 to file details of remittances made during the period April 1, 2008 March 31, 2009. We have submitted the required details on August 31, 2009. The assessment proceedings are currently in progress.

3. Our Company has received an assessment order under section 143(3) of Income Tax Act, 1961 dated December 31, 2007 from the Assessing Officer in relation to assessment year 2005-06 whereby the following disallowances were made an ad hoc disallowance of various expenses of approximately Rs. 3.78 million and interest paid of Rs. 5.15 million. By filing revised return for assessment year 2006-07 on March 27, 2008, we have claimed interest paid of approximately Rs. 5.15 million by filing revised return of income for the assessment year 2006-07. The assessment is currently ongoing.

4. Our Company had filed original return on November 28, 2006 for assessment year 2006-07. We have filed a revised return of income for assessment year 2006-07 electronically on March 27, 2008 and claimed disallowance of interest amounting to Rs. 5.15 million made during the assessment year 2005-06. The matter has been selected by the Assessing Officer for scrutiny audit. The assessment proceedings are currently ongoing.

5. Our Company had filed return of income electronically on October 30, 2007 for assessment year 2007-08. We received a notice under section 143(2) on September 12, 2008 from the Assessing Officer. A Company official appeared on the date of hearing and the case was adjourned sine die. We received an intimation under section 143(1) of the Income Tax Act in April 2009 dated October 8, 2008 along with refund of Rs. 3.20 million including interest of Rs. 0.28 million. Our Company has received notice under section 142(1) of the Income Tax Act on June 16, 2009 along with a questionnaire. We have filed details with the Assistant Commissioner of Income Tax on July 8, 2009. The hearing has been adjourned sine die.

Investor Complaints

1. Our Company had received a letter dated November 10, 2008 from SEBI intimating us that there are certain outstanding complaints against our Company. We have by letters dated Novemebr 26, 2008 and February 3, 2009 requested SEBI to provide us a copy of the complaint as we had not received copies of the same. Further we have received a letter dated November 30, 2009 from SEBI intimating us that SEBI has received four complaints against our Company which have not been resolved. These investor complaints are currently unresolved.

Litigation by our Company

Criminal Proceedings

1. Our Company has filed two criminal complaints (Criminal Case No. 421 and 422 of 2006) before Judicial Magistrate, First Class, Rajula against Shiv Construction Company and Sunilbhai R. Patel under section 138 of the Negotiable Instruments Act. The brief facts of the matter are that our Company had entrusted maintenance and repairing work of a four lane road and paving of internal roads of Port to Shiv Contruction Company by contract dated July 2, 2005. Our Company had paid an advance of approximately Rs. 3.00 million and the accused had issued three post-dated cheques for an amount of approximately Rs. 1.00 million each as security towards the amount paid by our Company. The contract provided that the advance paid by our Company was against three running bills for the work to be completed and the advance amount was to be adjusted against the same. Shiv Construction Company did not commence work as per the contract and later in spite of requests to proceed with the work, failed to do so. Our Company then claimed refund of the advance paid. Our Company presented cheque no. 1192709 dated September 15, 2005 and cheque no. 1192710 dated October 15, 2005 which were returned marked "insufficient funds". Our Company issued notice to Shiv Construction Company and Mr. Patel on February 15, 2005 and they having failed to make payment our Company filed the criminal complaint. The matter is currently pending.

Civil Proceedings

1. Our Company has filed revision application (Application No. 43 of 2004) against the Commissioner of Road Transport, the Assistant Regional Transport Officer and Shri G. R. Patel, motor vehicle inspector or his successor in office before the Revision Authority under the provisions of the Bombay Motor Vehicles Tax Act, 1958 and the Rules made thereunder. The facts in brief are that a crawler crane owned by our Company was damaged and the damaged parts were sent for repair to Mumbai from APM Terminals Pipavav. While in transit the damaged parts were detained by the Assistant Regional Transport Officer. Our Company preferred an application to the Commissioner of Transport for release of the damaged parts which were being sent to Mumbai for repairs (which was disqualified). Our Company challenged the detention of the damaged parts of the crawler crane and filed an application (Special Application No. 13533 of 2003) before the High Court of Gujarat. Thereafter, a tax demand notice was also served upon our Company by the Assistant Regional Transport Officer raising a demand of approximately Rs. 1.01 million as road tax. Our Company agreed to pay the tax demand under protest and the High Court disposed the application and our Company was directed to prefer appeal before the Transport Commissioner. Our Company preferred an appeal (No. 122 of 2003)

before the Commissioner of Road Transport wherein by order dated March 25, 2004 the Commissioner held that our Company was liable to pay tax from August 1, 1995 or from the date of purchase whichever is later with penalty and interest. In view of the above, our Company filed the revision application challenging the order dated March 25, 2004 passed by the Transport Commissioner in Appeal No. 122 of 2003 and Tax Demand Notice No. 184 dated September 12, 2003. The matter is currently pending.

2. Our Company has filed a winding up petition (C. P. No. 42 of 2000) before the High Court of Kerala praying that Amrok Shipping Private Limited be wound up as per the provisions of the Companies Act. Our Company in its petition has claimed that Amrok Shipping Private Limited is indebted to our Company in the sum of approximately Rs. 25.56 million together with interest at the rate of 18% per annum till date of payment and has failed to make payment after repeated demands. Amrok Shipping Private Limited had made use of the facilities made available by our Company at APM Terminals Pipavav and its ships were called on the port for loading and unloading of cargo. Our Company has to recover amounts towards port dues, pilotgae, berth hire, charges for gottward crane, wharfage and storage charges. The Hon'ble High Court has ordered winding up of Amrok Shipping Private Limited and Official Liquidator has taken charge of the assets and effects of the Amrok Shipping Private Limited. The matter is currently pending before the Official Liquidator.

3. Our Company has preferred an application (Special Civil Application No. 16188 of 2005) dated August 5, 2005 against the State of Gujarat, through its Secretary, Department of Revenue, the Collector, Amreli and GMB. Our Company has sought issuance of a writ of mandamus restraining the State of Gujarat, the Collector, Amreli and GMB and their agents and servants from allotting government waste land bearing survey no. 109 part admeasuring approximately 30 acres and situated in the village of Moje Rampura, Taluka Rajula in Amreli District, to any person(s) save and except our Company pending its application for grant of the said land. By an order dated September 23, 2005 the application was dismissed. Our Company filed an appeal (Letters Patent Appeal No. 1787 of 2005 in Special Civil Application No. 16188 of 2005) before the High Court of Gujarat against the order dated September 23, 2005 on December 20, 2005. The High Court admitted the appeal by an order dated February 27, 2006 and ordered an interim stay of the operation and implementation of the order dated September 23, 2005 subject to the condition that our Company shall make available to the Collector 30 acres of agricultural land in any area which our Company and GMB consider outside port within 2 months. Thereafter it will be open for the Collector to make allotment of such land. Until the final decision is made on the exchange of land, no construction activities are to be undertaken on the land. The High Court, by an order dated August 1, 2008 modified the order dated February 27, 2008 to the extent that it will be permissible for our Company to construct a road on the land. The matter is currently pending.

Land related litigation

1. Our Company has filed a petition (No. 4694 of 2008) before the High Court of Gujarat challenging the order dated February 12, 2009 passed by the Superintendent of Land Records, Amreli. By this order dated February 12, 2009, the Superintendent of Land Records, Amreli had cancelled / rejected the measurement sheet prepared by the surveyor from the Office of the District Land Record, Amreli during the period between February 6, 1988 to February 19, 1988 in respect of land bearing survey nos. 42 paiki and 740 in Mouje Rampara, Taluka Rajula, Amreli District. The High Court of Gujarat has stayed the above proceedings by an order dated May 15, 2009 subject to certain conditions such as our Company to pass a resolution that they will compensate the panchayat as per the market value of the land in case they fail the petition and any construction made being subject to the outcome of the petition. Our Company had filed an application (No. 6530 of 2009) seeking modification of the aforementioned stay order as regards the requirement of compensating the panchayat. By an order dated September 9, 2009 the court has modified the abovementioned order and our Company is required to pass a resolution to the effect that it will compensate the panchayat by way of annual lease amount and deposit approximately Rs. 0.80 million with the Registry of the Court every year. The Rampara Gram Panchayat has filed a special leave petition (No. 18111 of 2009) challenging the order dated May 15, 2009 and September 9, 2009. This special leave petition has been disposed off. The matters are currently pending.

Litigation Against Directors

Mr. Luis Miranda

1. M/s. Sharda Steel Corporation and others have filed a notice of motion (No. 118 of 2007) in the Insolvency Notice No. 109 of 2007. In the said notice of motion M/s. Sharda Steel Corporation and others, being the judgment debtors, have prayed before the Hon'ble Court that proposed judgment debtors i.e. our Company, Mr. Hans Ole Madsan, Mr. Christian Moller Laursen, Mr. Dinesh Lal, Mr. Johan Herman Kerkhof, Mr. Luis Miranda, Mr. Harekrushna Das, Mr. Sethurathnam Ravi, Mr. Philip Littlejohn, Mr. Philip Garling and Mr. C. S. Venketeshwaram be impleaded as judgment debtors in the insolvency notice No. 109/2007. For further details please refer to "Litigation against our Company – Civil Proceedings – Sr. No. 2".

Mr. Christian Moller Laursen

1. M/s. Sharda Steel Corporation and others have filed a notice of motion (No. 118 of 2007) in the Insolvency Notice No. 109 of 2007. In the said notice of motion M/s. Sharda Steel Corporation and others, being the judgment debtors, have prayed before the Hon'ble Court that proposed judgment debtors i.e. our Company, Mr. Hans Ole Madsan, Mr. Christian Moller Laursen, Mr. Dinesh Lal, Mr. Johan Herman Kerkhof, Mr. Luis Miranda, Mr. Harekrushna Das, Mr. Sethurathnam Ravi, Mr. Philip Littlejohn, Mr. Philip Garling and Mr. C. S. Venketeshwaram be impleaded as judgment debtors in the insolvency notice No. 109/2007. For further details please refer to "Litigation against our Company – Civil Proceedings – Sr. No. 2".

Mr. Dinesh Lal

1. M/s. Sharda Steel Corporation and others have filed a notice of motion (No. 118 of 2007) in the Insolvency Notice No. 109 of 2007. In the said notice of motion M/s. Sharda Steel Corporation and others, being the judgment debtors, have prayed before the Hon'ble Court that proposed judgment debtors i.e. our Company, Mr. Hans Ole Madsan, Mr. Christian Moller Laursen, Mr. Dinesh Lal, Mr. Johan Herman Kerkhof, Mr. Luis Miranda, Mr. Harekrushna Das, Mr. Sethurathnam Ravi, Mr. Philip Littlejohn, Mr. Philip Garling and Mr. C. S. Venketeshwaram be impleaded as judgment debtors in the insolvency notice No. 109/2007. For further details please refer to "Litigation against our Company – Civil Proceedings – Sr. No. 2".

Litigation involving Promoters

APM Terminals B.V.

APM Terminals B.V. is involved in legal disputes. Other than a writ petition filed against the Union of India to allow APM Terminals to bid for the fourth container terminal project at Jawaharlal Nehru Port Trust, none of such legal disputes (i) relate to the business interests of APM Terminals B.V. in India, other than legal disputes involving our Company or Gateway Terminals India Private Limited; or (ii) have a material adverse effect on the financial performance of either our Company, APM Terminals B.V. or the A.P. Møller - Mærsk Group. None of the legal disputes that the subsidiaries of APM Terminals B.V. are involved in have a material adverse effect on the financial performance of our Company.

APM Terminals Mauritius Holding Limited

APM Terminals Mauritius Holding Limited is not involved in legal disputes that (i) relate to the business interests of APM Terminals Mauritius Holding Limited in India, other than legal disputes involving our Company or Gateway Terminals India Private Limited; or (ii) have a material adverse effect on the financial performance of APM Terminals B.V. or the A.P. Møller - Mærsk Group.

APM Terminals Mauritius Limited

APM Terminals Mauritius Limited is not involved in legal disputes that (i) relate to the business interests of APM Terminals Mauritius Limited in India, other than legal disputes involving our Company or Gateway Terminals India Private Limited; or (ii) have a material adverse effect on the financial performance of APM Terminals B.V. or the A.P. Møller - Mærsk Group.

Litigation involving Group Companies

The Group Companies are not involved in legal disputes that relate to the business interests of such Group Companies in India, other than legal disputes involving our Company or Gateway Terminals India Private Limited; or (ii) have a material adverse effect on the financial performance of APM Terminals B.V. or the A.P. Møller - Mærsk Group.

Gateway Terminals India Private Limited

Litigation against Gateway Terminals India Private Limited

1. A case ahs been filed by Mr. Anuj Pravinchandra Shah against Gateway Terminals India Private Limited, before the District Court, Thane relating to recovery of cost of statue which was stolen from the Watan bunglow rented by the company from Mr. Shah. The matter is currently pending.

2. Mr. R. K. Sinha, Labour Enforcement Officer has instituted a suit against Gateway Terminals India Private Limited, regarding compliance of the provisions of Payment of Wages Act, 1936 and Maharashtra Payment of Wages Rules, 1963. The matter is currently pending.

3. Bharati Rama Gharat and others have filed a writ petition against Gateway Termianls India Private Limited and others before the High Court of Judicature at Bombay whereby they have sought employment from Jawaharlal Nehru Port Trust for certain project affected persons. This matter was listed on December 18, 2009 and is currently pending.

Litigation by Gateway Terminals India Private Limited

1. Gateway Terminals India Private Limited has filed a writ petition before the High Court of Judicature at Bombay against the Ministry of Commerce, Ministry of Customs, Development Commissioner SEEPZ with respect to revocation of Export Oriented Unit status of the company.

2. Gateway Terminals India Private Limited has initiated arbitration proceedings with Jawaharlal Nehru Port Trust pertaining to liquidated damages claim of Jawaharlal Nehru Port Trust against the company due to delay of six days in completion of project.

Material Developments

There have been no material developments, since the date of the last balance sheet otherwise than as disclosed in the section titled 'Management's Discussion and Analysis of Financial Condition and Results of Operations' on page 170 of this Draft Red Herring Prospectus.

GOVERNMENT AND OTHER APPROVALS

Our Company has received the necessary consents, licenses, permissions and approvals from the Government and various governmental agencies required for the present business and except as mentioned below, no further approvals are required for carrying on the present business.

In view of the approvals listed below, our Company can undertake this Issue and the 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 the business activities. Unless otherwise stated, these approvals are all valid as of the date of this Draft Red Herring Prospectus.

Approvals for the Issue

1. In-principle approval from the National Stock Exchange of India Limited dated [●]; and

2. In-principle approval from the Bombay Stock Exchange Limited dated [●].

3. The Infrastructure Fund of India LLC has made an application dated December 15, 2009, to the RBI seeking its approval for repatriation of proceeds under the Offer for Sale for the shares offered by them under the Issue.

4. The India Infrastructure Fund LLC has made an application dated December 15, 2009 to the RBI seeking its approval for repatriation of proceeds under the Offer for Sale for the shares offered by them under the Issue.

5. Letter from our Company dated December 18, 2009 to GMB for approval of issuance of Equity Shares under the Issue.

General

1. Certificate of incorporation dated August 5, 1992 from the Registrar of Companies, Gujarat.

2. Certificate of commencement of business dated August 5, 1992 from Registrar of Companies, Gujarat.

3. FIPB approval vide letter NO. FC.II.: 226(98/248(98) dated May 25, 1998 amended March 22, 2004 issued by the FIPB Unit Department of Economic Affairs, Ministry of Finance, Government of India allowing for increase in foreign equity participation in the shareholding of our Company from 49% to 100% by A.P. Møller Group/Maersk Sealand, foreign financial institutions such as FIU, New York Life, by way of acquisition of existing equity shares and subscription to new shares.

4. Letter No. FE.CO.FID 2050/10.I.07.02.200(648)/2004-2005 dated September 17, 2004 granting no objection under Regulation 10A(b) of Notification No. FEMA 20/2000-RB dated May 3, 2000, issued by Reserve Bank of India to APM Terminals (4,32,25,000 shares) and IFU (1,13,75,000 shares), New York acquiring 5,46,00,000 equity shares of Rs. 10 each of our Company from SKIL Infrastructure Limited (5,11,27,400 shares) and Grevek Investment & Finance Limited (34,72,600 shares) at price of Rs. 40/- per share. This is subject to the condition that the price approved by Reserve Bank of India shall not necessarily be valid for any future transaction in the shares of our Company.

Business related Approvals

1. Letter No. EP/0720/PIPAVAV dated November 7, 2006 from Coast Guard Headquarters, New Delhi approving the Oil Spill Disaster Contingency Plan of the Port. A condition to be complied with is that the plan is to be periodically validated through simulated exercises and significant changes are to be intimated to headquarters.

2. Letter dated June 8, 1998 from Department of Explosives, Government of India, Nagpur, granting approval for the fire fighting facilities at the jetty.

3. Letter No. G.22(47)162 dated August 1, 2007 from Chief Controller of Explosives, Petroleum and Explosives Safety Organisation, Government of India, granting a No Objection Certificate for removal of LPG pipelines, unloading arm and fire fighting pipelines and integration of the same with the new LPG berth. The certificate is subject to the condition that the work be carried out during day light hours by responsible persons.

4. Letter No. No. G.22(47)162 dated March 13, 2008 from Chief Controller of Explosives, Petroleum and Explosives Safety Organisation, Government of India granting approval for laying LPG pipeline. The existing pipeline should be gas free before cutting. After completion of laying of pipeline, the pipeline should be tested and the report should be submitted to get permission for commission of pipelines.

5. Certificate of Importer-Exporter Code dated April 1, 1993 from Joint Director of Foreign Trade, Ahemdabad issuing IEC No. 089102016.

6. Notification No. GMB/T/12(25)/37-38/2005/8 dated February 10, 2005 issued by the Gujarat Maritime Board detailing the concessional and full royalty rates dependant upon the type of cargo.

7. Statement of compliance No. DGS/SOC/029 dated August 11, 2009 issued by the Directorate General of Shipping, Ministry of Shipping certifying that APM Terminals Pipavav is in compliance with the provisions of chapter XI-2 and part A of the International Code for the Security of Ships and of Port Facilities (ISPS Code). The statement of compliance is valid till May 19, 2014.

8. Letter No. G-22(47) 162 dated December 1, 2009 issued by the Petroleum and Explosives Safety Organisation, Ministry of Commerce and Industry, granting permission for commissioning 6" NB and 10"NB LPG pipeline from jetty to shell gas LPG terminal at APM Terminals Pipavav.

9. Letter No. 1-NSPC(4)/2003-Vol-I dated September 30, 2009 issued by the Directorate General of Shipping, Ministry of Shipping granting extension of the provisional NSPC clearance for the APM Terminals Pipavav for six months up to March 30, 2010.

Tax Related Approvals

1. Certificate from Joint C.I.T (Systems) Ahmedabad allotting PAN AAACG6975B to our Company.

2. Tin No. 24131300176 granted on June 29, 2002 by the Sales Tax Department, Amreli.

3. Letter dated July 16, 2007 issued by the Office of the Assistant Commissioner of Service Tax, Bhavnagar allocating Service Tax registration No. AAACG6975BST001 to our Company.

4. Letter dated July 16, 2007 issued by the Office of Assistant Commissioner of Service Tax, Bhavnagar granting certificate of registration under the Finance Act, 1994 to Gujarat Pipavav Port Limited, Uchhaiya, Rajula, Amreli. The taxable services include port services, transport of goods by road, consulting engineer, erection, commissioning and installation, management consultants, renting of immovable property services.

5. Letter dated July 20, 2005 issued by the Office of Assistant Commissioner of Service Tax, Superintendent, Division III, Service Tax, Mumbai granting registration No. ST/MUM/Div III/CENVAT/131/05 registering our Company with the Central Excise Department for payment of service tax on services of input service distributor.

Environment Related Approvals

1. Letter No. 10-7/2007-IA-III dated May 17, 2007 from Ministry of Environment and Forests (IA-III Division), Government of India, granting environmental clearance for the proposed expansion and modernisation of the Port by our Company. This clearance is subject to the general and specific conditions mentioned which include, *inter alia*,:

   - That green belt development will be taken up in the port area;

- A specific oil spill response plan shall be prepared and submitted to the state authority with a copy to Ministry of Environment and Forest, before commissioning the project;

- The stacking height of sulphur shall not in any case exceed five metres;

- Adequate fire-fighting facilities as per the 'national fire protection code' shall be provided at the Port and in the buildings;

- All dredging operations should be restricted to bare minimum extent. Further the dredge material should be used for reclamation instead of dumping off-shore; and

- The tugs should be equipped with fire-fighting facilities and booms to control oil spill in the port area.

2. Reference No. ENV-10-2006-49-P dated June 18, 2007 issued by the Forest and Environment Department, Government of Gujarat lays down certain conditions required to be satisfied by our Company with reference to the environmental clearance granted to the Project of our Company by the Ministry of Environment and Forest by a letter dated April 16, 2007. In addition to the conditions stipulated by the Forest and Environment Department vide letter dated January 19, 2007 our Company is required, *inter alia,* to adhere to the provisions of the CRZ Notification of 1991, not undertake reclaimation in the margrove areas along 50 metres buffer zone and preserve the existing mangroves.

3. Letter No. PC/CCA-AMR-13(3)/26014, dated August 5, 2006 from Gujarat Pollution Control Board granting a no objection certificate with regard to obtaining CRZ clearance for relocation of the existing LPG jetty by extending the said LPG jetty in a manner that the LPG jetty is re-located by approximately 235 meters and using this intermediate space for extension of container jetty 350 meters. This is valid for a period of five years.

4. Letter No. PC/NOC/AMR-63/16450 dated May 11, 1995 issued by Gujarat Pollution Control Board, Gandhinagar granting no objection to Company for setting up a port on west coast of India for construction of port and related facility for movement, handling and storage of cargo. This clearance is subject to the general and specific conditions mentioned which include, inter alia, that all construction design/drawings relating to various project activities should have the approval of the concerned state government departments/agencies.

5. Letter No. PC/NOC/AMR-63/34061 dated November 13, 2002 from Gujarat Pollution Control Board, Gandhinagar, granting a no objection certificate to our Company for setting up three 3 D.G. sets having a capacity of generating 1,500,000KWH per month.

6. Letter No.J-16011/21/99-IA-III dated June 7, 2000 issued by Ministry of Environment and Forest, Government of India granting environmental clearance for expansion of infrastructure facility at the Port. The clearance covers the construction of Jetty nos. 1, 2, and 3 and 1200 metre long and 12 metre wide approach, LPG/Liquid Jetty and 1500 metre long and 14 metre wide approach bund for pipe rack and roadways, storage warehouses 90 metre x 40 metre and 30 metre x 20 metre and space for open staking of bulk cargo.

7. Letter No. PC/CCA-AMR-13/230 dated January 21, 2006, issued by Gujarat Pollution Control Board, Gandhinagar issuing a no objection certificate to Company for engaging in the activity of capital dredging of one million cubic metres. This certificate is valid for a period of five years. The no objection certificate shall stand automatically cancelled if a bank guarantee of Rs. 10 million is not submitted before March 31, 2006 for proper implementation of the Environment Management Plan. The no objection is subject to a few conditions which include inter alia that the dredging material shall be disposed of in such a way that the CRZ Notification is complied with. Necessary permission from GMB shall be obtained.

8. Letter No. PC/CCA-BHV-13(3)/ 27224 dated September, 2006 issued by Gujarat Pollution Control Board, amending the No Objection Certificate letter bearing No. PC/CCA-AMR-13/230 dated January 2, 2006. The No Objection Certificate shall in pursuance of this and read as being granted for capital dredging and maintenance dredging of 7 million cubic metres capacity. This certificate is valid for a period of five years. This no objection is subject to the condition that the applicant shall not carry out

any further dredging activities without the clearance certificate from the Ministry of Environment and Forest, New Delhi. The other conditions mentioned in the amended order shall remain effective.

Other Approvals

1. Letter No. 4/21/98-CL.VII dated November 19, 1998 issued by the Department of Companny Affairs, New Delhi granting approval from the Central Government to increase the total number of directors of our Company from 12 to 15.

2. Letter granting registration no. GS011409 / Commercial II ward GS dated February 10, 2005 for establishment under the Bombay Shops and Establishments Act, 1948. This is valid until December 31, 2009. Our Company has made an application for renewal of the registration for the year 2010.

3. Letter issued by the Office of Regional Provident Fund Commissioner, Mumbai dated February 9, 2001 issuing Code No. 45059 under the Employees' Provident Fund and Miscellaneous Provisions Act, 1952 and Scheme framed thereunder to the branch/head office of our Company situated at Pipavav House, 209 Banks T Cross lane, SBS Road, Mumbai 400 023.

4. Letter dated July 5, 1996 issued by the Regional Provident Fund Commissioner, Ahmedabad issuing code no. GJ/25936 under the provisions of the Employee's Provident Fund and Miscellaneous Provisions Act, 1952 and the Scheme framed thereunder.

5. Renewal Certificate dated March 30, 2009, issued by the Ministry of Communications and Information Technology renewing the fixed / land mobile / handheld / maritime mobile / aeromobile / experimental / demonstration / radio control Model License No. E.O.T -102/1-19, upto June 30, 2010.

6. Renewal Certificate dated March 30, 2009, issued by the Ministry of Communications and Information Technology renewing the fixed / land mobile / handheld / maritime mobile / aeromobile / experimental / demonstration / radio control Model License No. FP-33/1-130 upto March 31, 2010.

7. Renewal Certificate dated March 30, 2009, issued by the Ministry of Communications and Information Technology renewing the fixed / land mobile / handheld / maritime mobile / aeromobile / experimental / demonstration / radio control Model License No. P-3537/1-12 upto March 31, 2010.

8. Letter No. COM:S:13108:35 dated January 1, 2004 issued by Gujarat Electricity Board, Vadodara granting provision for meeting the additional requirement of power and raising the contract demand from 300 KVA to 5000 KVA at 220 KV to be met from the Board's 220 KV Savarkundla sub-station by tapping L & T feeder for existing unit at Pipavav. This approval is subject to our Company entering into an agreement with the Board for supply of power. This supply shall be on a contingent basis. Our company is required to produce a fresh No Objection Certificate for additional load from the Gujarat Pollution Control Board. Another condition to the supply of power is that our Company can utilise the power received from the Board only with the compact area of the factory premises not intervened by any public road or private land belonging to third party. Our Company is also required to install and maintain an oil circuit breaker at the receiving end for receiving HT supply as the demand is more than 500 KVA.

9. License No. 0330018022/2/11/00 issued by the Office of Joint Director General of Trade, Mumbai on November 5, 2007 for import of items at a concessional rate by our Company. The license is valid upto November 4, 2010. The export obligation of our Company under the license is Rs. 2,829,713,104.

10. License No. 0330016909/2/11/00 issued by the Office of Joint Director General of Trade, Mumbai on July 7, 2007 for import of items at a concessional rate by our Company. The license is valid upto July 26, 2010. The export obligation of our Company under the license is Rs. 29,534,032.

11. License No. 0330016042/2/11/00 issued by the Office of Joint Director General of Trade, Mumbai on May 14, 2007 for import of items at a concessional rate by our Company. The license is valid upto May 13, 2010. The export obligation of our Company under the license is Rs. 107,700,864.

Customs Related Approvals

1. Letter No. VIII/48-74/Cus(T)/07-08 dated January 30, 2008 issued by Commissioner of Customs, Jamnagar appointing our Company as the custodian of the area of 11085.84 sq. mtrs. of the partially completed the Jetty No. 4 at APM Terminals Pipavav. The appointment is for a period of 5 years. This appointment is subject to certain conditions inter alia that the conditions Customs (Preventive), Jamnagar shall have right to terminate the appointment at any time after assigning specific reasons and giving an opportunity for the Custodian to explain his case. Further the custodian is required to comply with the provisions of Section 45(2) of the Customs Act 1962 and Rules and Regulations framed there under. If the goods are lost or pilfered while in the custody of the custodian, they shall be liable to pay duty on such goods.

2. Letter No. VIII/48-210/CUS(T)/04-05 dated December 21, 2004 from Commissioner of Customs, appointing the Company as custodian of 26.25 acres (Jetty no. 1,2,3) of land behind Jetty area at APM Terminals Pipavav subject to the conditions mentioned in the notification. The appointment is for a period of 5 years. The Commissioner of Customs shall have right to terminate the appointment at any time after assigning specific reasons and giving an opportunity for the Custodian to explain his case. Other conditions include inter alai that the custodian is required to comply with the provisions of Section 45(2) of the Customs Act 1962 and Rules and Regulations framed there under. If the goods are lost or pilfered while in the custody of the custodian, they shall be liable to pay duty on such goods.

3. Letter No. VIII/48-74/Cus(T)/07-08 dated August 2, 2008 issued by Commissioner of Customs, Jamnagar appointing our Company as the custodian of the Jetty No. 4 at APM Terminals Pipavav. The appointment is for a period of 5 years. This appointment is subject to certain conditions inter alia that the Customs (Preventive), Jamnagar shall have right to terminate the appointment at any time after assigning specific reasons and giving an opportunity for the Custodian to explain his case. Other conditions include, *inter alia*, that the custodian is required to comply with the provisions of Section 45(2) of the Customs Act 1962 and Rules and Regulations framed there under. Further if the goods are lost or pilfered while in the custody of the custodian, they shall be liable to pay duty on such goods. Notification No. 08/2008-09/CCP/Jamnagar dated August 2, 2008 declaring the area of 16810.84 square metres of 200.35 metres fully completed jetty no. 4 as a landing place under Section 8 (a) of the Customs Act, 1962.

Intellectual Property

1. Registration No. A-77607/2006 for Copyright under the Copyright Act, 1952 dated November 7, 2006 issued by Deputy Registrar of Copyrights, in class and description of work artistic for the work Port of Pipavav.

2. Trademark No. 1136019 dated September 24, 2002 issued by Registrar of Trade Marks in class 16 for the mark of the anchor.

3. Trademark No. 1248233 dated November 7, 2003 issued by Registrar of Trade Marks in class 39 for the name and previous logo of our Company.

4. Trademark No. 1248234 dated November 11, 2003 issued by Registrar of Trade Marks in class 39 for the name and previous logo of our Company.

5. Trademark No. 1136016 dated September 24, 2002 issued by Registrar of Trade Marks in class 25 for the mark of the anchor.

6. Trademark No. 113617 dated September 24, 2002 issued by Registrar of Trade Marks in class 25 for the mark of the anchor.

7. C.C. 3163/2002-2003 dated August 14, 2003 issued by the Senior Examiner of Trademarks, Mumbai certifying that no trade mark identical with or deceptively similar to the label “Port Pipavav” has been registered or applied for under the Trade and Merchandise Marks Act, 1958.

8. C.C. 3163/2002-2003 dated August 14, 2003 issued by the Senior Examiner of Trademarks certifying that no trade mark identical with or deceptively similar to the label "Port Pipavav" has been registered or applied for under the Trade and Merchandise marks Act, 1958.

OTHER REGULATORY AND STATUTORY DISCLOSURES

Authority for the Issue

Approvals for Fresh Issue

The Board has, pursuant to a circular resolution dated October 20, 2009 authorized 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 have authorized the Issue by a special resolution in accordance with Section 81(1A) of the Companies Act, passed at the EGM of our Company held on November 17, 2009.

Approvals for Offer for Sale

The board of directors of The Infrastructure Fund of India, LLC has, by way of a resolution dated November 24, 2009, authorised the sale of 7,601,248 equity shares in the Offer for Sale.

The board of directors of The India Infrastructure Fund, LLC, has by way of a resolution dated December 4, 2009, has authorised the sale of 4,106,121 equity shares in the Offer for Sale.

Application made to RBI

The Infrastructure Fund of India LLC has made an application dated December 15, 2009, to the RBI seeking its approval for repatriation of proceeds under the Offer for Sale for the shares offered by them under the Issue.

The India Infrastructure Fund LLC has made an application dated December 15, 2009 to the RBI seeking its approval for repatriation of proceeds under the Offer for Sale for the shares offered by them under the Issue.

Prohibition by SEBI

Our Company, Directors, Promoters, Promoter Group entities, Group Companies, the Selling Shareholders and natural persons behind the Promoters which are body corporates have not been prohibited from accessing or operating in the capital markets or restrained from buying, selling or dealing in securities under any order or direction passed by SEBI.

The companies, with which Promoters, Directors or persons in control of our Company are associated as promoters, directors or persons in control have been have not been prohibited from accessing or operating in capital markets under any order or direction passed by SEBI.

None of the Directors of our Company are associated with any entities which are engaged in securities market related business and are registered with SEBI.

Prohibition by RBI

Our Company, its Directors, its Promoters, relatives of Promoters (as defined under the Companies Act) and group companies have not been declared as wilful defaulter by RBI or any other government authority and there have been no violation of securities laws committed by them in the past or no such proceeding are pending against our Company or them.

Eligibility for the Issue

Our Company is eligible for the Issue in accordance with the Regulation 26(2) of the SEBI Regulations, which states as follows:

(2) "*An issuer not satisfying any of the conditions stipulated in sub-regulation (1) may make an initial public offer if:*

(a) (i) the issue is made through the book building process and the issuer undertakes to allot at least fifty per cent. of the net offer to public to qualified institutional buyers and to refund full

subscription monies if it fails to make allotment to the qualified institutional buyers ;

OR

(ii) *at least fifteen per cent. of the cost of the project is contributed by scheduled commercial banks or public financial institutions, of which not less than ten per cent. shall come from the appraisers and the issuer undertakes to allot at least ten per cent. of the net offer to public to qualified institutional buyers and to refund full subscription monies if it fails to make the allotment to the qualified institutional buyers;*

AND

(b) (i) *the minimum post-issue face value capital of the issuer is ten crore rupees;*

OR

(ii) *the issuer undertakes to provide market-making for at least two years from the date of listing of the specified securities, subject to the following:*

(A) *the market makers offer buy and sell quotes for a minimum depth of three hundred specified securities and ensure that the bid-ask spread for their quotes does not, at any time, exceed ten per cent.;*

(B) *the inventory of the market makers, as on the date of allotment of the specified securities, shall be at least five per cent. of the proposed issue."*

Our Company is an unlisted company not complying with the conditions specified in the Regulations 26(1) SEBI Regulations and is therefore required to meet both the conditions detailed in Clause (a) and Clause (b) of Regulation 26(2) of the SEBI Regulations.

- Our Company is complying with Regulation 26(a)(i) of the SEBI Regulations and at least 60% of the Issue are proposed to be allocated to QIBs (in order to comply with the requirements of Rule 19(2)(b) of the SCRR) and in the event we fail to do so, the full subscription monies shall be refunded to the Bidders.

- Our Company is complying with Regulation 43(2)(c) of the SEBI Regulations and Non-Institutional Bidders and Retail Individual Bidders will be allocated 10% and 30% of the Issue respectively.

- Our Company is also complying with Regulation 26(b)(i) of the SEBI Regulations and the post-issue face value capital of our Company shall be Rs. [●] lacs, which is more than the minimum requirement of Rs. 10 Crore (Rs. 1000 lacs).

Hence, our Company is eligible for the Issue under Regulation 26(2) of the SEBI Regulations.

Further, in accordance with Regulation 26(4) of the SEBI Regulations, our Company shall ensure that the number of prospective allottees to whom the Equity Shares will be allotted will be not less than 1,000.

Further, the Issue is subject to the fulfilment of the following conditions as required by Rule 19(2) (b) SCRR:

(a) A minimum [●] Equity Shares (excluding reservations, firm Allotments and promoters contribution) are offered to the public;

(b) The Issue size, which is the Issue Price multiplied by the number of Equity Shares offered to the public, is a minimum of Rs. 1,000 million; and

(c) The Issue is made through the Book Building method with 60% of the Issue size allocated to QIBs as specified by SEBI.

DISCLAIMER CLAUSE OF SEBI

AS REQUIRED, A COPY OF THE DRAFT RED HERRING PROSPECTUS HAS BEEN SUBMITTED TO SEBI. IT IS TO BE DISTINCTLY UNDERSTOOD THAT SUBMISSION OF THE DRAFT RED HERRING PROSPECTUS TO SEBI SHOULD NOT, IN ANY WAY, BE DEEMED OR CONSTRUED THAT THE SAME HAS BEEN CLEARED OR APPROVED BY SEBI. SEBI DOES NOT TAKE ANY

RESPONSIBILITY EITHER FOR THE FINANCIAL SOUNDNESS OF ANY SCHEME OR THE PROJECT FOR WHICH THE ISSUE IS PROPOSED TO BE MADE OR FOR THE CORRECTNESS OF THE STATEMENTS MADE OR OPINIONS EXPRESSED IN THE DRAFT RED HERRING PROSPECTUS. THE BOOK RUNNING LEAD MANAGERS HAVE CERTIFIED THAT THE DISCLOSURES MADE IN THE DRAFT RED HERRING PROSPECTUS ARE GENERALLY ADEQUATE AND ARE IN CONFORMITY WITH SEBI (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2009 IN FORCE FOR THE TIME BEING. THIS REQUIREMENT IS TO FACILITATE INVESTORS TO TAKE AN INFORMED DECISION FOR MAKING AN INVESTMENT IN THE PROPOSED ISSUE.

IT SHOULD ALSO BE CLEARLY UNDERSTOOD THAT WHILE THE COMPANY IS PRIMARILY RESPONSIBLE FOR THE CORRECTNESS, ADEQUACY AND DISCLOSURE OF ALL RELEVANT INFORMATION IN THE DRAFT RED HERRING PROSPECTUS, THE BOOK RUNNING LEAD MANAGERS ARE EXPECTED TO EXERCISE DUE DILIGENCE TO ENSURE THAT THE COMPANY DISCHARGES ITS RESPONSIBILITY ADEQUATELY IN THIS BEHALF AND TOWARDS THIS PURPOSE, THE BOOK RUNNING LEAD MANAGERS, HAVE FURNISHED TO SEBI, A DUE DILIGENCE CERTIFICATE DATED DECEMBER 21, 2009 WHICH READS AS FOLLOWS:

WE, THE LEAD MERCHANT BANKER(S) TO THE ABOVE MENTIONED FORTHCOMING ISSUE, STATE AND CONFIRM AS FOLLOWS:

1. **WE HAVE EXAMINED VARIOUS DOCUMENTS INCLUDING THOSE RELATING TO LITIGATION LIKE COMMERCIAL DISPUTES, PATENT DISPUTES, DISPUTES WITH COLLABORATORS, ETC. AND OTHER MATERIAL IN CONNECTION WITH THE FINALISATION OF THE DRAFT RED HERRING PROSPECTUS PERTAINING TO THE SAID ISSUE;**

2. **ON THE BASIS OF SUCH EXAMINATION AND THE DISCUSSIONS WITH THE ISSUER, ITS DIRECTORS AND OTHER OFFICERS, OTHER AGENCIES, AND INDEPENDENT VERIFICATION OF THE STATEMENTS CONCERNING THE OBJECTS OF THE ISSUE, PRICE JUSTIFICATION AND THE CONTENTS OF THE DOCUMENTS AND OTHER PAPERS FURNISHED BY THE ISSUER, WE CONFIRM THAT:**

(A) **THE DRAFT RED HERRING PROSPECTUS FILED WITH THE BOARD IS IN CONFORMITY WITH THE DOCUMENTS, MATERIALS AND PAPERS RELEVANT TO THE ISSUE;**

(B) **ALL THE LEGAL REQUIREMENTS RELATING TO THE ISSUE AS ALSO THE REGULATIONS GUIDELINES, INSTRUCTIONS, ETC. FRAMED/ISSUED BY THE BOARD, THE CENTRAL GOVERNMENT AND ANY OTHER COMPETENT AUTHORITY IN THIS BEHALF HAVE BEEN DULY COMPLIED WITH; AND**

(C) **THE DISCLOSURES MADE IN THE DRAFT RED HERRING PROSPECTUS ARE TRUE, FAIR AND ADEQUATE TO ENABLE THE INVESTORS TO MAKE A WELL INFORMED DECISION AS TO THE INVESTMENT IN THE PROPOSED ISSUE AND SUCH DISCLOSURES ARE IN ACCORDANCE WITH THE REQUIREMENTS OF THE COMPANIES ACT, 1956, THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2009 AND OTHER APPLICABLE LEGAL REQUIREMENTS.**

3. **WE CONFIRM THAT BESIDES OURSELVES, ALL THE INTERMEDIARIES NAMED IN THE DRAFT RED HERRING PROSPECTUS ARE REGISTERED WITH THE BOARD AND THAT TILL DATE SUCH REGISTRATION IS VALID.**

4. **WE HAVE SATISFIED OURSELVES ABOUT THE CAPABILITY OF THE UNDERWRITERS TO FULFIL THEIR UNDERWRITING COMMITMENTS.**

5. **WE CERTIFY THAT WRITTEN CONSENT FROM PROMOTERS HAS BEEN OBTAINED FOR INCLUSION OF THEIR SPECIFIED SECURITIES AS PART OF PROMOTERS'**

CONTRIBUTION SUBJECT TO LOCK-IN AND THE SPECIFIED 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 RED HERRING PROSPECTUS.

6. **WE CERTIFY THAT REGULATION 33 OF THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2009, WHICH RELATES TO SPECIFIED SECURITIES INELIGIBLE FOR COMPUTATION OF PROMOTERS CONTRIBUTION, HAS BEEN DULY COMPLIED WITH AND APPROPRIATE DISCLOSURES AS TO COMPLIANCE WITH THE SAID REGULATION HAVE BEEN MADE IN THE DRAFT RED HERRING PROSPECTUS/DRAFT PROSPECTUS.**

7. **WE UNDERTAKE THAT SUB-REGULATION (4) OF REGULATION 32 AND CLAUSE (C) AND (D) OF SUB-REGULATION (2) OF REGULATION 8 OF THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2009 SHALL BE COMPLIED WITH. WE CONFIRM THAT ARRANGEMENTS HAVE BEEN MADE TO ENSURE THAT PROMOTERS' CONTRIBUTION SHALL BE RECEIVED AT LEAST ONE DAY BEFORE THE OPENING OF THE ISSUE. WE UNDERTAKE THAT AUDITORS' CERTIFICATE TO THIS EFFECT SHALL BE DULY SUBMITTED TO THE BOARD. WE FURTHER CONFIRM THAT ARRANGEMENTS HAVE BEEN MADE TO ENSURE THAT PROMOTERS' CONTRIBUTION SHALL BE KEPT IN AN ESCROW ACCOUNT WITH A SCHEDULED COMMERCIAL BANK AND SHALL BE RELEASED TO THE ISSUER ALONG WITH THE PROCEEDS OF THE PUBLIC ISSUE. <u>NOT APPLICABLE.</u>**

8. **WE CERTIFY THAT THE PROPOSED ACTIVITIES OF THE ISSUER FOR WHICH THE FUNDS ARE BEING RAISED IN THE PRESENT ISSUE FALL WITHIN THE 'MAIN OBJECTS' LISTED IN THE OBJECT CLAUSE OF THE MEMORANDUM OF ASSOCIATION OR OTHER CHARTER OF THE ISSUER AND THAT THE ACTIVITIES WHICH HAVE BEEN CARRIED OUT UNTIL NOW ARE VALID IN TERMS OF THE OBJECT CLAUSE OF ITS MEMORANDUM OF ASSOCIATION.**

9. **WE CONFIRM THAT NECESSARY ARRANGEMENTS HAVE BEEN MADE TO ENSURE THAT THE MONEYS RECEIVED PURSUANT TO THE ISSUE ARE KEPT IN A SEPARATE BANK ACCOUNT AS PER THE PROVISIONS OF SUB-SECTION (3) OF SECTION 73 OF THE COMPANIES ACT, 1956 AND THAT SUCH MONEYS SHALL BE RELEASED BY THE SAID BANK ONLY AFTER PERMISSION IS OBTAINED FROM ALL THE STOCK EXCHANGES MENTIONED IN THE PROSPECTUS. WE FURTHER CONFIRM THAT THE AGREEMENT ENTERED INTO BETWEEN THE BANKERS TO THE ISSUE AND THE ISSUER SPECIFICALLY CONTAINS THIS CONDITION. <u>NOTED FOR COMPLIANCE</u>.**

10. **WE CERTIFY THAT A DISCLOSURE HAS BEEN MADE IN THE DRAFT RED HERRING PROSPECTUS THAT THE INVESTORS SHALL BE GIVEN AN OPTION TO GET THE SHARES IN DEMAT OR PHYSICAL MODE. <u>NOT APPLICABLE</u>.**

    AS THE OFFER SIZE IS MORE THAN RS. 10 CRORES, HENCE UNDER SECTION 68B OF THE COMPANIES ACT, 1956, THE EQUITY SHARES ARE TO BE ISSUED IN DEMAT ONLY.

11. **WE CERTIFY THAT ALL THE APPLICABLE DISCLOSURES MANDATED IN THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2009 HAVE BEEN MADE IN ADDITION TO DISCLOSURES WHICH, IN OUR VIEW, ARE FAIR AND ADEQUATE TO ENABLE THE INVESTOR TO MAKE A WELL INFORMED DECISION.**

12. **WE CERTIFY THAT THE FOLLOWING DISCLOSURES HAVE BEEN MADE IN THE DRAFT RED HERRING PROSPECTUS:**

(A) **AN UNDERTAKING FROM THE ISSUER THAT AT ANY GIVEN TIME, THERE SHALL BE ONLY ONE DENOMINATION FOR THE EQUITY SHARES OF THE ISSUER AND**

(B) **AN UNDERTAKING FROM THE ISSUER THAT IT SHALL COMPLY WITH SUCH DISCLOSURE AND ACCOUNTING NORMS SPECIFIED BY THE BOARD FROM TIME TO TIME.**

13. WE UNDERTAKE TO COMPLY WITH THE REGULATIONS PERTAINING TO ADVERTISEMENT IN TERMS OF THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2009 WHILE MAKING THE ISSUE.

14. WE ENCLOSE A NOTE EXPLAINING HOW THE PROCESS OF DUE DILIGENCE HAS BEEN EXERCISED BY US IN VIEW OF THE NATURE OF CURRENT BUSINESS BACKGROUND OR THE ISSUER, SITUATION AT WHICH THE PROPOSED BUSINESS STANDS, THE RISK FACTORS, PROMOTERS EXPERIENCE, ETC.

15. WE ENCLOSE A CHECKLIST CONFIRMING REGULATION-WISE COMPLIANCE WITH THE APPLICABLE PROVISIONS OF THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2009, CONTAINING DETAILS SUCH AS THE REGULATION NUMBER, ITS TEXT, THE STATUS OF COMPLIANCE, PAGE NUMBER OF THE DRAFT RED HERRING PROSPECTUS WHERE THE REGULATION HAS BEEN COMPLIED WITH AND OUR COMMENTS, IF ANY.

The filing of the Draft Red Herring Prospectus does not, however, absolve our Company from any liabilities under Section 63 or Section 68 of the Companies Act or from the requirement of obtaining such statutory and/or other clearances as may be required for the purpose of the proposed Issue. SEBI further reserves the right to take up at any point of time, with the Book Running Lead Managers, any irregularities or lapses in the Draft Red Herring Prospectus.

All legal requirements pertaining to the Issue will be complied with at the time of filing of the Red Herring Prospectus with the Registrar of Companies, Gujarat, Dadra and Nagar Haveli, in terms of Section 60B of the Companies Act. All legal requirements pertaining to the Issue will be complied with at the time of registration of the Prospectus with the Registrar of Companies, Gujarat, Dadra and Nagar Haveli in terms of Sections 56, 60 and 60B of the Companies Act.

Caution - Disclaimer from our Company, the Selling Shareholders, the BRLMs and the CBRLM

Our Company, the Directors, the Selling Shareholders, the BRLMs and the CBRLM accept no responsibility for statements made otherwise than in this Draft Red Herring Prospectus or in the advertisements or any other material issued by or at our Company’s instance and anyone placing reliance on any other source of information, including our Company’s web site www.pipavav.com, would be doing so at his or her own risk. The Selling Shareholders, its directors, affiliates, associates and their respective directors and officers accept no responsibility for any statements made other than those made in relation to the Equity Shares offered through the Offer for Sale.

The BRLMs and the CBRLM accept no responsibility, save to the limited extent as provided in the Issue Agreement entered into between the BRLMs, CBRLM, the Selling Shareholders and our Company and the Underwriting Agreement to be entered into between the Underwriter, the Selling Shareholders and our Company.

All information shall be made available by our Company, the Selling Shareholders (in relation to the Equity Shares offered by them under the Offer for Sale), the BRLMs and the CBRLM to the public and investors at large and no selective or additional information would be available for a section of the investors in any manner whatsoever including at road show presentations, in research or sales reports, at bidding centres or elsewhere.

Neither our Company, the Selling Shareholders nor the Syndicate is liable for any failure in downloading the Bids due to faults in any software/hardware system or otherwise.

Investors that bid in the Issue will be required to confirm and will be deemed to have represented to our Company, the Selling Shareholders, the Underwriter and their respective directors, officers, agents, affiliates, and representatives that they are eligible under all applicable laws, rules, regulations, guidelines and approvals to acquire Equity Shares of our Company and will not Issue, sell, pledge, or transfer the Equity Shares of our Company to any person who is not eligible under any applicable laws, rules, regulations, guidelines and approvals to acquire Equity Shares of our Company. Our Company, the Selling Shareholders, the Underwriter and their respective directors, officers, agents, affiliates, and representatives accept no responsibility or liability for advising any investor on whether such investor is eligible to acquire our Equity Shares.

Disclaimer in respect of Jurisdiction

This Issue is being made in India to persons resident in India (including Indian nationals resident in India who are not minors, HUFs, companies, corporate bodies and societies registered under the applicable laws in India and authorised to invest in shares, Indian Mutual Funds registered with SEBI, Indian financial institutions, commercial banks, regional rural banks, co-operative banks (subject to RBI permission), or trusts under applicable trust law and who are authorised under their constitution to hold and invest in shares, permitted insurance companies and pension funds) and to FIIs, eligible NRIs and other eligible foreign investors (viz. FVCIs, multilateral and bilateral development financial institutions). This Draft Red Herring Prospectus does not, however, constitute an invitation to purchase shares offered hereby in any jurisdiction other than India to any person to whom it is unlawful to make an offer or invitation in such jurisdiction. Any person into whose possession this Draft Red Herring Prospectus comes is required to inform himself or herself about, and to observe, any such restrictions. Any dispute arising out of this Issue will be subject to the jurisdiction of appropriate court(s) in Mumbai only.

No action has been, or will be, taken to permit a public offering in any jurisdiction where action would be required for that purpose, except that this Draft Red Herring Prospectus has been filed with SEBI for its observations and SEBI shall give its observations in due course. Accordingly, the Equity Shares represented thereby may not be offered or sold, directly or indirectly, and this Draft 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 Draft Red Herring Prospectus nor any sale hereunder shall, under any circumstances, create any implication that there has been no change in the affairs of our Company since the date hereof or that the information contained herein is correct as of any time subsequent to this date.

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

The Equity Shares have not been and will not be registered under the US Securities Act of 1933, as amended (the "Securities Act") or any state securities laws in the United States and may not be offered or sold within the United States except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act and applicable state securities laws. Accordingly, the Equity Shares are only being offered and sold (i) within the United States to "qualified institutional buyers", as defined in Rule 144A under the Securities Act in transactions exempt from the registration requirements of the Securities Act, and (ii) outside the United States in offshore transactions in compliance with Regulation S under the Securities Act.

Disclaimer Clause of BSE

As required, a copy of the Draft Red Herring Prospectus had been submitted to BSE. The Disclaimer Clause as intimated by BSE to our Company, post scrutiny of this Draft Red Herring Prospectus, shall be included in the Red Herring Prospectus prior to the RoC filing.

Disclaimer Clause of the NSE

As required, a copy of the Draft Red Herring Prospectus had been submitted to NSE. The Disclaimer Clause as intimated by NSE to our Company, post scrutiny of this Draft Red Herring Prospectus, shall be included in the Red Herring Prospectus prior to the RoC filing.

Filing

A copy of the Draft Red Herring Prospectus has been filed with SEBI at Corporation Finance Department, Plot No.C4-A,'G' Block, Bandra Kurla Complex, Bandra (East), Mumbai 400 051.

A copy of the Red Herring Prospectus, along with the documents required to be filed under Section 60B of the Companies Act, would be delivered for registration to the RoC and a copy of the Prospectus to be filed under Section 60 of the Companies Act would be delivered for registration with RoC at the Office of the Registrar of Companies, Gujarat, Dadra and Nagar Haveli at ROC Bhavan, CGO Complex, Opposite Rupal Park Society, Near Ankur Bus Stand, Naranpura, Ahmedabad 380 013.

Listing

Applications will be made to the BSE and NSE for permission to deal in and for an official quotation of the Equity Shares. [●] will be the Designated Stock Exchange with which the Basis of Allotment will be finalised.

If the permissions to deal in and for an official quotation of the Equity Shares are not granted by any of the Stock Exchanges mentioned above, our Company will forthwith repay, without interest, all moneys received from the applicants in pursuance of this Draft Red Herring Prospectus. If such money is not repaid within 8 days after our Company becomes liable to repay it, i.e. from the date of refusal or within 7 days from the Bid/Issue Closing Date, whichever is earlier, then our Company and every Director of our Company who is an officer in default shall, on and from such expiry of 8 days, be liable to repay the money, with interest at the rate of 15% p.a. on application money, as prescribed under Section 73 of the Companies Act. Any expense incurred by our Company on behalf of the Selling Shareholders with regard to refunds, interest for delays, etc. for the Equity Shares being offered through the Offer for Sale, will be reimbursed by the Selling Shareholders to our Company in proportion to the Equity Shares contributed by the Selling Shareholders to the Issue.

Our Company shall ensure that all steps for the completion of the necessary formalities for listing and commencement of trading at all the Stock Exchanges mentioned above are taken within 7 working days of finalisation of the Basis of Allotment for the Issue.

Consents

Consents in writing of: (a) the Directors, our Company Secretary and Compliance Officer, the auditors, the legal advisors, the Bankers to the Issue; and (b) the Book Running Lead Manager, the Syndicate Members, the Escrow Collection Banks and the Registrar to the Issue to act in their respective capacities, have been obtained and would be filed along with a copy of the Red Herring Prospectus with the ROC as required under Sections 60 and 60B of the Companies Act and such consents have not been withdrawn up to the time of delivery of the Draft Red Herring Prospectus for registration with the ROC.

In accordance with the Companies Act, 1956 and the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulation, 2009, M/s B S R & Associates, Chartered Accountants, our Company's Statutory Auditors have given their written consent to the inclusion of their report in the form and context in which it appears in the Draft Red Herring Prospectus and such consent and report has not been withdrawn up to the time of delivery of the Draft Red Herring Prospectus for registration with the ROC.

Expert Opinion

Except the report of [●] in respect of the IPO grading of this Issue annexed herewith and except as stated elsewhere in this Draft Red Herring Prospectus, our Company has not obtained any expert opinions.

Issue Related Expenses

The expenses of this Issue include, among others, underwriting and management fees, selling commission, printing and distribution expenses, legal fees, statutory advertisement expenses and listing fees. The estimated expenses of the Issue are as follows:

Activity	Expense* (in Rs. million)	Percentage of the Issue Expenses*	Percentage of the Issue Size*
Lead management, Underwriting and Selling Commission	[●]	[●]	[●]
SCSB Commission	[●]	[●]	[●]
Advertising and marketing expense	[●]	[●]	[●]
Printing and stationery (including courier, transportation charges)	[●]	[●]	[●]
Others (Registrar's fees, legal fees, listing costs etc.)	[●]	[●]	[●]
Fees paid to rating agency	[●]	[●]	[●]
Total	[●]	[●]	[●]

* *Will be incorporated after finalisation of the Issue Price.*

Other than listing fees, which will be paid by our Company, all expenses with respect to the Issue will be shared between the Selling Shareholders and our Company in proportion to the Equity Shares contributed to the Issue.

Fees Payable to the Book Running Lead Managers, CBRLM and Syndicate Members

The total fees payable to the BRLMs, CBRLM and the Syndicate Member (including underwriting commission and selling commission) will be as stated in the Engagement Letter with the BRLMs and the CBRLM, a copy of which is available for inspection at the registered office of our Company located at Port Pipavav, Post Ucchaiya Via Rajula, District Amreli, Gujarat, 365 560.

Fees Payable to the Registrar to the Issue

The fees payable to the Registrar to the Issue for processing of application, data entry, printing of CAN/refund order, preparation of refund data on magnetic tape, printing of bulk mailing register will be as per the Memorandum of Understanding signed with our Company and the Selling Shareholders, a copy of which is available for inspection at our registered office.

The Registrar to the Issue will be reimbursed for all out-of-pocket expenses including cost of stationery, postage, stamp duty and communication expenses. Adequate funds will be provided to the Registrar to the Issue to enable it to send refund orders or allotment advice by registered post/speed post/under certificate of posting.

Particulars regarding Public or Rights Issues during the last Five Years

Except as stated in the section entitled "Capital Structure" on page 21of this Draft Red Herring Prospectus, our Company has not made any rights issues during the last five years. Our Company has not made any public issues.

Previous issues of Equity Shares otherwise than for cash

Except as stated in the section entitled "Capital Structure" and "History and Corporate Matters" on page 21 and 88 respectively of this Draft Red Herring Prospectus, our Company has not issued any Equity Shares for consideration otherwise than for cash.

Commission and Brokerage paid on Previous Issues of the Equity Shares

Since this is the initial public issue of Equity Shares, 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 the Equity Shares since our inception.

Previous capital issue during the previous three years by listed group companies, subsidiaries and associates of our Company in the last three years

None of the group companies, associates and subsidiaries of our Company has undertaken any previous public or rights issue in the last three years.

Promise vis-à-vis objects – Public/ Rights Issue of our Company and/ or listed group companies, subsidiaries and associates of our Company

Except as stated in the section titled "Capital Structure" on page 21 of this Draft Red Herring Prospectus, our Company has not undertaken any previous public or rights issue.

None of the group companies, associates and subsidiaries of our Company is listed on any stock exchange.

Outstanding Debentures or Bonds

Our Company does not have any outstanding debentures or bonds as of the date of filing this Draft Red Herring Prospectus.

Stock Market Data of the Equity Shares

This being an initial public issue of our Company, the Equity Shares are not listed on any stock exchange.

Mechanism for Redressal of Investor Grievances

The Memorandum of Understanding between the Registrar to the Issue, the Selling Shareholders and our Company will provide for retention of records with the Registrar to the Issue for a period of at least six months from the last date of dispatch of letters of allotment, demat credit, refund orders to enable the investors to approach the Registrar to the Issue for redressal of their grievances.

All grievances relating to the Issue may be addressed to the Registrar to the Issue, giving full details such as name, address of the applicant, application number, number of Equity Shares applied for, amount paid on application, Depository Participant, and the bank branch or collection centre where the application was submitted.

All grievances relating to the ASBA process may be addressed to the SCSB, giving full details such as name, address of the applicant, application number, number of Equity Shares applied for, amount paid on application and the Designated Branch or the collection centre of the SCSB where the ASBA Bid cum Application Form was submitted by the ASBA Bidders.

Disposal of Investor Grievances by our Company

Our Company estimates that the average time required by our Company or the Registrar to the Issue or the SCSB in case of ASBA Bidders for the redressal of routine investor grievances shall be ten working days from the date of receipt of the complaint. In case of non-routine complaints and complaints where external agencies are involved, our Company will seek to redress these complaints as expeditiously as possible.

Our Company has appointed Mr. Manish Agnihotri, Company Secretary 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:

Gujarat Pipavav Port Limited
Empire Industries Complex
414, Senapati Bapat Marg
Lower Parel
Mumbai
Maharashtra 400 013
Tel: (91 22) 3001 1324
Fax: (9122) 3001 1333
Email: ipo@portofpipavav.com
Website: www.pipavav.com

Changes in Auditors

There has been no change in the auditors during the last three years.

Capitalisation of Reserves or Profits

Except as disclosed in this Draft Red Herring Prospectus, our Company has not capitalised the reserves or profits at any time during the last five years.

Revaluation of Assets

Our Company has not revalued its assets in the last five years.

SECTION VII – ISSUE RELATED INFORMATION

TERMS OF THE ISSUE

The Equity Shares being issued are subject to the provisions of the Companies Act, the Memorandum and Articles, the terms of this Draft Red Herring Prospectus, the Red Herring Prospectus and the Prospectus, Bid cum Application Form, the Revision Form, the CAN 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, guidelines, notifications and regulations relating to the issue of capital and listing of securities issued from time to time by SEBI, the Government of India, Stock Exchanges, RoC, RBI and/or other authorities, as in force on the date of the Issue and to the extent applicable.

Authority for the Issue

The Issue has been authorised by a circular resolution of the Board dated October 20, 2009 and by special resolution adopted pursuant to Section 81(1A) of the Companies Act, at an EGM of the shareholders of our Company held on November 17, 2009.

The board of directors of The Infrastructure Fund of India, LLC has, by way of a resolution dated November 24, 2009, has authorised the sale of 7,601,248 equity shares in the Offer for Sale.

The board of directors of The India Infrastructure Fund, LLC has, by way of a resolution dated December 4, 2009, has authorised the sale of 4,106,121 equity shares in the Offer for Sale.

Ranking of Equity Shares

The Equity Shares being issued shall be subject to the provisions of the Memorandum and Articles of Association and shall rank *pari passu* with the existing Equity Shares of our Company including rights in respect of dividend. The Allottees in receipt of Allotment of Equity Shares under this Issue will be entitled to dividends and other corporate benefits, if any, declared by our Company after the date of Allotment. For further details, see "Main Provisions of the Articles of Association" on page 270 of this Draft Red Herring Prospectus.

The Selling Shareholders will bear the expenses relating to the Offer for Sale in proportion to the Equity Shares contributed to the Issue.

Mode of Payment of Dividend

Our Company shall pay dividends to the shareholders in accordance with the provisions of the Companies Act.

Face Value and Issue Price

The face value of the Equity Shares is Rs. 10 each and the Issue Price is Rs. [•] per Equity Share. The Anchor Investor Issue Price is Rs. [●] per Equity Share.

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

Compliance with SEBI Regulations

Our Company and the Selling Shareholders shall comply as applicable with all disclosure and accounting norms as specified by SEBI from time to time.

Rights of the Equity Shareholder

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, the terms of the listing agreement executed with the Stock Exchanges, and our Company's Memorandum and Articles.

For a detailed description of the main provisions of the Articles relating to voting rights, dividend, forfeiture and lien and/or consolidation/splitting, see "Main Provisions of the Articles of Association" on page 270 of this Draft Red Herring Prospectus.

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 SEBI Regulations, the trading of the Equity Shares shall only be in dematerialised form. Since trading of the Equity Shares is in dematerialised form, the tradable lot is one Equity Share. Allotment in this Issue will be only in electronic form in multiples of one (1) Equity Share subject to a minimum Allotment of [●] Equity Shares.

The Price Band and the minimum Bid Lot size for the Issue will be decided by our Company and the Selling Shareholders in consultation with the BRLMs and the CBRLM and advertised in [●] edition of [●] in the English language, [●] edition of [●] in the Hindi language and [●] edition of [●] in the Gujarati language at least two days prior to the Bid/ Issue Opening Date.

Jurisdiction

Exclusive jurisdiction for the purpose of this Issue is with the competent courts/authorities in Ahmedabad, Gujarat.

Nomination Facility to Investor

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

- To register himself or herself as the holder of the Equity Shares; or
- To make such transfer of the Equity Shares, as the deceased holder could have made.

Further, the Board may at any time give notice requiring any nominee to choose either to be registered himself or herself or to transfer the Equity Shares, and if the notice is not complied with within a period of ninety days, the Board may thereafter withhold payment of all dividends, bonuses or other moneys payable in respect of the Equity Shares, until the requirements of the notice have been complied with.

Since the Allotment of Equity Shares in the Issue will be made only in dematerialised form, there is no need to make a separate nomination with our Company. Nominations registered with respective depository participant of the applicant would prevail. If the investors require changing their nomination, they are requested to inform their respective depository participant.

Minimum Subscription

If our Company does not receive the minimum subscription of 90% of the Net Issue, including devolvement of underwriters within 60 days from the Bid/Issue Closing Date, our Company shall forthwith refund the entire subscription amount received. If there is a delay beyond 8 days after our Company becomes liable to pay the amount, our Company shall pay interest prescribed under Section 73 of the Companies Act.

If at least 60% of the Net Issue cannot be allocated to QIBs, then the entire application money will be refunded forthwith. The requirement for minimum subscription is not applicable to the Offer for Sale.

Further, our Company shall ensure that the number of prospective allotees to whom Equity Shares will be allotted shall not be less than 1,000. Any expense incurred by our Company on behalf of the Selling Shareholders with regard to refunds, interest for delays, etc for the Equity Shares being offered through the Offer for Sale, will be reimbursed by the Selling Shareholders to our Company, in proportion to the Equity Shares contributed by the Selling Shareholders to the Issue.

The Equity Shares have not been and will not be registered under the Securities Act or any state securities laws in the United States and may not be offered or sold within the United States, except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act and applicable state securities laws. Accordingly, the Equity Shares are only being offered and sold (i) in the United States to "qualified institutional buyers", as defined in Rule 144A of the Securities Act in transactions exempt from the registration requirements of the Securities Act, and (ii) outside the United States in offshore transactions in compliance with Regulation S under the Securities Act.

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

Restriction on transfer of shares

During the term of the Concession Agreement, an acquisition of more than 10% direct or indirect interest in our Company by any person (either alone or together with its associates) shall require and shall be subject to the prior approval of the GMB and the GoG, which approval shall be withheld if, *inter alia*, such acquisition, is in the opinion of the GMB and the GoG, prejudicial to national interest

Other than as stated above and except for lock-in of the pre-Issue Equity Shares and Promoters' minimum contribution in the Issue as detailed in the section titled "Capital Structure" on page 21 of this Draft Red Herring Prospectus, and except as provided in the Articles, there are no restrictions on transfers of Equity Shares. There are no restrictions on transfer of debentures except as provided in the Articles. There are no restrictions on transmission of shares/ debentures and on their consolidation/ splitting except as provided in the Articles. Please see the section titled "Main Provisions of the Articles of Association" on page 270 of this Draft Red Herring Prospectus.

Arrangement for disposal of Odd Lots

There are no arrangements for disposal of odd lots.

ISSUE STRUCTURE

Issue of [●] Equity Shares of Rs. 10 each of our Company for cash at a price of Rs. [●] per Equity Share (including a share premium of Rs. [●] per Equity Share) aggregating to Rs. 5,000 million and an Offer for Sale of upto 11,707,369 Equity Shares by the Selling Shareholders. The Issue includes an Employee Reservation Portion of upto [●] Equity Shares of Rs. 10 each, aggregating to Rs. 100 million. The Issue less the Employee Reservation Portion is referred to as the Net Issue, aggregating to [●] million. The Issue will constitute [●]% of the post Issue paid up capital of our Company. The Net Issue will constitute [●]% of the post Issue paid up capital of our Company.

Our Company is considering a Pre-IPO Placement of an amount aggregating to Rs. [●] million with various investors. The Pre-IPO Placement is at the discretion of our Company and out of the Fresh Issue portion. The Pre-IPO Placement will be at a price to be decided by Company. Our Company will complete the issuance and allotment of such Equity Shares pursuant to the Pre-IPO Placement prior to the filing of the Red Herring Prospectus with the RoC. If the Pre-IPO Placement is completed, the Fresh Issue portion and the Issue size would be reduced to the extent of such Pre-IPO Placement, subject to a minimum Net Issue of 10% of the post Issue paid-up capital being available for allocation to the public.

The Issue is being made through the 100% Book Building Process.

	QIBs[#]	**Non-Institutional Bidders**	**Retail Individual Bidders**	**Employee Reservation Portion**
Number of Equity Shares*	At least [●] Equity Shares	Not less than [●] Equity Shares available for allocation or Net Issue less allocation to QIB Bidders and Retail Individual Bidders.	Not less than [●] Equity Shares available for allocation or Net Issue less allocation to QIB Bidders and Non-Institutional Bidders.	Up to [●] Equity Shares.
Percentage of Issue Size available for Allotment/allocation	At least 60% of Net Issue shall be allocated to QIBs. However, not less than 5% of the QIB Portion (excluding the Anchor Investor Portion) shall be available for allocation proportionately to Mutual Funds only.	Not less than 10% of Net Issue or Net Issue available for allocation less allocation to QIB and Retail Individual Bidders	Not less than 30% of Net Issue or Net Issue available for allocation less allocation to QIB Bidders and Non-Institutional Bidders.	Up to [●] Equity Shares.
Basis of Allotment/Allocation if respective category is oversubscribed	Proportionate as follows: (a) [●] Equity Shares shall be allocated on a proportionate basis to Mutual Funds; and (b) [●] Equity Shares shall be allotted on a proportionate basis to all QIBs	Proportionate	Proportionate	Proportionate

	QIBs#	Non-Institutional Bidders	Retail Individual Bidders	Employee Reservation Portion
	including Mutual Funds receiving allocation as per (a) above.			
Minimum Bid	Such number of Equity Shares that the Bid Amount exceeds Rs. 100,000 and in multiples of [●] Equity Shares thereafter.	Such number of Equity Shares that the Bid Amount exceeds Rs. 100,000 and in multiples of [●] Equity Shares thereafter.	[●] Equity Shares and in multiples of [●] Equity Shares thereafter.	[●] Equity Shares and in multiples of [●] Equity Shares 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 per Retail Individual Bidder so as to ensure that the Bid Amount does not exceed Rs. 100,000.	Such number of Equity Shares per Eligible Employee so as to ensure that the Bid Amount does not exceed Rs. 100,000.
Mode of Allotment	Compulsorily in dematerialised form.	Compulsorily in dematerialised form.	Compulsorily in dematerialised form.	Compulsorily in dematerialised form.
Bid Lot	[●] Equity Shares and in multiples of [●] Equity Shares thereafter.	[●] Equity Shares and in multiples of [●] Equity Shares thereafter.	[●] Equity Shares and in multiples of [●] Equity Shares thereafter.	[●] Equity Shares and in multiples of [●] Equity Shares thereafter.
Allotment Lot	[●] Equity Shares and in multiples of 1 Equity Share thereafter	[●] Equity Shares and in multiples of 1 Equity Share thereafter	[●] Equity Shares and in multiples of 1 Equity Share thereafter	[●] Equity Shares and in multiples of 1 Equity Share thereafter.
Trading Lot	One Equity Share	One Equity Share	One Equity Share	One Equity Share
Who can Apply **	Public financial institutions as specified in Section 4A of the Companies Act, scheduled commercial banks, mutual funds registered with SEBI, FIIs and sub-accounts registered with SEBI, other than a sub-account which is a foreign corporate or foreign individual, multilateral and bilateral development financial institutions, venture capital	Resident Indian individuals, Eligible NRIs, HUF (in the name of Karta), companies, corporate bodies, scientific institutions societies and trusts, sub - accounts of FIIs registered with SEBI, which are foreign corporates or foreign individuals.	Resident Indian individuals, Eligible NRIs and HUF (in the name of Karta)	Eligible Employee

	QIBs#	Non-Institutional Bidders	Retail Individual Bidders	Employee Reservation Portion
	funds registered with SEBI, foreign venture capital investors registered with SEBI, state industrial development corporations, insurance companies registered with Insurance Regulatory and Development Authority, provident funds (subject to applicable law) with minimum corpus of Rs. 250 million, pension funds with minimum corpus of Rs. 250 million in accordance with applicable law, National Investment Fund and insurance funds set up and managed by army, navy or air force of the Union of India .			
Terms of Payment	Margin Amount shall be payable at the time of submission of Bid cum Application Form to the Syndicate Member. ***	Amount applicable to Non-Institutional Bidder at the time of submission of Bid cum Application Form.	Amount applicable at the time of submission of Bid cum Application Form.	Margin Amount shall be payable at the time of submission of Bid cum Application Form to the Syndicate Member.##
Margin Amount	Not less than 10% of Bid Amount.	Full Bid Amount on bidding	Full Bid Amount on bidding	Full Bid Amount on bidding

\# *Our Company and the Selling Shareholders may allocate up to 30% of the QIB Portion to Anchor Investors on a discretionary basis. One-third of the Anchor Investor Portion shall be available for domestic Mutual Funds, subject to valid Bids being received from domestic Mutual Funds, at or above the price at which allocation in being to Anchor Investors. For further details, please see the section titled "Issue Procedure" on page* 229 *of this Draft Red Herring Prospectus.*

\## *In case of ASBA Bidders, the SCSB shall be authorised to block such funds in the bank account of the ASBA Bidder that are specified in the ASBA Bid cum Application Form.*

* Subject to valid Bids being received at or above the Issue Price. In accordance with Rule 19(2)(b) of the SCRR, this being an Issue for less than 25% of the post–Issue capital, the Issue is being made through the 100% Book Building Process wherein at least 60% of the Issue will be allocated on a

proportionate basis to QIBs, out of the QIB Portion (excluding the Anchor Investor Portion), 5% shall be available for allocation on a proportionate basis to Mutual Funds only. The remainder shall be available for allocation on a proportionate basis to QIBs and Mutual Funds, subject to valid Bids being received from them at or above the Issue Price. If at least 60% of the Issue cannot be allocated to QIBs, then the entire application money will be refunded forthwith. However, if the aggregate demand from Mutual Funds is less than [●] Equity Shares, the balance Equity Shares available for Allotment in the Mutual Fund Portion will be added to the QIB Portion and allocated proportionately to the QIB Bidders in proportion to their Bids. Further, not less than 10% of the Issue will be available for allocation on a proportionate basis to Non-Institutional Bidders and not less than 30% of the Issue will be available for allocation on a proportionate basis to Retail Individual Bidders, subject to valid Bids being received at or above the Issue Price.

Under-subscription, if any, in any category except in the QIB category would be met with spill-over from other categories at sole discretion of our Company and the Selling Shareholders, in consultation with the BRLMs and CBRLM.

Under subscription, if any, in the Employee Reservation Portion will be added back to the Net Issue. The unsubscribed portion in the Net Issue, except the QIB Portion, shall be allowed to be met from spill over to the extent of under subscription from the Employee Reservation Portion, subject to the Net Issue constituting 10% of the post Issue capital of our Company. If at least 60% of the Net Issue is not allocated to the QIBs, the entire subscription monies shall be refunded.

** 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.

*** After the Bid/Issue Closing Date, depending on the level of subscription, additional Margin Amount, if any, may be called for from the QIB Bidders.

Our Company and the Selling Shareholders may consider offering the Equity Shares to Retail Individual Investors at a discount to the Issue Price and such discount shall not be more than 10% of the Issue Price.

Withdrawal of the Issue

Our Company and the Selling Shareholders, in consultation with the BRLMs and the CBRLM, reserve the right not to proceed with the Issue anytime after the Bid/Issue Opening Date but before the Allotment of Equity Shares. In such an event, a public notice would be issued in the newspapers, in which the pre-Issue advertisements were published, within two days of the Bid/Issue Closing Date, providing reasons for not proceeding with the Issue. Our Company shall also inform the same to Stock Exchanges on which the Equity Shares are proposed to be listed.

Any further issue of Equity Shares by our Company shall be in compliance with applicable laws.

Bid/Issue Programme

BID/ISSUE OPENS ON	**[●], 2009***
BID/ISSUE CLOSES ON	**[●], 2009**

* *Our Company may consider participation by Anchor Investors. The Anchor Investor Bid/ Issue Period shall be one day prior to the Bid/ Issue Opening Date.*

Bids and any revision in Bids shall be accepted **only between 10 a.m. and 3 p.m**. (Indian Standard Time) during the Bidding/ Issue Period as mentioned above at the bidding centres mentioned on the Bid cum Application Form. On the Bid / Issue Closing Date, the Bids (excluding the ASBA Bidders) shall be uploaded until (i) 4.00 p.m. in case of Bids by QIB Bidders and Non-Institutional Bidders and (ii) until 5.00 p.m. or such extended time as permitted by the NSE and the BSE, in case of Bids by Retail Individual Bidders and Employees bidding under the Employee Reservation Portion. It is clarified that the Bids not uploaded in the book would be rejected. Bids by the ASBA Bidders shall be uploaded by the SCSB in the electronic system to be provided by the NSE and the BSE.

In case of discrepancy in the data entered in the electronic book vis-à-vis the data contained in the physical Bid form, for a particular Bidder, the details as per the physical form of the Bidder may be taken as the final data for the purpose of allotment. In case of discrepancy in the data entered in the electronic book vis-à-vis the data contained in the physical or electronic Bid cum Application Form, for a particular ASBA Bidder, the Registrar to the Issue shall ask for rectified data from the SCSB.

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 the times mentioned above on the Bid/ Issue Closing Date. All times mentioned in the Draft Red Herring Prospectus are Indian Standard Time. 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, some Bids may not get uploaded due to lack of sufficient time. Such Bids that cannot be uploaded will not be considered for allocation under the Issue. Bids will be accepted only on Business Days, i.e., Monday to Friday (excluding any public holiday).

On the Bid/ Issue Closing Date, extension of time will be granted by the Stock Exchanges only for uploading the Bids received by Retail Individual Bidders after taking into account the total number of Bids received up to the closure of time period for acceptance of Bid cum Application Forms as stated herein and reported by the BRLMs and the CBRLM to the Stock Exchange within half an hour of such closure.

Our Company and the Selling Shareholders, in consultation with the BRLMs and CBRLM, reserve the right to revise the Price Band during the Bidding/ Issue Period, provided that the Cap Price shall be less than or equal to 120% of the Floor Price and the Floor Price shall not be less than the face value of the Equity Shares. The revision in Price Band shall not exceed 20% on the either side i.e. the floor price can move up or down to the extent of 20% of the floor price disclosed at least two (2) days prior to the Bid/ Issue Opening Date and the Cap Price will be revised accordingly.

In case of revision of the Price Band, the Issue Period will be extended for three additional working days after revision of Price Band subject to the Bidding / Issue Period not exceeding 10 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 also by indicating the changes on the web site of the BRLMs, CBRLM and at the terminals of the Syndicate.

ISSUE PROCEDURE

Book Building Procedure

The Issue is being made through the 100% Book Building Process wherein at least 60% of the Net Issue shall be allocated to Qualified Institutional Buyers on a proportionate basis out of the QIB Portion (excluding Anchor Investor Portion), 5% shall be available for allocation on a proportionate basis to Mutual Funds only. The remainder shall be available for allocation on a proportionate basis to QIBs and Mutual Funds, subject to valid bids being received from them at or above the Issue Price. If at least 60% of the Net Issue cannot be allocated to QIBs, then the entire application money will be refunded forthwith. Further, not less than 10% of the Net Issue will be available for allocation on a proportionate basis to Non-Institutional Bidders and not less than 30% of the Net Issue will be available for allocation on a proportionate basis to Retail Individual Bidders, subject to valid bids being received at or above the Issue Price. Allocation to Anchor Investors shall be on a discretionary basis and not on a proportionate basis.

Bidders are required to submit their Bids through the Syndicate. Further, QIB Bids can be procured and submitted only through the BRLMs, CBRLM or their affiliate syndicate members. In case of QIB Bidders, our Company and the Selling Shareholders, in consultation with the BRLMs and CBRLM, may reject Bids at the time of acceptance of Bid cum Application Form provided that the reasons for such rejection shall be provided to such QIB Bidder in writing. Our Company and the Selling Shareholders, in consultation with the BRLMs and CBRLM, reserve the right to reject any Bid from any Anchor Investors without assigning any reasons thereof. In case of Employee Reservation Portion, Non-Institutional Bidders and Retail Individual Bidders, our Company and the Selling Shareholders would have a right to reject the Bids only on technical grounds.

Investors should note that the Equity Shares will be allotted to all successful Bidders only in dematerialised form. The Bid cum Application Forms which do not have the details of the Bidders' depository account shall be treated as incomplete and rejected. Bidders will not have the option of being Allotted Equity Shares in physical form. The Equity Shares on Allotment shall be traded only in the dematerialised segment of the Stock 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 Draft Red Herring Prospectus. The Bidder shall have the option to make a maximum of three Bids in the Bid cum Application Form and such options shall not be considered as multiple Bids. Upon the allocation of Equity Shares, dispatch of the CAN, and filing of the Prospectus with the RoC, the Bid cum Application Form shall be considered as the Application Form. Upon completing and submitting the Bid cum Application Form to a member of the Syndicate, the Bidder is deemed to have authorised our Company and the Selling Shareholders to make the necessary changes in the Red Herring Prospectus and the Bid cum Application Form as would be required for filing the Prospectus with the RoC and as would be required by RoC after such filing, without prior or subsequent notice of such changes to the Bidder.

ASBA Bidders shall submit a Bid cum Application Form either in physical or electronic form to the SCSB authorising blocking funds that are available in the bank account specified in the Bid cum Application Form used by ASBA Bidders. The ASBA Bidders can only provide one Bid in the Bid cum Application Form at Cut-off Price. Upon the allocation of Equity Shares, dispatch of the CAN, and filing of the Prospectus with the RoC, the ASBA Bid cum Application Form shall be considered as the Application Form. Upon completing and submitting the ASBA Bid cum Application Form to the SCSB, the ASBA Bidder is deemed to have authorised our Company and the Selling Shareholders to make the necessary changes in the Red Herring Prospectus and the ASBA as would be required for filing the Prospectus with the RoC and as would be required by RoC after such filing, without prior or subsequent notice of such changes to the ASBA Bidder.

The prescribed colour of the Bid cum Application Form for various categories is as follows:

Category	Colour of Bid cum Application Form
Resident Indians and Eligible NRIs applying on a non-repatriation basis	[●]
Eligible NRIs, FIIs or Foreign Venture Capital Funds, registered Multilateral and Bilateral Development Financial Institutions applying on a repatriation basis	[●]

Category	Colour of Bid cum Application Form
Eligible Employees	[●]
ASBA Bidders	[●]
Anchor Investors*	[●]

**Bid cum Application forms for Anchor Investors have been made available for Anchor Investors at the Registered Office of our Company, the BRLMs and the CBRLM.*

- Only Resident Retail Individual Investors can participate by way of ASBA process.
- Only QIBs can participate in the Anchor Investor Portion.

Who can Bid?

- Indian nationals resident in India who are not minors in single or joint names (not more than three);
- Hindu Undivided Families or HUFs, in the individual name of the Karta. The Bidder should specify that the Bid is being made in the name of the HUF in the Bid cum Application Form as follows: "Name of Sole or First bidder: XYZ Hindu Undivided Family applying through XYZ, where XYZ is the name of the Karta". Bids by HUFs would be considered at par with those from individuals;
- Companies, corporate bodies and societies registered under the applicable laws in India and authorised to invest in equity shares;
- Mutual Funds registered with SEBI;
- Eligible NRIs on a repatriation basis or on a non repatriation basis subject to applicable laws. NRIs other than eligible NRIs are not eligible to participate in this issue;
- Indian financial institutions, commercial banks (excluding foreign banks), regional rural banks, co-operative banks (subject to RBI regulations and the SEBI Regulations and other laws, as applicable);
- FIIs and sub-accounts registered with SEBI, other than a sub-account which is a foreign corporate or foreign individual;
- Venture Capital Funds registered with SEBI;
- State Industrial Development Corporations;
- Trusts/societies registered under the Societies Registration Act, 1860, as amended, or under any other law relating to trusts/societies and who are authorised under their constitution to hold and invest in equity shares;
- Scientific and/or industrial research organisations authorised to invest in equity shares;
- Insurance Companies registered with Insurance Regulatory and Development Authority;
- Provident Funds with minimum corpus of Rs. 250 million and who are authorised under their constitution to hold and invest in equity shares;
- Pension Funds with minimum corpus of Rs. 250 million and who are authorised under their constitution to hold and invest in equity shares;
- Foreign Venture Capital Investors registered with SEBI;
- Multilateral and bilateral development financial institutions;
- National Investment Fund;
- Eligible Employees; and
- Sub-accounts of FIIs registered with SEBI, which are foreign corporates or foreign individuals.

As per the existing regulations, OCBs cannot participate in this Issue.

Participation by Associates of BRLMs, CBRLM and Syndicate Members

The BRLMs, CBRLM and Syndicate Members shall not be allowed to subscribe to this Issue in any manner except towards fulfilling their underwriting obligations. However, associates and affiliates of the BRLM, CBRLM and Syndicate Members may subscribe to or purchase Equity Shares in the Issue, either in the QIB Portion or in Non-Institutional Portion as may be applicable to such investors, where the allocation is on a proportionate basis.

The BRLMs and CBRLM and any persons related to the BRLMs and the CBRLM, the Promoters and the Promoter Group cannot apply in the Issue under the Anchor Investor Portion.

Bids by Mutual Funds

An eligible Bid by a Mutual Fund shall first be considered for allocation proportionately in the Mutual Fund Portion. In the event that the demand is greater than [●] Equity Shares, allocation shall be made to Mutual Funds proportionately, to the extent of the Mutual Fund Portion. The remaining demand by the Mutual Funds shall, as part of the aggregate demand by QIBs, be available for allocation proportionately out of the remainder of the QIB Portion, after excluding the allocation in the Mutual Fund Portion.

One-third of the Anchor Investor Portion shall be reserved for domestic Mutual Funds, subject to valid Bids being received from domestic Mutual Funds at or above the price at which allocation is being done to Anchor Investors.

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

No mutual fund scheme shall invest more than 10% of its net asset value in the equity shares or equity related instruments of any company provided that the limit of 10% shall not be applicable for investments in index funds or sector or industry specific funds. No mutual fund under all its schemes should own more than 10% of any company's paid-up share capital carrying voting rights.

Bids by Eligible NRIs

1. Bid cum Application Forms have been made available for Eligible NRIs at the Registered Office of our Company and with members of the Syndicate.

2. Eligible NRI applicants may please note that only such applications as are accompanied by payment in free foreign exchange shall be considered for Allotment. The Eligible NRIs who intend to make payment through Non-Resident Ordinary (NRO) accounts shall use the form meant for Resident Indians.

3. Non-Residents cannot subscribe to this Issue under the ASBA process.

Bids by FIIs

As per the current regulations, the following restrictions are applicable for investments by FIIs:

The issue of Equity Shares to a single FII should not exceed 10% of our post-issue issued capital (i.e. 10% of [●] Equity Shares). In respect of an FII investing in our equity shares on behalf of its sub-accounts, the investment on behalf of each sub-account shall not exceed 10% of our total issued capital or 5% of our total issued capital in case such sub-account is a foreign corporate or an individual. As of now, the aggregate FII holding in our Company cannot exceed 24% of our total issued capital. With the approval of the board and the shareholders by way of a special resolution, the aggregate FII holding can go up to 100%. However, as on this date, no such resolution has been recommended to the shareholders of our company for adoption.

Subject to compliance with all applicable Indian laws, rules, regulations guidelines and approvals in terms of regulation 15A(1) of the Securities Exchange Board of India (Foreign Institutional Investors) Regulations 1995, as amended (the "SEBI FII Regulations"), an FII, as defined in the SEBI FII Regulations, or its sub-account may issue, deal or hold, off shore derivative instruments (defined under the SEBI FII Regulations as any instrument, by whatever name called, which is issued overseas by a foreign institutional investor against securities held by it that are listed or proposed to be listed on any recognised stock exchange in India, as its underlying) directly or indirectly, only in the event (i) such offshore derivative instruments are issued only to persons who are regulated by an appropriate regulatory authority; and (ii) such offshore derivative instruments are issued after compliance with 'know your client' norms. The FII or sub-account is also required to ensure that no further issue or transfer of any Offshore Derivative Instrument issued by it is made to any persons that are not regulated by an appropriate foreign regulatory authority as defined under the SEBI Regulations. Associates and affiliates of the underwriters including the BRLMs, the CBRLM and the Syndicate Member that are FIIs may issue offshore derivative instruments against Equity Shares Allotted to them in the Issue.

Bids by SEBI registered Venture Capital Funds and Foreign Venture Capital Investors

As per the current regulations, the following restrictions are applicable for SEBI Registered Venture Capital Funds and Foreign Venture Capital Investors:

The SEBI (Venture Capital) Regulations, 1996 and the SEBI (Foreign Venture Capital Investor) Regulations, 2000 prescribe investment restrictions on venture capital funds and foreign venture capital investors registered with SEBI.

Accordingly, whilst the holding by any individual venture capital fund registered with SEBI in one company should not exceed 25% of the corpus of the venture capital fund, a Foreign Venture Capital Investor can invest its entire funds committed for investments into India in one company. Further, Venture Capital Funds and Foreign Venture Capital Investors can invest only up to 33.33% of the investible funds by way of subscription to an initial public offer.

The above information is given for the benefit of the Bidders. Our Company, Selling Shareholders, the BRLMs and the CBRLM are not liable for any amendments or modification or changes in applicable laws or regulations, which may occur after the date of this Draft 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.

Maximum and Minimum Bid Size

(a) **For Retail Individual Bidders:** The Bid must be for a minimum of [●] Equity Shares and in multiples of [●] Equity Share thereafter, so as to ensure that the Bid Price payable by the Bidder does not exceed Rs. 100,000. In case of revision of Bids, the Retail Individual Bidders have to ensure that the Bid Price does not exceed Rs. 100,000. In case the Bid Price is over Rs. 100,000 due to revision of the Bid or revision of the Price Band or on exercise of Cut-off option, the Bid would be considered for allocation under the Non-Institutional Portion. The Cut-off option is an option given only to the Retail Individual Bidders indicating their agreement to Bid and purchase at the final Issue Price as determined at the end of the Book Building Process.

(b) **For Other Bidders (Non-Institutional Bidders and QIBs):** The Bid must be for a minimum of such number of Equity Shares such that the Bid Amount exceeds Rs. 100,000 and in multiples of [●] Equity Shares thereafter. A Bid cannot be submitted for more than the Issue Size. However, the maximum Bid by a QIB investor should not exceed the investment limits prescribed for them by applicable laws. **A QIB Bidder cannot withdraw its Bid after the Bid/Issue Closing Date and is required to pay QIB Margin upon submission of Bid.**

In case of revision in Bids, the Non-Institutional Bidders, who are individuals, have to ensure that the Bid Amount is greater than Rs. 100,000 for being considered for allocation in the Non-Institutional Portion. In case the Bid Amount reduces to Rs. 100,000 or less due to a revision in Bids or revision of the Price Band, Bids by Non-Institutional Bidders who are eligible for allocation in the Retail Portion would be considered for allocation under the Retail Portion. Non-Institutional Bidders and QIBs are not allowed to Bid at 'Cut-off'.

(c) **For Bidders in the Employee Reservation Portion:** The Bid must be for a minimum of [●] Equity Shares and in multiples of [●] Equity Shares thereafter, so as to ensure that the Bid Price payable by Eligible Employee does not exceed Rs. 100,000. In case of revision of Bids, the Eligible Employees have to ensure that the Bid Price does not exceed Rs. 100,000. Any Bids in the Employee Reservation Portion exceeding Rs. 100,000 would be rejected.

(d) **For Bidders in the Anchor Investor Portion:** The Bid must be for a minimum of such number of Equity Shares such that the Bid Amount exceeds Rs. 100 million and in multiples of [●] Equity Shares thereafter. Bids by Anchor Investors under the Anchor Investor Portion and the QIB Portion shall not be considered as multiple Bids. A Bid cannot be submitted for more than 30% of the QIB Portion. **Anchor Investors cannot withdraw their Bids after the Anchor Investor Bid/ Issue Period.**

Bidders are advised to ensure that any single Bid from them does not exceed the investment limits or maximum number of Equity Shares that can be held by them under applicable law or regulation or as

specified in this Draft Red Herring Prospectus.

Information for the Bidders:

(a) Our Company will file the Red Herring Prospectus with the RoC at least 3 (three) days before the Bid/Issue Opening Date.

(b) The members of the Syndicate will circulate copies of the Red Herring Prospectus along with the Bid cum Application Form to potential investors.

(c) Any investor (who is eligible to invest in the Equity Shares) who would like to obtain the Red Herring Prospectus and/ or the Bid cum Application Form can obtain the same from our registered office or from any of the members of the Syndicate.

(d) Eligible investors who are interested in subscribing for the Equity Shares should approach any of the BRLMs, CBRLM or Syndicate Members or their authorised agent(s) to register their Bids.

(e) The Bids should be submitted on the prescribed Bid cum Application Form only. Bid cum Application Forms should bear the stamp of the members of the Syndicate. Bid cum Application Forms, which do not bear the stamp of the members of the Syndicate will be rejected.

Method and Process of Bidding

(a) Our Company, the Selling Shareholders, the BRLMs and the CBRLM shall declare the Bid/Issue Opening Date, Bid/Issue Closing Date in the Red Herring Prospectus to be registered with the RoC and also publish the same in two national newspapers (one each in English and Hindi) and in one Gujarati newspaper with wide circulation. This advertisement shall be in the prescribed format. The Price Band and the minimum Bid Lot size for the Issue will be decided by our Company and the Selling Shareholders, in consultation with the BRLMs and the CBRLM and advertised in [●] edition of [●] in the English language, [●] edition of [●] in the Hindi language and [●] edition of [●] in the Gujarati language at least two (2) working days prior to the Bid/ Issue Opening Date. The Members of the Syndicate shall accept Bids from the Bidders during the Issue Period in accordance with the terms of the Syndicate Agreement.

(b) The Bid/Issue Period shall be for a minimum of three working days and shall not exceed 10 working days. The Bid/ Issue Period maybe extended, if required, by an additional three working days, subject to the total Bid/Issue Period not exceeding 10 working days. Any revision in the Price Band and the revised Bid/ Issue Period, if applicable, will be published in two national newspapers (one each in English and Hindi) and one Gujarati newspaper with wide circulation and also by indicating the change on the websites of the BRLMs and the CBRLM and at the terminals of the members of the Syndicate.

(c) During the Bid/Issue Period, eligible investors who are interested in subscribing for the Equity Shares should approach the members of the Syndicate or their authorised agents to register their Bid.

(d) Each Bid cum Application Form will give the Bidder the choice to bid for up to three optional prices (for details refer to the paragraph titled "Bids at Different Price Levels" below) within the Price Band and specify the demand (i.e., the number of Equity Shares Bid for) in each option. The price and demand options submitted by the Bidder in the Bid cum Application Form will be treated as optional demands from the Bidder and will not be cumulated. After determination of the Issue Price, the maximum number of Equity Shares Bid for by a Bidder at or above the Issue Price will be considered for allocation/Allotment and the rest of the Bid(s), irrespective of the Bid Price, will become automatically invalid.

(e) The Bidder cannot bid on another Bid cum Application Form after Bids on one Bid cum Application Form have been submitted to any member of the Syndicate. Submission of a second Bid cum Application Form to either the same or to another member of the Syndicate will be treated as multiple Bids and is liable to be rejected either before entering the Bid into the electronic bidding system, or at any point of time prior to the allocation or Allotment of Equity Shares in this Issue. However, the Bidder can revise the Bid through the Revision Form, the procedure for which is detailed under the paragraph titled "Build up of the Book and Revision of Bids".

(f) The members of the Syndicate will enter each Bid option into the electronic bidding system as a separate Bid and generate a Transaction Registration Slip, ("TRS"), for each price and demand option and give the same to the Bidder. Therefore, a Bidder can receive up to three TRSs for each Bid cum Application Form.

(g) During the Bid/Issue Period, Bidders may approach the members of the Syndicate to submit their Bid. Every member of the Syndicate shall accept Bids from all clients / investors who place orders through them and shall have the right to vet the Bids, subject to the terms of the Syndicate Agreement and the Red Herring Prospectus.

(h) The BRLMs and CBRLM shall accept Bids from the Anchor Investors during the Anchor Investor Bid/ Issue Period i.e., one day prior to the Bid/ Issue Opening Date. Bids by Anchor Investors under the Anchor Investor Portion and the QIB Portion shall not be considered as multiple Bids.

(i) Along with the Bid cum Application Form, all Bidders will make payment in the manner described under the paragraph titled "Terms of Payment and Payment into the Escrow Accounts" on page 235 of this Draft Red Herring Prospectus.

Bids at Different Price Levels and Revision of Bids

(a) The Bidders can bid at any price within the Price Band, in multiples of Re.1 (One). The Price Band and the minimum Bid Lot size for the Issue will be decided by our Company, in consultation with the BRLMs and the CBRLM, and advertised in [●] edition of [●] in the English language, [●] edition of [●] in the Hindi language and [●] edition of [●] in the Gujarati language at least two (2) working days prior to the Bid/ Issue Opening Date.

(b) Our Company and the Selling Shareholders, in consultation with the BRLMs and the CBRLM, reserve the right to revise the Price Band during the Bidding/ Issue Period, provided that the Cap Price shall be less than or equal to 120% of the Floor Price and the Floor Price shall not be less than the face value of the Equity Shares. The revision in Price Band shall not exceed 20% on the either side i.e. the floor price can move up or down to the extent of 20% of the floor price disclosed at least two (2) days prior to the Bid/ Issue Opening Date and the Cap Price will be revised accordingly.

(c) In case of revision in the Price Band, the Bid/Issue Period will be extended for three additional days after revision of Price Band subject to a maximum of 10 working days. Any revision in the Price Band and the revised Bid/Issue Period, if applicable, will be widely disseminated by notification to the BSE and the NSE, by issuing a public notice in two national newspapers (one each in English and Hindi) and also by indicating the change on the websites of the BRLMs, the CBRLM, SCSBs and at the terminals of the members of the Syndicate.

(d) Our Company and the Selling Shareholders, in consultation with the BRLMs and the CBRLM can finalise the Issue Price within the Price Band in accordance with this clause, without the prior approval of, or intimation, to the Bidders.

(e) Our Company and the Selling Shareholders, in consultation with the BRLMs and the CBRLM, can finalise the Anchor Investor Issue Price within the Price Band in accordance with this clause, without the prior approval of, or intimation, to the Anchor Investors.

(d) The Bidders can bid at any price within the Price Band. The Bidder has to bid for the desired number of Equity Shares at a specific price. Retail Individual Bidders and Bidders in the Employee Reservation Portion may bid at the Cut-off Price. However, bidding at Cut-off Price is prohibited for QIB and Non-Institutional Bidders and such Bids from QIB and Non-Institutional Bidders shall be rejected.

(e) Retail Individual Bidders and Bidders in Employee Reservation Portion, who Bid at Cut-off Price agree that they shall purchase the Equity Shares at any price within the Price Band. Retail Individual Bidders and Bidders in Employee Reservation Portion bidding at Cut-Off Price shall submit the Bid cum Application Form along with a cheque/demand draft for the Bid Amount based on the cap of the

Price Band with the members of the Syndicate. In the event the Bid Amount is higher than the subscription amount payable by the Retail Individual Bidders, who Bid at Cut-off Price, shall receive the refund of the excess amounts from the respective Refund Account.

(f) In case of an upward revision in the Price Band announced as above, Retail Individual Bidders who had Bid at Cut-off Price could either (i) revise their Bid or (ii) shall make additional payment based on the cap of the revised Price Band (such that the total amount i.e., original Bid Amount plus additional payment does not exceed Rs. 100,000 if the Bidder wants to continue to Bid at Cut-off Price), with the members of the Syndicate to whom the original Bid was submitted. In case the total amount (i.e., original Bid Amount plus additional payment) exceeds Rs. 100,000, the Bid will be considered for allocation under the Non-Institutional Portion in terms of this Draft Red Herring Prospectus. If, however, the Bidder does not either revise the Bid or make additional payment and the Issue Price is higher than the cap of the Price Band prior to revision, the number of Equity Shares Bid for shall be adjusted downwards for the purpose of Allotment, such that no additional payment would be required from the Bidder and the Bidder is deemed to have approved such revised Bid at Cut-off Price.

(f) In case of a downward revision in the Price Band, announced as above, Retail Individual Bidders and Eligible Employees, who have bid at Cut-off Price could either revise their Bid or the excess amount paid at the time of bidding would be refunded from the Escrow Account. Our Company and the Selling Shareholders, in consultation with the BRLMs and the CBRLM, shall decide the minimum number of Equity Shares for each Bid to ensure that the minimum application value is within the range of Rs. 5,000 to Rs. 7,000.

(g) In case of an upward revision in the Price Band announced as above, Eligible Employees could either (i) revise their Bid or (ii) shall make additional payment based on the cap of the revised Price Band (such that the total amount i.e., original Bid Amount plus additional payment does not exceed Rs. 100,000 if the Bidder wants to continue to Bid at Cut-off Price), with the members of the Syndicate to whom the original Bid was submitted. In case the total amount (i.e., original Bid Amount plus additional payment) exceeds Rs. 100,000, the Bid will rejected. If, however, the Eligible Employee does not either revise the Bid or make additional payment and the Issue Price is higher than the cap of the Price Band prior to revision, the number of Equity Shares Bid for shall be adjusted downwards for the purpose of Allotment, such that no additional payment would be required from the Eligible Employee and the Eligible Employee is deemed to have approved such revised Bid at Cut-off Price.

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

For details of the escrow mechanism and payment instructions, please refer to the section titled "Issue Procedure - Payment Instructions" on page 244 of this Draft Red Herring Prospectus.

Electronic Registration of Bids

(a) The members of the Syndicate will register the Bids using the on-line facilities of BSE and NSE. There will be at least one on-line connectivity in each city, where a stock exchange is located in India and where Bids are being accepted.

(b) The BSE and NSE 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 authorised agents during the Bidding Period. Syndicate Members can also set up facilities for off-line electronic registration of Bids subject to the condition that they will subsequently upload the off-line data file into the on-line facilities for book building on a regular basis. On the Bid/ Issue Closing Date, the Members of the Syndicate shall upload the Bids till such time as may be permitted by the Stock Exchanges. This information will be available with the BRLMs and the CBRLM on a regular basis.

(c) The aggregate demand and price for Bids registered on the electronic facilities of BSE and NSE will be uploaded on a regular basis, consolidated and displayed on-line at all bidding centres and the website of BSE and NSE. A graphical representation of consolidated demand and price would be made available at the bidding centres 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.
- Investor Category – Individual, Corporate, FII, NRI, Mutual Fund, etc.
- Numbers 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 member of the Syndicate does not guarantee that the Equity Shares shall be allocated/Allotment 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) In case of QIB Bidders, Members of the Syndicate also have the right to accept the bid or reject it. However, such rejection should be made at the time of receiving the bid and only after assigning a reason for such rejection in writing. In case of Non-Institutional Bidders and Retail Individual Bidders, Bids would not be rejected except on the technical grounds listed on page 247 of this Draft Red Herring Prospectus.

(h) The permission given by BSE and 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, the Selling Shareholders and/or the BRLMs and CRBLM are cleared or approved by BSE and NSE; nor does it in any manner warrant, certify or endorse the correctness or completeness of any of the compliance with the statutory and other requirements nor does it take any responsibility for the financial or other soundness of our Company, our Promoters, the Selling Shareholders, our Company's management or any scheme or project of our Company.

(i) Details of Bids in the Anchor Investor Portion will not be registered on the on-line facilities of electronic facilities of BSE and NSE.

(j) It is also to be distinctly understood that the approval given by BSE and NSE should not in any way be deemed or construed that this Draft Red Herring Prospectus has been cleared or approved by the BSE and NSE; nor does it in any manner warrant, certify or endorse the correctness or completeness of any of the contents of this Draft Red Herring Prospectus; nor does it warrant that the Equity Shares will be listed or will continue to be listed on the BSE and 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 or NSE mainframe on a regular basis.

(b) The book gets built up at various price levels. This information will be available with the BRLMs and the CBRLM on a regular basis.

(c) During the Bidding/Issue Period, any Bidder who has registered his or her interest in the Equity Shares at a particular price level is free to revise his or her Bid within the Price Band using the printed Revision Form, which is a part of the Bid cum Application Form.

(d) Revisions can be made in both the desired number of Equity Shares and the Bid Amount by using the Revision Form. Apart from mentioning the revised options in the revision form, the Bidder must also mention the details of all the options in his or her Bid cum Application Form or earlier Revision Form. For example, if a Bidder has Bid for three options in the Bid cum Application Form and 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 revised, in the Revision Form. The members of the Syndicate will not accept incomplete or inaccurate Revision Forms.

(e) 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 had placed the original Bid. Bidders are advised to retain copies of the blank Revision Form and the revised Bid must be made only in such Revision Form or copies thereof.

(f) Any revision of the Bid shall be accompanied by payment in the form of cheque or demand draft for the incremental amount, if any, to be paid on account of the upward revision of the Bid. The excess amount, if any, resulting from downward revision of the Bid would be returned to the Bidder at the time of refund in accordance with the terms of this Draft Red Herring Prospectus. In case of QIB Bidders, the members of the Syndicate shall collect the payment in the form of cheque or demand draft for the incremental amount in the QIB Margin Amount, if any, to be paid on account of the upward revision of the Bid at the time of one or more revisions by the QIB Bidders.

(g) When a Bidder revises his or her Bid, he or she shall surrender the earlier TRS and get a revised TRS from the 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) Only Bids that are uploaded on the online IPO system of the NSE and BSE shall be considered for allocation/ Allotment. In case of discrepancy of data between the BSE or the NSE and the members of the Syndicate, the decision of our Company in consultation with the BRLMs and CBRLM, based on the physical records of Bid Application Forms shall be final and binding on all concerned.

Price Discovery and Allocation

(a) After the Bid/Issue Closing Date, the BRLMs and the CBRLM will analyse the demand generated at various price levels and discuss the pricing strategy with our Company.

(b) Our Company and the Selling Shareholders, in consultation with the BRLMs and the CBRLM, shall finalise the Issue Price.

(c) The allocation to QIBs will be at least 60% of the Net Issue and 10% and 30% of the Net Issue will be available for allocation to Non-Institutional and Retail Individual Bidders respectively, on a proportionate basis, in a manner specified in the SEBI Regulations and this Draft Red Herring Prospectus, in consultation with the Designated Stock Exchange, subject to valid bids being received at or above the Issue Price.

(d) Under-subscription, if any, in any category, except the QIB Portion, would be allowed to be met with spill-over from any other category or combination of categories at the discretion of our Company and the Selling Shareholders in consultation with the BRLMs, CBRLM and the Designated Stock Exchange. Under subscription, if any, in the Employee Reservation Portion will be added back to the Net Issue. In case of under subscription in the Net Issue, spill over to the extent of under subscription shall be permitted from the Employee Reservation Portion subject to the Net Issue constituting 10% of the post Issue capital of our Company. If at least 60% of the Net Issue is not allocated to the QIBs, the entire subscription monies shall be refunded.

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

(f) The BRLMs and CBRLM, in consultation with us and the Selling Shareholders, 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.

(g) QIB Bidders shall not be allowed to withdraw their Bid after the Bid/Issue Closing Date.

(h) The allotment details shall be put on the website of the Registrar to the Issue.

Signing of Underwriting Agreement and RoC Filing

(a) Our Company, the Selling Shareholders, the BRLMs, CBRLM and the Syndicate Members shall enter into an Underwriting Agreement on finalisation of the Issue Price.

(b) After signing the Underwriting Agreement, we would update and file the updated Red Herring Prospectus with ROC, which then would be termed 'Prospectus'. The Prospectus would have details of the Issue Price, Issue size, underwriting arrangements and would be complete in all material respects.

Filing of the Prospectus with the RoC

Our Company will file a copy of the Prospectus with the RoC in terms of Section 56, Section 60 and Section 60B of the Companies Act.

Pre-Issue Advertisement

Subject to Section 66 of the Companies Act, our Company shall, after registering the Red Herring Prospectus with the ROC, publish a pre-Issue advertisement, in the form prescribed by the SEBI Regulations, in one widely circulated English language national daily newspaper; one widely circulated Hindi language national daily newspaper and one Gujarati newspaper with wide circulation.

Advertisement regarding Issue Price and Prospectus

Our Company will issue a statutory advertisement after the filing of the Prospectus with the RoC. This advertisement, in addition to the information that has to be set out in the statutory advertisement, shall indicate the Issue Price and the Anchor Investor Issue Price. Any material updates between the date of the Red Herring Prospectus and the date of Prospectus will be included in such statutory advertisement.

Issuance of Confirmation of Allocation Note ("CAN")

(a) Upon approval of the basis of Allotment by the Designated Stock Exchange, the BRLMs and the CBRLM or the Registrar to the Issue shall send to the members of the Syndicate a list of their Bidders who have been allocated/allotted Equity Shares in the Issue. The approval of the basis of Allotment by the Designated Stock Exchange for QIB Bidders may be done simultaneously with or prior to the approval of the basis of allocation for the Retail and Non-Institutional Bidders. However, investors should note that our Company shall ensure that the date of Allotment of the Equity Shares to all investors in this Issue shall be done on the same date.

(b) The BRLMs, CBRLM or members of the Syndicate will then dispatch a CAN to their Bidders who have been allocated Equity Shares in the Issue. The dispatch of a CAN shall be deemed a valid, binding and irrevocable contract for the Bidder to pay the entire Issue Price for all the Equity Shares allocated to such Bidder. Those Bidders who have not paid the entire Bid Amount into the Escrow Account at the time of bidding shall pay in full the amount payable into the Escrow Account by the Pay-in Date specified in the CAN.

(c) Bidders who have been allocated/allotted Equity Shares and who have already paid the Bid Amount into the Escrow Account at the time of bidding shall directly receive the CAN from the Registrar to the Issue subject, however, to realisation of his or her cheque or demand draft paid into the Escrow Account. The dispatch of a CAN shall be deemed a valid, binding and irrevocable contract for the Bidder to pay the entire Issue Price for the Allotment to such Bidder.

(d) The Issuance of CAN is subject to "Notice to Anchor Investors - Allotment Reconciliation and Revised CANs" and "Notice to QIBs - Allotment Reconciliation and Revised CANs" as set forth under the section "Issue Procedure" on page 229 of this Draft Red Herring Prospectus.

Notice to Anchor Investors: Allotment Reconciliation and Revised CANs

A physical book will be prepared by the Registrar on the basis of Bids uploaded on the BSE/NSE system. Based on the physical book and at the discretion of our Company, the Selling Shareholders, the BRLMs and CBRLM, select Anchor Investors may be sent a CAN, within two working days of the Anchor Investor Bid/ Issue Period, indicating the number of Equity Shares that may be allocated to them. The provisional CAN shall constitute the valid, binding and irrevocable contract (subject only to the issue of a revised CAN) for the Anchor Investors to pay the entire Anchor Investor Issue Price for all the Equity Shares allocated to such Anchor Investor. This provisional CAN and the final allocation is subject to the Issue Price being finalised at a price not higher than the Anchor Investor Issue Price and allotment by the Board of Directors. In the event that the Issue Price is higher than the Anchor Investor Issue Price, a revised CAN may be sent to Anchor Investors. The price of Equity Shares in such revised CAN may be different from that specified in the earlier CAN. Anchor Investors should note that they may be required to pay additional additional amounts, if any, by the Pay-in Date specified in the revised CAN, for any increased allocation of Equity Shares or increased price of Equity Shares. The Pay-in Date in the revised CAN shall not be later than two days after the Bid/ Issue Closing Date. Any revised CAN, if issued, will supersede in entirety the earlier CAN.

Notice to QIBs: Allotment Reconciliation and Revised CANs

After the Bid/Issue Closing Date, an electronic book will be prepared by the Registrar on the basis of Bids uploaded on the BSE/NSE system. This shall be followed by a physical book prepared by the Registrar on the basis of Bid cum Application Forms received. Based on the electronic book or the physical book, as the case may be, QIBs may be sent a CAN, indicating the number of Equity Shares that may be allocated to them. This CAN is subject to the basis of final Allotment, which will be approved by the Designated Stock Exchange and reflected in the reconciled book prepared by the Registrar. Subject to SEBI Regulations, certain Bid applications may be rejected due to technical reasons, non-receipt of funds, cancellation of cheques, cheque bouncing, incorrect details, etc., and these rejected applications will be reflected in the reconciliation and basis of Allotment as approved by the Designated Stock Exchange. As a result, a revised CAN may be sent to QIBs and the allocation of Equity Shares in such revised CAN may be different from that specified in the earlier CAN. QIBs should note that they may be required to pay additional amounts, if any, by the Pay-in Date specified in the revised CAN, for any increased allocation of Equity Shares. The CAN will constitute the valid, binding and irrevocable contract (subject only to the issue of a revised CAN) for the QIB to pay the entire Issue Price for all the Equity Shares allocated to such QIB. The revised CAN, if issued, will supersede in entirety the earlier CAN.

Designated Date and Allotment of Equity Shares

(a) Our Company will ensure that the Allotment of Equity Shares is done within 15 (fifteen) days of the Bid/Issue Closing Date. After the funds are transferred from the Escrow Account to the Public Issue Account on the Designated Date, our Company would ensure the credit to the successful Bidders depository account within two working days of the date of allotment.

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

(c) Allottees will have the option to re-materialise the Equity Shares so Allotted as per the provisions of the Companies Act and the Depositories Act.

Investors are advised to instruct their Depository Participant to accept the Equity Shares that may be allocated/ allotted to them pursuant to this Issue.

GENERAL INSTRUCTIONS

Do's:

(a) Check if you are eligible to apply;

(b) Ensure that you have Bid within the Price Band;

(c) Read all the instructions carefully and complete the Bid cum Application Form;

(d) Ensure that the details about Depository Participant and Beneficiary Account are correct as Allotment of Equity Shares will be in the dematerialised form only;

(e) Ensure that the Bids are submitted at the bidding centres only on forms bearing the stamp of a member of the Syndicate;

(f) Ensure that you have been given a TRS for all your Bid options;

(g) Submit revised Bids to the same member of the Syndicate through whom the original Bid was placed and obtain a revised TRS;

(h) Except for Bids submitted on behalf of the Central Government or the State Government and officials appointed by a court, all Bidders should mention their Permanent Account Number (PAN) allotted under the IT Act;

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

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

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 members of the Syndicate;

(d) Do not pay the Bid Price in cash, by money order or by postal order or by stockinvest;

(e) Do not send Bid cum Application Forms by post; instead submit the same to a member of the Syndicate only;

(f) Do not bid at Cut Off Price (for QIB Bidders and Non-Institutional Bidders, for bid amount in excess of Rs. 100,000);

(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;

(h) Do not submit the GIR number instead of the PAN as the Bid is liable to be rejected on this ground.

(i) Do not Bid for more than Rs. 100,000 under the Employee Reservation Portion.

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 ([●] colour or [●] colour).

(b) Completed in full, in BLOCK LETTERS in ENGLISH and in accordance with the instructions contained herein, in the Bid cum Application Form or in the Revision Form. Incomplete Bid cum Application Forms or Revision Forms are liable to be rejected.

(c) For Retail Individual Bidders, the Bid must be for a minimum of [●] Equity Shares and in multiples of [●] thereafter subject to a maximum Bid Amount of Rs. 100,000.

(d) For Non-Institutional Bidders and QIB Bidders, Bids must be for a minimum of such number of Equity Shares that the Bid Amount exceeds or equal to Rs. 100,000 and in multiples of [●] Equity Shares thereafter. Bids cannot be made for more than the Issue. Bidders are advised to ensure that a single Bid from them should not exceed the investment limits or maximum number of shares that can be held by them under the applicable laws or regulations.

(e) For Anchor Investors, Bids must be for a minimum of such number of Equity Shares that the Bid Amount exceeds or equal to Rs. 100 million and in multiples of [●] Equity Shares thereafter.

(f) In single name or in joint names (not more than three, and in the same order as their Depository Participant details).

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

INSTRUCTIONS FOR COMPLETING THE BID CUM APPLICATION FORM

Bidders can obtain Bid cum Application Forms and/or Revision Forms from the members of the Syndicate.

Bidder's Depository Account and Bank Account Details

Bidders should note that on the basis of name of the Bidders, Depository Participant's name, Depository Participant-Identification number and Beneficiary Account Number provided by them in the Bid cum Application Form, the Registrar to the Issue will obtain from the Depository the demographic details including address, Bidders bank account details, MICR code and occupation (hereinafter referred to as "Demographic Details"). These Bank Account details would be used for giving refunds (including through physical refund warrants, direct credit, ECS, NEFT and RTGS) to the 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 despatch/ credit of refunds to Bidders at the Bidders sole risk and neither the BRLMs, CBRLM or the Registrar to the Issue or the Escrow Collection Banks or the SCSBs nor our Company or the Selling Shareholders shall have any responsibility and undertake any liability for the same. Hence, Bidders should carefully fill in their Depository Account details in the Bid cum Application Form.

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

These Demographic Details would be used for all correspondence with the Bidders including mailing of the CANs/Allocation Advice and printing of Bank particulars on the refund orders or for refunds through electronic transfer of funds, as applicable. The Demographic Details given by Bidders in the Bid cum Application Form would not be used for any other purpose by the Registrar to the Issue.

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

Refund Orders/Allocation Advice/CANs would be mailed at the address of the Bidder as per the Demographic Details received from the Depositories. Bidders may note that delivery of refund orders/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 Bidder 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 and neither our Company, the Selling Shareholders, the Escrow Collection Banks nor the BRLMs or CBRLM shall be liable to compensate the Bidder for any losses caused to the Bidder due to any such delay or liable to pay any interest for such delay.

In case no corresponding record is available with the Depositories, which matches the three parameters, namely, 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.

Our Company and the Selling Shareholders in its absolute discretion, reserve 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 or refunds through electronic transfer of funds, 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 the depositories.

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 in the following manner:

1. On the Bid cum Application Form or the Revision Form, as applicable (blue in colour), and completed in full in BLOCK LETTERS in ENGLISH in accordance with the instructions contained therein.

2. In a single name or joint names (not more than three and in the same order as their Depositary Participant Details).

3. Bids on a repatriation basis shall be in the names of individuals, or in the name of FIIs but not in the names of minors, OCBs, firms or partnerships, foreign nationals (excluding NRIs) or their nominees.

Bids by Eligible NRIs for a Bid Amount of up to Rs. 100,000 would be considered under the Retail Portion for the purposes of allocation and Bids for a Bid Amount of more than Rs. 100,000 would be considered under Non-Institutional Portion for the purposes of allocation.

Refunds, dividends and other distributions, if any, will be payable in Indian Rupees only and net of bank charges and / or commission. In case of Bidders who remit money through Indian Rupee drafts purchased abroad, such payments in Indian Rupees will be converted into US Dollars or any other freely convertible currency as may be permitted by the RBI at the rate of exchange prevailing at the time of remittance and will be dispatched by registered post or if the Bidders so desire, will be credited to their NRE accounts, details of which should be furnished in the space provided for this purpose in the Bid cum Application Form. Our Company and the Selling Shareholders will not be responsible for loss, if any, incurred by the Bidder on account of conversion of foreign currency.

As per the existing policy of the Government of India, OCBs are not permitted to participate in the Issue.

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

Bids by Eligible Employees

The Bid must be for a minimum of [●] Equity Shares and in multiples of [●] Equity Shares thereafter so as to ensure that the Bid Price payable by the Eligible Employee does not exceed Rs.100,000. The allotment in the Employee Reservation Portion will be on a proportionate basis. Bidders under the Employee Reservation Portion may bid-at Cut off Price.

Bids under Employee Reservation Portion by Eligible Employees shall be:

(a) Made only in the prescribed Bid cum Application Form or Revision Form (i.e. Pink colour Form).

(b) The Bid must be for a minimum of [●] Equity Shares and in multiples of [●] Equity Shares thereafter so as to ensure that the Bid Price payable by the Eligible Employee does not exceed Rs. 100,000. The maximum Bid in this category by an Eligible Employee cannot exceed Rs.100,000.

(c) Eligible Employees should mention their Employee Number at the relevant place in the Bid cum Application Form

(d) The sole/ first bidder should be Eligible Employees as defined above.

(e) Only Eligible Employees would be eligible to apply in this Issue under the Employee Reservation Portion.

(f) Bids by Eligible Employees will have to bid like any other Bidder. Only those bids, which are received at or above the Issue Price, would be considered for allocation under this category.

(h) Eligible Employees can apply at Cut-Off. The Bid must be for a minimum of [●] Equity Shares and in multiples of [●] thereafter subject to a maximum Bid Amount of Rs. 100,000.

(g) Bid/ Application by Eligible Employees can be made also in the "Net Issue to the Public" and such bids shall not be treated as multiple bids.

(h) If the aggregate demand in this category is less than or equal to [●] Equity Shares at or above the Issue Price, full allocation shall be made to the Eligible Employees to the extent of their demand.

(i) Under-subscription, if any, in the Employee Reservation Portion will be added back to the Net Issue. In case of under-subscription in the Net Issue, spill over to the extent of under-subscription shall be permitted from the Employee Reservation Portion subject to the Net Issue constituting 10% of the post-Issue share capital of our Company.

(j) If the aggregate demand in this category is greater than [●] Equity Shares at or above the Issue Price, the allocation shall be made on a proportionate basis. For the method of proportionate basis of allocation, refer to para "Basis of Allotment" on page 251 of this Draft Red Herring Prospectus.

Eligible Employees Bidding under the Employee Reservation Portion cannot subscribe to this Issue under the ASBA process.

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 of Association and Articles of Association and/or bye laws must be lodged along with the Bid cum Application Form. Failing this, our Company and the Selling Shareholders reserve 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 lodged along with the Bid cum Application Form. Failing this, our Company and the Selling Shareholders reserve the right to accept or reject any Bid in whole or in part, in either case, without assigning any reason therefore.

In case of Bids made by insurance companies registered with the Insurance Regulatory and Development Authority, a certified copy of certificate of registration issued by Insurance Regulatory and Development Authority must be lodged along with the Bid cum Application Form. Failing this, our Company and the Selling Shareholders reserve the right to accept or reject any Bid in whole or in part, in either case, without assigning any reason therefore.

In case of Bids made by provident funds with minimum corpus of Rs. 250 million (subject to applicable law) and pension funds with 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 along with the Bid cum Application Form. Failing this, our Company and the Selling Shareholders reserve 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 mutual fund registered with SEBI, venture capital fund registered with SEBI and foreign venture capital investor registered with SEBI, a certified copy of their SEBI registration certificate must be submitted with the Bid cum Application Form. Failing this, our Company and the Selling Shareholders reserve the right to accept or reject any Bid in whole or in part, in either case, without assigning any reason therefore.

Our Company and the Selling Shareholders, in its 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 and conditions that our Company, the Selling Shareholders, the BRLMs and the CBRLM may deem fit.

PAYMENT INSTRUCTIONS

Escrow Mechanism

Our Company, the Selling Shareholders and the Members of the Syndicate shall open Escrow Accounts with one or more Escrow Collection Bank(s) in whose favour the Bidders shall make out the cheque or demand draft in respect of his or her Bid and/or revision of the Bid. Cheques or demand drafts received for the full Bid Amount from Bidders in a certain category would be deposited in the Escrow Account.

The Escrow Collection Banks will act in terms of the Draft Red Herring Prospectus and the Escrow Agreement. The Escrow Collection Bank (s) for and on behalf of the Bidders shall maintain the monies in the Escrow Account until the Designated Date. The Escrow Collection Bank(s) shall not exercise any lien whatsoever over the monies deposited therein and shall hold the monies therein in trust for the Bidders. On the Designated Date, the Escrow Collection Bank(s) shall transfer the funds equivalent to the size of the Issue from the Escrow Account, as per the terms of the Escrow Agreement, into the Public Issue Account with the Banker(s) to the Issue. The balance amount after transfer to the Public Issue Account shall be transferred to the Refund Account. Payments of refund to the Bidders shall also be made from the Refund Account are per the terms of the Escrow Agreement and the Draft Red Herring Prospectus.

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

Each Bidder shall draw a cheque or demand draft or remit the funds electronically through the RTGS mechanism for the amount payable on the Bid and/or on allocation/Allotment as per the following terms:

Payment into Escrow Account

1. QIB Bidders, Non-Institutional Bidders and 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 Amount payable by each category of Bidders is mentioned under the section entitled "Issue Structure" on page 224 of this Draft Red Herring Prospectus.

2. 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 and submit the same to the members of the Syndicate.

3. In case the above Margin Amount paid by the Bidders during the Bidding Period is less than the Issue Price multiplied by the Equity Shares allocated to the Bidder, the balance amount shall be paid by the Bidders into the Escrow Account within the period specified in the CAN which shall be subject to a minimum period of two days from the date of communication of the allocation list to the members of the Syndicate by the BRLMs and CBRLM. If the payment is not made favouring the Escrow Account within the time stipulated above, the Bid of the Bidder is liable to be cancelled.

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

    (a) In case of Resident QIB Bidders: "–[●]"

    (b) In case of Non Resident QIB Bidders: "–[●]"

    (c) In case of Resident Retail and Non-Institutional Bidders: "–[●]"

    (d) In case of Non-Resident Retail and Non-Institutional Bidders: "–[●]"

(e) In case of Employees: "[●]"

5. Anchor Investors would be required to pay the Anchor Investor Margin Amount at the time of submission of the application form by the Anchor Investors and the balance shall be payable within two (2) days of the Bid/ Issue Closing Date. In the event of Issue Price being higher than the price at which allocation is made to Anchor Investors, the Anchor Investors shall be required to pay such additional amount to the extent of shortfall between the price at which allocation is made to them and the Issue Price. If the Issue Price is lower than the price at which allocation is made to Anchor Investors, the amount in excess of the Issue Price paid by Anchor Investors shall not be refunded to them.

6. For Anchor Investors, the payment instruments for payment into the Escrow Account should be drawn in favour of:

   (a) In case of resident Anchor Investors: "[●]"

   (b) In case of non-resident Anchor Investors: "[●]"

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

8. In case of Bids by NRIs applying on non-repatriation basis, the payments must be made through Indian Rupee Drafts purchased abroad or cheques or bank drafts, for the amount payable on application remitted through normal banking channels or out of funds held in Non-Resident External (NRE) Accounts or Foreign Currency Non-Resident (FCNR) Accounts, maintained with banks authorised to deal in foreign exchange in India, along with documentary evidence in support of the remittance or out of a Non-Resident Ordinary (NRO) Account of a Non-Resident Bidder bidding on a non-repatriation basis. Payment by drafts should be accompanied by a bank certificate confirming that the draft has been issued by debiting an NRE or FCNR or NRO Account.

9. In case of Bids by FIIs/FVCIs/multilateral and bilateral financial institutions, the payment should be made out of funds held in a Special Rupee Account along with documentary evidence in support of the remittance. Payment by drafts should be accompanied by a bank certificate confirming that the draft has been issued by debiting the Special Rupee Account.

10. The monies deposited in the Escrow Account will be held for the benefit of the Bidders till the Designated Date.

11. On the Designated Date, the Escrow Collection Banks shall transfer the funds from the Escrow Account as per the terms of the Escrow Agreement into the Public Issue Account with the Bankers to the Issue.

12. 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/Allotment to the Bidders.

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

Payment by cash/ stockinvest/ money order

Payment through cash/ stockinvest/ money order shall not be accepted in this Issue.

Submission of Bid cum Application Form

All Bid cum Application Forms or Revision Forms duly completed and accompanied by account payee cheques or drafts shall be submitted to the members of the Syndicate at the time of submission of the Bid.

No separate receipts shall be issued for the money payable on the submission of Bid cum Application Form or Revision Form. However, the collection centre of the members of the Syndicate 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. All communications will be addressed to the First Bidder and will be dispatched to his or her address as per the Demographic Details received from the Depository.

Multiple Bids

A Bidder should submit only one Bid (and not more than one) for the total number of Equity Shares required. Two or more Bids will be deemed to be multiple Bids if the sole or First Bidder is one and the same.

In case of a mutual fund, a separate Bid can be made in respect of each scheme of the mutual fund registered with SEBI and such Bids in respect of more than one scheme of the mutual fund will not be treated as multiple Bids provided that the Bids clearly indicate the scheme concerned for which the Bid has been made. Eligible Employees can Bid in the Employee Reservation Portion and the Net Issue and such Bids shall not be considered as multiple Bids. Bids by QIBs under the Anchor Investor Portion and QIB Portion (excluding Anchor Investor Portion) will not be considered as multiple Bids.

Our Company and the Selling Shareholders reserve the right to reject, in its absolute discretion, all or any multiple Bids in any or all categories. In this regard, the procedures which would be followed by the Registrar to the Issue to detect multiple applications are given below:

1. All applications with the same name and age will be accumulated and taken to a separate process file which would serve as a multiple master.

2. In this master, a check will be carried out for the same PAN. In cases where the PAN is different, the same will be deleted from this master.

3. The Registrar to the Issue 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. The addresses of all the applications in the multiple master will be strung from the address master. This involves putting the addresses in a single line after deleting non-alpha and non-numeric characters i.e. commas, full stops, hash etc. Sometimes, the name, the first line of address and pin code will be converted into a string for each application received and a photo match will be carried out amongst all the applications processed. A print-out of the addresses will be taken to check for common names. The applications with same name and same address will be treated as multiple applications.

5. The applications will be scrutinised for DP ID and Beneficiary Account Numbers. In case applications bear the same DP ID and Beneficiary Account Numbers, these will be treated as multiple applications.

6. Subsequent to the aforesaid procedures, a print out of the multiple master 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.

Permanent Account Number or PAN

The Bidders, or in the case of a Bid in joint names, each of the Bidders, should mention his/ her Permanent Account Number (PAN) allotted under the I.T. Act. In accordance with the SEBI Regulations, the PAN would be the sole identification number for participants transacting in the securities market, irrespective of the amount of transaction. **Any Bid cum Application Form without the PAN is liable to be rejected. It is to be specifically noted that Bidders should not submit the GIR number instead of the PAN as the Bid is liable to be rejected on this ground**.

REJECTION OF BIDS

In case of QIB Bidders, our Company and the Selling Shareholders, in consultation with the BRLMs and CBRLM may reject Bids provided that the reasons for rejecting the same shall be provided to such Bidder in writing. In case of Non-Institutional Bidders, Retail Individual Bidders, our Company and the Selling Shareholders have a right to reject Bids based on technical grounds. Consequent refunds shall be made by cheque or pay order or draft and will be sent to the Bidder's address at the Bidder's risk.

Grounds for Technical Rejections

Bidders are advised to note that Bids are liable to be rejected *inter alia* on the following technical grounds:

- Amount paid does not tally with the amount payable for the highest value of Equity Shares bid for;
- Age of First Bidder not given;
- In case of partnership firms, Equity Shares may be registered in the names of the individual partners and no firm as such shall be entitled to apply;
- Bid by persons not competent to contract under the Indian Contract Act, 1872 including minors, insane persons;
- PAN not given;
- GIR number furnished instead of PAN;
- Bids for lower number of Equity Shares than specified for that category of investors;
- Bids at a price less than lower end of the Price Band;
- Bids at a price more than the higher end of the Price Band;
- Bids at Cut Off Price by Non-Institutional and QIB Bidders.
- Bids for more than Rs. 100,000 by Eligible Employees
- Bids for number of Equity Shares which are not in multiples of [●];
- Category not ticked;
- Multiple Bids as defined in this Draft Red Herring Prospectus;
- In case of Bids under power of attorney or by limited companies, corporate, trust etc., relevant documents are not submitted;

- Bids accompanied by Stockinvest/money order/postal order/cash;
- Signature of sole and / or joint Bidders missing;
- Bid cum Application Forms does not have the stamp of the BRLMs, CBRLM or Syndicate Members;
- Bid cum Application Forms does not have Bidder's depository account details;
- Bid cum Application Forms are not delivered by the Bidders within the time prescribed as per the Bid cum Application Forms, Bid/Issue Opening Date advertisement and the Draft Red Herring Prospectus and as per the instructions in the Draft Red Herring Prospectus and the Bid cum Application Forms;
- 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 Depositary Participant's identity (DP ID) and the beneficiary's account number;
- Bids for amounts greater than the maximum permissible amounts prescribed by the regulations;
- Bids in respect where the Bid cum Application form do not reach the Registrar to the Issue prior to the finalisation of the Basis of Allotment;
- Bids where clear funds are not available in Escrow Accounts as per final certificate from the Escrow Collection Banks;
- Bids by QIBs not submitted through the BRLMs, CBRLM or their affiliates;
- Bids by QIBs not submitted through members of the Syndicate;
- Bids by persons in the United States;
- Bids by any person outside India if not in compliance with applicable foreign and Indian Laws; and
- Bids by persons prohibited from buying, selling or dealing in the shares directly or indirectly by SEBI or any other regulatory authority.

EQUITY SHARES IN DEMATERIALISED FORM WITH NSDL OR CDSL

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

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

- Agreement dated [●], between NSDL, our Company and the Registrar to the Issue;
- Agreement dated [●], between CDSL, our Company and the Registrar to the Issue.

All Bidders can seek allotment only in dematerialised mode. Bids from any Bidder without relevant details of his or her depository account are liable to be rejected.

(a) A Bidder applying for Equity Shares must have at least one beneficiary account with either of the Depository Participants of either NSDL or CDSL prior to making the Bid.

(b) The Bidder must necessarily fill in the details (including the Beneficiary Account Number and Depository Participant's identification number) appearing in the Bid cum Application Form or Revision Form.

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

(d) Names in the Bid cum Application Form or Revision Form should be identical to those appearing in the account details in the Depository. In case of joint holders, the names should necessarily be in the same sequence as they appear in the account details in the Depository.

(e) 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.

(f) 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.

(g) Equity Shares in electronic form can be traded only on the stock exchanges having electronic connectivity with NSDL and CDSL. All the Stock Exchanges where the Equity Shares are proposed to be listed have electronic connectivity with CDSL and NSDL.

(h) The trading of the Equity Shares of our Company would be in dematerialised form only for all investors in the demat segment of the respective Stock 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, Bidders Depository Account Details, 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 and a copy of the acknowledgement slip.

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.

PAYMENT OF REFUND

Bidders must note that on the basis of name of the Bidders, Depository Participant's name, DP ID, Beneficiary Account number provided by them in the Bid cum Application Form, the Registrar to the Issue will obtain, from the Depositories, the Bidders' bank account details, including the nine digit Magnetic Ink Character Recognition ("MICR") code as appearing on a cheque leaf. Hence Bidders are advised to immediately update their bank account details as appearing on the records of the Depository Participant. Please note that failure to do so could result in delays in despatch of refund order or refunds through electronic transfer of funds, as applicable, and any such delay shall be at the Bidders' sole risk and neither our Company, the Selling Shareholders, the Registrar to the Issue, Escrow Collection Bank(s), Bankers to the Issue, BRLMs nor the CBRLM shall be liable to compensate the Bidders for any losses caused to the Bidder due to any such delay or liable to pay any interest for such delay.

Mode of making refunds

The payment of refund, if any, would be done through various modes in the following order of preference:

1. ECS – Payment of refund would be done through ECS for applicants having an account at any of the centres where such facility has been made available. This mode of payment of refunds would be subject to availability of complete bank account details including the MICR code as appearing on a cheque leaf, from the Depositories. The payment of refunds is mandatory for applicants having a bank account at any of the abovementioned fifteen centres, except where the applicant, being eligible, opts to receive refund through direct credit or RTGS.

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

3. RTGS – Applicants having a bank account at any of the abovementioned fifteen centres and whose

refund amount exceeds Rs. 5 million, 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 Refund Bank(s) for the same would be borne by our Company. Charges, if any, levied by the applicant's bank receiving the credit would be borne by the applicant.

4. NEFT (National Electronic Fund Transfer) – Payment of refund shall be undertaken through NEFT wherever the applicants' bank has been assigned the Indian Financial System Code (IFSC), which can be linked to a Magnetic Ink Character Recognition (MICR), if any, available to that particular bank branch. IFSC Code will be obtained from the website of RBI as on a date immediately prior to the date of payment of refund, duly mapped with MICR numbers. Wherever the applicants have registered their nine digit MICR number and their bank account number while opening and operating the demat account, the same will be duly mapped with the IFSC Code of that particular bank branch and the payment of refund will be made to the applicants through this method. The process flow in respect of refunds by way of NEFT is at an evolving stage and hence use of NEFT is subject to operational feasibility, cost and process efficiency. The process flow in respect of refunds by way of NEFT is at an evolving stage, hence use of NEFT is subject to operational feasibility, cost and process efficiency. In the event that NEFT is not operationally feasible, the payment of refunds would be made through any one of the other modes as discussed in the sections.

5. For all other applicants, including those who have not updated their bank particulars with the MICR code, the refund orders will be despatched under certificate of posting for value upto Rs. 1,500 and through Speed Post/ Registered Post for refund orders of Rs. 1,500 and above. Such refunds will be made by cheques, pay orders or demand drafts drawn on the Escrow Collection Banks and payable at par at places where Bids are received. Bank charges, if any, for cashing such cheques, pay orders or demand drafts at other centres will be payable by the Bidders.

DISPOSAL OF APPLICATIONS AND APPLICATION MONEYS AND INTEREST IN CASE OF DELAY

Our Company shall ensure dispatch of Allotment advice, refund orders (except for Bidders who receive refunds through electronic transfer of funds) and give benefit to the beneficiary account with Depository Participants and submit the documents pertaining to the Allotment to the Stock Exchanges within two working days of date of Allotment of Equity Shares.

In case of applicants who receive refunds through ECS, direct credit or RTGS, the refund instructions will be given to the clearing system within 15 days from the Bid/ Issue Closing Date. A suitable communication shall be sent to the bidders receiving refunds through this mode within 15 days of Bid/ Closing Date, giving details of the bank where refunds shall be credited along with amount and expected date of electronic credit of refund.

Our Company shall use best efforts to ensure that all steps for completion of the necessary formalities for listing and commencement of trading at all the Stock Exchanges where the Equity Shares are proposed to be listed, are taken within seven working days of Allotment.

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

- Allotment of Equity Shares shall be made only in dematerialised form within 15 days of the Bid/Issue Closing Date;

- Dispatch of refund orders or in a case where the refund or portion thereof is made in electronic manner, the refund instructions are given to the clearing system within 15 days of the Bid/Issue Closing Date would be ensured; and

Our Company shall pay interest at 15% per annum for any delay beyond the 15 day time period as mentioned above, if Allotment is not made and refund orders are not dispatched or if, in a case where the refund or portion thereof is made in electronic manner, the refund instructions have not been given to the clearing system in the disclosed manner and/or demat credits are not made to investors within the 15 day time prescribed above as per the guidelines issued by the Government of India, Ministry of Finance.

IMPERSONATION

Attention of the applicants is specifically drawn to the provisions of sub-section (1) of Section 68 A of the Companies Act, which is reproduced below:

"*Any person who:*

(a) ***makes in a fictitious name, an application to a company for acquiring or subscribing for, any shares therein, or***

(b) ***otherwise induces a company to allot, or register any transfer of shares, therein to him, or any other person in a fictitious name,***

***shall be punishable with imprisonment for a term which may extend to five years.*"**

BASIS OF ALLOTMENT

A. For Retail Individual Bidders

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

- The Issue size less Allotment to Non-Institutional and QIB Bidders shall be available for Allotment to Retail Individual Bidders who have bid in the Issue at a price that is equal to or greater than the Issue Price.

- If the aggregate demand in this category is less than or equal to [●] Equity Shares at or above the Issue Price, full Allotment shall be made to the Retail Individual Bidders to the extent of their valid Bids.

- If the aggregate demand in this category is greater than [●] Equity Shares at or above the Issue Price, the Allotment shall be made on a proportionate basis up to a minimum of [•] Equity Shares. For the method of proportionate basis of Allotment, refer below.

B. For Non-Institutional Bidders

- Bids received from Non-Institutional Bidders at or above the Issue Price shall be grouped together to determine the total demand under this category. The Allotment to all successful Non-Institutional Bidders will be made at the Issue Price.

- The Issue size less Allotment to QIBs and Retail Portion shall be available for Allotment to Non-Institutional Bidders who have bid in the Issue at a price that is equal to or greater than the Issue Price.

- If the aggregate demand in this category is less than or equal to [●] Equity Shares at or above the Issue Price, full Allotment shall be made to Non-Institutional Bidders to the extent of their demand.

- In case the aggregate demand in this category is greater than [●] Equity Shares at or above the Issue Price, Allotment shall be made on a proportionate basis up to a minimum of [•] Equity Shares. For the method of proportionate basis of Allotment refer below.

C. For QIBs

- Bids received from the QIB Bidders at or above the Issue Price shall be grouped together to determine the total demand under this portion. The Allotment to all the QIB Bidders will be made at the Issue Price.

- The QIB Portion shall be available for Allotment to QIB Bidders who have bid in the Issue at a price that is equal to or greater than the Issue Price.

- Allotment shall be undertaken in the following manner:

  (a) In the first instance allocation to Mutual Funds for up to 5% of the QIB Portion (excluding Anchor Investor Portion) shall be determined as follows:

    (i) In the event that Mutual Fund Bids exceeds 5% of the QIB Portion (excluding Anchor Investor Portion), allocation to Mutual Funds shall be done on a proportionate basis for up to 5% of the QIB Portion (excluding Anchor Investor Portion).

    (ii) In the event that the aggregate demand from Mutual Funds is less than 5% of the QIB Portion (excluding Anchor Investor Portion) then all Mutual Funds shall get full Allotment to the extent of valid bids received above the Issue Price.

    (iii) Equity Shares remaining unsubscribed, if any, not allocated to Mutual Funds shall be available for Allotment to all QIB Bidders as set out in (b) below;

  (b) In the second instance Allotment to all QIBs shall be determined as follows:

    (i) In the event that the oversubscription in the QIB Portion, all QIB Bidders who have submitted Bids above the Issue Price shall be allotted Equity Shares on a proportionate basis for up to 95% of the QIB Portion.

    (ii) Mutual Funds, who have received allocation as per (a) above, for less than the number of Equity Shares Bid for by them, are eligible to receive Equity Shares on a proportionate basis along with other QIB Bidders.

    (iii) Under-subscription below 5% of the QIB Portion (excluding Anchor Investor Portion), if any, from Mutual Funds, would be included for allocation to the remaining QIB Bidders on a proportionate basis.

- The aggregate Allotment to QIB Bidders shall not be less than [●] Equity Shares

D. For Employee Reservation Portion

- The Bid must be for a minimum of [●] Equity Shares and in multiples of [●] Equity Shares thereafter, so as to ensure that the Bid Price payable by the Eligible Employees does not exceed Rs. 100,000. The allotment in the Employee Reservation Portion will be on a proportionate basis. Bidders under the Employee Reservation Portion may bid at Cut off Price.

- Bids received from the Eligible Employees at or above the Issue Price shall be grouped together to determine the total demand under this category. The allocation to all the successful Eligible Employees will be made at the Issue Price.

- If the aggregate demand in this category is less than or equal to [●] Equity Shares at or above the Issue Price, full allocation shall be made to the Employees to the extent of their demand. Under subscription, if any, in the Employee Reservation Portion will be added back to the Net Issue.

- If the aggregate demand in this category is greater than [●] Equity Shares at or above the Issue Price, the allocation shall be made on a proportionate basis up to a minimum of [●]

Equity Shares and in multiple of one Equity Share thereafter. For the method of proportionate basis of allocation, refer below.

- Only Eligible Employees eligible to apply under Employee Reservation Portion.

E. For Anchor Investor Portion

- Allocation of Equity Shares to Anchor Investors at the Anchor Investor Issue Price will be at the discretion of our Company and the Selling Shareholders, in consultation with the BRLMs and the CBRLM, subject to compliance with the following requirements:

  (a) not more than 30% of the QIB Portion will be allocated to Anchor Investors;
  (b) one-third of the Anchor Investor Portion shall be reserved for domestic Mutual Funds, subject to valid Bids being received from domestic Mutual Funds at or above the price at which allocation is being done to Anchor Investors;
  (c) allocation to Anchor Investors shall be on a discretionary basis and subject to a minimum number of two Anchor Investors for allocation upto Rs. 2,500 million and minimum number of five Anchor Investors for allocation more than Rs. 2,500 million.

- The number of Equity Shares Allotted to Anchor Investors and the Anchor Investor Issue Price, shall be made available in the public domain by the BRLMs and the CBRLM before the Bid Opening Date by intimating the stock exchanges and uploading the said details on the websites of the BRLMs, CBRLM and on the terminals of the Syndicate Members.

Method of Proportionate Basis of Allotment in the Issue

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

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

a) Bidders will be categorised according to the number of Equity Shares applied for.

b) The total number of Equity Shares to be allotted to each category as a whole shall be arrived at on a proportionate basis, which is the total number of Equity Shares applied for in that category (number of Bidders in the category multiplied by the number of Equity Shares applied for) multiplied by the inverse of the over-subscription ratio.

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

d) In all Bids where the proportionate Allotment is less than [●] Equity Shares per Bidder, the Allotment shall be made as follows:

   - The successful Bidders out of the total Bidders for a category shall be determined by draw of lots in a manner such that the total number of Equity Shares allotted in that category is equal to the number of Equity Shares calculated in accordance with (b) above; and

   - Each successful Bidder shall be allotted a minimum of [●] Equity Shares.

e) If the proportionate Allotment to a Bidder is a number that is more than [●] but is not a multiple of 1 (which is the marketable lot), the decimal would be rounded off to the higher whole number if that decimal is 0.5 or higher. If that number is lower than 0.5 it would be rounded off to the lower whole number. Allotment to all in such categories would be arrived at after such rounding off.

f) If the Equity Shares allocated on a proportionate basis to any category are more than the Equity Shares allotted to the Bidders in that category, the remaining Equity Shares available for Allotment shall be first adjusted against any other category, where the allotted shares are not sufficient for proportionate Allotment to the successful Bidders in that category. The balance Equity Shares, if any, remaining after such adjustment will be added to the category comprising Bidders applying for minimum number of Equity Shares.

g) Subject to valid Bids being received, allocation of Equity Shares to Anchor Investors shall be at the sole discretion of our Company, in consultation with the BRLMs and the CBRLM.

Illustration of Allotment to QIBs and Mutual Funds ("MF")

A. Issue Details

Sr. No.	Particulars	Issue details
1.	Issue size	200 million equity shares
2.	Allocation to QIB (60%)	120 million equity shares
3.	Anchor Investor Portion	36 million equity shares
4.	Portion available to QIBs other than Anchor Investors [(2) minus (3)]	84 million equity shares
	Of which:	
	a. Allocation to MF (5%)	4.20 million equity shares
	b. Balance for all QIBs including MFs	79.8 million equity shares
3	No. of QIB applicants	10
4	No. of shares applied for	500 million equity shares

B. Details of QIB Bids

Sr. No.	Type of QIB bidders#	No. of shares bid for (in million)
1	A1	50
2	A2	20
3	A3	130
4	A4	50
5	A5	50
6	MF1	40
7	MF2	40
8	MF3	80
9	MF4	20
10	MF5	20
	Total	**500**

A1-A5: (QIB bidders other than MFs), MF1-MF5 (QIB bidders which are Mutual Funds)

C. Details of Allotment to QIB Bidders/ Applicants

(Number of equity shares in million)

Type of QIB bidders	Shares bid for	Allocation of 4.20 million Equity Shares to MF proportionately (please see note 2 below)	Allocation of balance 79.80 million Equity Shares to QIBs proportionately (please see note 4 below)	Aggregate allocation to MFs
(I)	**(II)**	**(III)**	**(IV)**	**(V)**
A1	50	0	7.98	0
A2	20	0	4.00	0
A3	130	0	20.74	0
A4	50	0	7.98	0

Type of QIB bidders	Shares bid for	Allocation of 4.20 million Equity Shares to MF proportionately (please see note 2 below)	Allocation of balance 79.80 million Equity Shares to QIBs proportionately (please see note 4 below)	Aggregate allocation to MFs
A5	50	0	7.98	0
MF1	40	0.84	6.38	7.22
MF2	40	0.84	6.38	7.22
MF3	80	1.68	12.76	14.44
MF4	20	0.42	3.19	3.61
MF5	20	0.42	3.19	3.61
	500	**4.20**	**79.80**	**36.10**

Please note:

1. The illustration presumes compliance with the requirements specified in this Draft Red Herring Prospectus in the section titled “Issue Structure” beginning on page 224 of this Draft Red Herring Prospectus.

2. Out of 84 million Equity Shares allocated to QIBs, 4.2 million (i.e. 5%) will be allocated on proportionate basis among 5 Mutual Fund applicants who applied for 200 shares in QIB category.

3. The balance 79.80 million Equity Shares (i.e. 84 - 4.2 (available for MFs)) will be allocated on proportionate basis among 10 QIB applicants who applied for 500 Equity Shares (including 5 MF applicants who applied for 200 Equity Shares).

4. The figures in the fourth column titled “Allocation of balance 79.80 million Equity Shares to QIBs proportionately” in the above illustration are arrived as under:

    - For QIBs other than Mutual Funds (A1 to A5)= No. of shares bid for (i.e. in column II) X 79.80 / 495.80.

    - For Mutual Funds (MF1 to MF5)= [(No. of shares bid for (i.e. in column II of the table above) less Equity Shares allotted (i.e., column III of the table above)] X 79.80 / 495.80.

    - The numerator and denominator for arriving at allocation of 84 million shares to the 10 QIBs are reduced by 4.2 million shares, which have already been Allotted to Mutual Funds in the manner specified in column III of the table above.

Letters of Allotment or Refund Orders

Our Company and the Selling Shareholders shall give credit to the beneficiary account with depository participants within two working days from the date of the finalisation of basis of allotment. Applicants residing at the centres where clearing houses are managed by the RBI, will get refunds through ECS only except where applicant is otherwise disclosed as eligible to get refunds through direct credit and RTGS. Our Company shall ensure dispatch of refund orders, if any, 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 at the sole or first Bidder’s sole risk within 15 days of the Bid/Issue Closing Date. Applicants to whom refunds are made through electronic transfer of funds will be sent a letter through ordinary post, intimating them about the mode of credit of refund within fifteen days of closure of Bid / Issue.

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

Our Company agrees that the allotment of Equity Shares in the Issue shall be made not later than 15 days of the Bid/ Issue Closing Date. Our Company further agrees that it shall pay interest at the rate of 15% p.a. if the allotment letters or refund orders have not been despatched to the applicants or if, in a case where the refund or portion thereof is made in electronic manner, the refund instructions have not been given in the disclosed manner within 15 days from the Bid/ Issue Closing Date.

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

Refunds will be made by cheques, pay-orders or demand drafts drawn on a bank appointed by our Company as a Refund Bank and payable at par at places where Bids are received. Bank charges, if any, for encashing such cheques, pay orders or demand drafts at other centres will be payable by the Bidders.

Undertakings

Our Company undertakes the following:

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

- That all steps for 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;

- That funds required for making refunds to unsuccessful applicants as per the mode(s) disclosed shall be made available to the Registrar to the Issue by the Issuer;

- That where refunds are made through electronic transfer of funds, a suitable communication shall be sent to the applicant within 15 days of the Bid/ Issue Closing Date, as the case may be, giving details of the bank where refunds shall be credited along with amount and expected date of electronic credit of refund;

- That the Promoters' contribution in full has already been brought in;

- That the certificates of the securities/ refund orders to the non-resident Indians shall be despatched within specified time;

- That no further issue of Equity Shares shall be made till the Equity Shares offered through the Red Herring Prospectus are listed or until the Bid monies are refunded on account of non-listing, under-subscription etc.; and

- That adequate arrangements shall be made to collect all Applications Supported by Blocked Amount and to consider them similar to non-ASBA applications while finalizing the basis of allotment

Our Company shall not have recourse to the Issue proceeds until the approval for trading of the Equity Shares from all the Stock Exchanges where listing is sought has been received.

The Selling Shareholders undertakes the following:

- The Equity Shares being sold pursuant to the Offer for Sale have been held by them for a period of more than one year and the Equity Shares are free and clear of all liens or encumbrances and shall be transferred to the successful Bidders within the specified time;

- The Selling Shareholders shall not have recourse to the proceeds of the Offer for Sale until the final listing and trading approvals from all the Stock Exchanges have been obtained.

Withdrawal of the Issue

Our Company and the Selling Shareholders, in consultation with the BRLMs and CBRLM, reserve the right not to proceed with the Issue anytime after the Bid/Issue Opening Date but before the Allotment of Equity Shares. In such an event, a public notice would be issued in the newspapers, in which the pre-Issue advertisements were published, within two days of the Bid/Issue Closing Date, providing reasons for not proceeding with the Issue. Our Company shall also inform the same to Stock Exchanges on which the Equity Shares are proposed to be listed.

Any further issue of Equity Shares by our Company shall be in compliance with applicable laws.

Utilisation of proceeds of the Fresh Issue

Our Board of Directors certify that:

- All monies received out of the Fresh 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;

- Details of all monies utilised out of Fresh Issue shall be disclosed, and continue to be disclosed till the time any part of the issue proceeds remains unutilised, under an appropriate head in our balance sheet indicating the purpose for which such monies have been utilised;

- Details of all unutilised monies out of the Fresh Issue, if any shall be disclosed under an appropriate separate head in the balance sheet indicating the form in which such unutilised monies have been invested;

- the utilisation of monies received under Promoters' contribution and from Employee Reservation Portion shall be disclosed, and continue to be disclosed till the time any part of the Fresh Issue proceeds remains unutilised, under an appropriate head in the balance sheet of our Company indicating the purpose for which such monies have been utilised; and

- the details of all unutilised monies out of the funds received under Promoters' contribution and from Employee Reservation Portion shall be disclosed under a separate head in the balance sheet of the Issuer indicating the form in which such unutilised monies have been invested.

ISSUE PROCEDURE FOR ASBA BIDDERS

This section is for the information of investors proposing to subscribe to the Issue through the ASBA process. Our Company, the Selling Shareholders, the BRLMs and the CBRLM are not liable for any amendments, modifications, or changes in applicable laws or regulations, which may occur after the date of this Draft Red Herring Prospectus. ASBA Bidders are advised to make their independent investigations and to ensure that the ASBA Bid cum Application Form is correctly filled up, as described in this section.

The list of banks who have been notified by SEBI to act as SCSB for the ASBA Process are provided on http://www.sebi.gov.in. For details on designated branches of SCSB collecting the ASBA Bid cum Application Form, please refer the above mentioned SEBI link.

ASBA Process

A Resident Retail Individual Investor shall submit his Bid through an ASBA Bid cum Application Form, either in physical or electronic mode, to the SCSB with whom the bank account of the ASBA Bidder or bank account utilised by the ASBA Bidder ("**ASBA Account**") is maintained. The SCSB shall block an amount equal to the Bid Amount in the bank account specified in the ASBA Bid cum Application Form, physical or electronic, on the basis of an authorisation to this effect given by the account holder at the time of submitting the Bid. The Bid Amount shall remain blocked in the aforesaid ASBA Account until finalisation of the Basis of Allotment in the Issue and consequent transfer of the Bid Amount against the allocated shares to the ASBA Public Issue Account, or until withdrawal/failure of the Issue or until withdrawal/rejection of the ASBA Bid, as the case may be. The ASBA data shall thereafter be uploaded by the SCSB in the electronic IPO system of the Stock Exchanges. Once the Basis of Allotment is finalized, the Registrar to the Issue shall send an appropriate request to the Controlling Branch of the SCSB for unblocking the relevant bank accounts and for transferring the amount allocable to the successful ASBA Bidders to the ASBA Public Issue Account. In case of withdrawal/failure of the Issue, the blocked amount shall be unblocked on receipt of such information from the BRLMs and the CBRLM.

Eligible Employees Bidding under the Employee Reservation Portion cannot subscribe to this Issue under the ASBA process.

ASBA Bid cum Application Form

ASBA Bidders shall use the ASBA Bid cum Application Form bearing the code of the Syndicate Member and/or the Designated Branch of SCSB, as the case may be, for the purpose of making a Bid in terms of the Draft Red Herring Prospectus. ASBA Bidders are required to submit their Bids, either in physical or electronic mode. In case of application in physical mode, the ASBA Bidder shall submit the ASBA Bid cum Application form at the Designated Branch of the SCSB. In case of application in electronic form, the ASBA Bidder shall submit the ASBA Bid cum Application Form either through the internet banking facility available with the SCSB, or such other electronically enabled mechanism for bidding and blocking funds in the ASBA account held with SCSB, and accordingly registering such Bids. The ASBA Bidders can submit only one Bid option in the ASBA Bid cum Application Form which shall be at Cut-off Price.

Upon the allocation of Equity Shares, dispatch of the CAN, and filing of the Prospectus with the RoC, the ASBA Bid cum Application Form shall be considered as the Application Form. Upon completing and submitting the ASBA Bid cum Application Form to the Designated Branch of the SCSB, the ASBA Bidder is deemed to have authorized our Company and the Selling Shareholders to make the necessary changes in the Red Herring Prospectus as would be required for filing the Prospectus with the RoC and as would be required by RoC after such filing, without prior or subsequent notice of such changes to the ASBA Bidder.

The prescribed colour of the ASBA Bid cum Application Form shall be white.

Who can Bid?

In accordance with the SEBI Regulations, only Resident Retail Individual Investor can submit their application through ASBA process to bid for the Equity Shares of our Company.

Maximum and Minimum Bid Size for ASBA Bidders

The ASBA Bid must be for a minimum of [●] Equity Shares and in multiples of [●] Equity Shares thereafter. The maximum ASBA Bid cannot exceed [●] Equity Shares in order to ensure that the total Bid Amount blocked in respect of the ASBA Bidder does not exceed Rs. 100,000. The ASBA Bidders shall bid only at the Cut-off Price indicating their agreement to Bid and purchase Equity Shares at the final Issue Price as determined at the end of the Book Building Process.

Information for the ASBA Bidders:

(a) The BRLMs and CBRLM shall ensure that adequate arrangements are made to circulate copies of the Red Herring Prospectus and ASBA Bid cum Application Form to the SCSBs and the SCSBs will then make available such copies to investors applying under the ASBA process. Additionally, the BRLMs and the CBRLM shall ensure that the SCSBs are provided with soft copies of the abridged prospectus and the ASBA Bid cum Application Form. SCSBs shall make the same available on their websites.

(b) ASBA Bidders, under the ASBA process, who would like to obtain the Draft Red Herring Prospectus and/or the ASBA Bid cum Application Form can obtain the same from the Designated Branches of the SCSBs or the BRLMs or the CBRLM. ASBA Bidders can also obtain a copy of the abridged prospectus and/or the ASBA Bid cum Application Form in electronic form on the websites of the SCSBs.

(c) The Bids should be submitted on the prescribed ASBA Bid cum Application Form if applied in physical mode. SCSBs may provide the electronic mode of Bidding either through an internet enabled bidding and banking facility or such other secured, electronically enabled mechanism for bidding and blocking funds in the accounts of the respective eligible investors.

(d) ASBA Bid cum Application Forms should bear the code of the Syndicate Member and/or Designated Branch of the SCSB.

(e) ASBA Bidders shall bid for Equity Shares only at the Cut-off Price, with a single bid option as to the number of Equity Shares.

(f) ASBA Bidders shall correctly mention the bank account number in the ASBA Bid cum Application Form and ensure that funds equal to the Bid Amount are available in the bank account maintained with the SCSB before submitting the ASBA Bid cum Application Form to the respective Designated Branch.

(g) If the ASBA Account holder is different from the ASBA Bidder, the ASBA Bid cum Application Form should be signed by the account holder as provided in the ASBA Bid cum Application Form.

(h) ASBA Bidders shall correctly mention their DP ID and Client ID in the ASBA Bid cum Application Form. For the purpose of evaluating the validity of Bids, the demographic details of ASBA Bidders shall be derived from the DP ID and Client ID mentioned in the ASBA Bid cum Application Form.

(i) ASBA Bidders shall not be allowed to revise their Bid and shall not bid under any reserved category.

Method and Process of Bidding

(a) ASBA Bidders are required to submit their Bids, either in physical or electronic mode. ASBA Bidders submitting their Bids in physical mode should approach the Designated Branches of the SCSBs. ASBA Bidders submitting their Bids in electronic form shall submit their Bids either using the internet enabled bidding and banking facility of the SCSBs or such other electronically enabled mechanism for bidding and blocking funds in the accounts of the respective eligible investors, and accordingly registering such Bids. Every Designated Branch of the SCSB shall accept Bids from all such investors who hold accounts with them and desire to place Bids through them. Such SCSBs shall have the right to vet the Bids, subject to the terms of the SEBI Regulations and Red Herring Prospectus.

(b) The Designated Branches of the SCSBs shall give an acknowledgment specifying the application number to the ASBA Bidders as a proof of acceptance of the ASBA Bid cum Application Form. Such acknowledgment does not in any manner guarantee that the Equity Shares bid for shall be Allocated to the ASBA Bidders.

(c) Each ASBA Bid cum Application Form will give the ASBA Bidder only one option to bid for the Equity Shares at the Cut-off Price i.e. at the cap price of the Price Band and specify the demand (i.e. the number of Equity Shares bid for) in such option. After determination of the Issue Price, the number of Equity Shares bid for by the ASBA Bidder at the Cut-off Price will be considered for allocation along with the Non-ASBA Retail Bidders who have bid for Equity Shares at or above the Issue Price or at Cut-off Price.

(d) Upon receipt of the ASBA Bid cum Application Form, submitted whether in physical or electronic mode, the Designated Branch of the SCSB shall verify if sufficient funds equal to the Bid Amount are available in the ASBA Account, as mentioned in the ASBA Bid cum Application Form, prior to uploading such Bids with the Stock Exchanges.

(e) If sufficient funds are not available in the ASBA Account, the Designated Branch of the SCSB shall reject such Bids and shall not upload such Bids with the Stock Exchanges.

(f) If sufficient funds are available in the ASBA Account, the SCSB shall block an amount equivalent to the Bid Amount mentioned in the ASBA Bid cum Application Form. The Designated Branch shall thereafter enter the Bid details from the prescribed ASBA Bid cum Application Form, if submitted in physical mode, or the Bid information submitted through the electronic mode made available by the SCSBs, as the case may be, into the electronic bidding system of the Stock Exchanges and generate a Transaction Registration Slip ("TRS"). The TRS shall be furnished to the ASBA Bidder on request.

(g) An ASBA Bidder cannot bid, either in physical or electronic mode, on another ASBA Bid cum Application Form or a non-ASBA Bid cum Application Form after bidding on one ASBA Bid cum Application Form, either in physical or electronic mode, has been submitted to the Designated Branches of SCSBs or uploaded by the ASBA Bidder, as the case may be. Submission of a second ASBA Bid cum Application Form or a Non-ASBA Bid cum Application Form to either the same or to another Designated Branch of the SCSB will be treated as multiple Bids and will be liable to be rejected either before entering the Bid into the electronic bidding system, or at any point of time prior to the Allocation or Allotment of Equity Shares in this Issue. **ASBA Bidders are cautioned that Bids**

for Equity Shares made in the Issue through the ASBA Bid cum Application Form cannot be revised.

Bidding

(a) The Price Band and the minimum Bid Lot size for the Issue will be decided by our Company in consultation with the BRLMs and the CBRLM and advertised in [●] edition of [●] in the English language, [●] edition of [●] in the Hindi language and [●] edition of [●] in the Gujarati language. The ASBA Bidders can submit only one Bid in the ASBA Bid cum Application Form, that is, at Cut-off Price with single option as to the number of Equity Shares.

(b) Our Company and the Selling Shareholders, in consultation with the BRLMs and CBRLM, reserve the right to revise the Price Band during the Bidding/ Issue Period, provided that the Cap Price shall be less than or equal to 120% of the Floor Price and the Floor Price shall not be less than the face value of the Equity Shares. The revision in Price Band shall not exceed 20% on the either side i.e. the floor price can move up or down to the extent of 20% of the floor price disclosed at least two (2) days prior to the Bid/ Issue Opening Date and the Cap Price will be revised accordingly.

(c) In case of revision in the Price Band, the Bid/Issue Period will be extended for three additional days after revision of Price Band subject to a maximum of 10 working days. Any revision in the Price Band and the revised Bid/Issue Period, if applicable, will be widely disseminated by notification to the BSE and the NSE, by issuing a public notice in two national newspapers (one each in English and Hindi) and also by indicating the change on the websites of the BRLMs, CBRLM, SCSBs and at the terminals of the members of the Syndicate.

(d) Our Company and the Selling Shareholders in consultation with the BRLMs and CBRLM, can finalise the Issue Price within the Price Band in accordance with this clause, without the prior approval of, or intimation to, the ASBA Bidders.

(e) ASBA Bidders agree that they shall purchase the Equity Shares at any price within the Price Band. In the event the Bid Amount is higher than the subscription amount payable, the ASBA Account shall be unblocked to the extent to such excess of Bid Amount over the subscription amount payable.

(f) In case of an upward revision in the Price Band, announced as above, the number of Equity Shares bid for shall be adjusted downwards (to the previous multiple lot) for the purpose of allotment, such that no additional amount is required to be blocked in the ASBA Account and the ASBA Bidder is deemed to have approved such revised Bid at Cut-off Price.

Mode of Payment

Upon submission of an ASBA Bid cum Application Form with the SCSB, whether in physical or electronic mode, each ASBA Bidder shall be deemed to have agreed to block the entire Bid Amount and authorized the Designated Branch of the SCSB to block the Bid Amount, in the bank account maintained with the SCSB.

Bid Amount paid in cash, by money order or by postal order or by stockinvest, or ASBA Bid cum Application Form accompanied by cash, draft, money order, postal order or any mode of payment other than blocked amounts in the SCSB bank accounts, shall not be accepted.

After verifying that sufficient funds are available in the ASBA Account, the SCSB shall block an amount equivalent to the Bid Amount mentioned in the ASBA Bid cum Application Form till the Designated Date. On the Designated Date, the SCSBs shall transfer the amounts allocable to the ASBA Bidders from the respective ASBA Account, in terms of the SEBI Regulations, into the ASBA Public Issue Account. The balance amount, if any against the said Bid in the ASBA Accounts shall then be unblocked by the SCSBs on the basis of the instructions issued in this regard by the Registrar to the Issue.

The entire Bid Amount, as per the ASBA Bid cum Application Form submitted by the respective ASBA Bidders, would be required to be blocked in the respective ASBA Accounts until finalisation of the Basis of Allotment in the Issue and consequent transfer of the Bid Amount against allocated shares to the ASBA Public Issue Account, or until withdrawal/failure of the Issue or until rejection of the ASBA Bid, as the case may be.

Electronic registration of Bids by SCSBs

(a) In case of ASBA Bid cum Application Forms, whether in physical or electronic mode, the Designated Branch of the SCSBs will register the Bids using the online facilities of the Stock Exchanges. SCSB shall not upload any ASBA Application Form in the electronic bidding system of the Stock Exchange(s) unless

(i) it has received the ASBA in a physical or electronic form; and

(ii) it has blocked the application money in the ASBA Account specified in the ASBA or has systems to ensure that Electronic ASBAs are accepted in the system only after blocking of application money in the relevant bank account opened with it.

(b) The Stock Exchanges offer a screen-based facility for registering Bids for the Issue which will be available on the terminals of Designated Branches during the Bid/Issue Period. The Designated Branches can also set up facilities for offline electronic registration of Bids subject to the condition that they will subsequently upload the offline data file into the online facilities for book building on a regular basis. On the Bid/Issue Closing Date, the Designated Branches of the SCSBs shall upload the Bids till such time as may be permitted by the Stock Exchanges. ASBA Bidders are cautioned that high inflow of Bids typically received on the last day of the bidding may lead to some Bids received on the last day not being uploaded due to lack of sufficient uploading time, and such Bids that are not uploaded may not be considered for allocation.

(c) The aggregate demand and price for Bids registered on the electronic facilities of the Stock Exchanges will be displayed online on the websites of the Stock Exchanges. A graphical representation of consolidated demand and price would be made available on the websites of the Stock Exchanges during the Bidding Period.

(d) At the time of registering each Bid, the Designated Branches of the SCSBs shall enter the information pertaining to the investor into the online system, including the following details:

- Name of the Bidder(s);
- Application Number;
- Permanent Account Number;
- Number of Equity Shares Bid for;
- Depository Participant identification No.; and
- Client identification No. of the Bidder's beneficiary account.

In case of electronic ASBA, the ASBA Bidder shall himself fill in all the above mentioned details, except the application number which shall be system generated. The SCSBs shall thereafter upload all the abovementioned details in the electronic bidding system provided by the Stock Exchange(s).

(e) A system generated TRS will be given to the ASBA Bidder upon request as proof of the registration of the Bid. **It is the ASBA Bidder's responsibility to obtain the TRS from the Designated Branches of the SCSBs.** The registration of the Bid by the Designated Branch of the SCSB does not guarantee that the Equity Shares bid for shall be Allocated to the ASBA Bidders.

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

(g) It is to be distinctly understood that the permission given by the Stock Exchanges 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 the Selling Shareholders or the BRLMs or the CBRLM or the Designated Branches of the SCSBs are cleared or approved by the Stock Exchanges; nor does it in any manner warrant, certify or endorse the correctness or completeness of compliance with the statutory and other requirements; nor does it take any responsibility for the financial or other soundness of our Company, the Selling Shareholders, our Company's management or any scheme or project of our Company.

(h) The SCSB may reject the ASBA Bid, if the ASBA Account maintained with the SCSB as mentioned in the ASBA Bid cum Application Form does not have sufficient funds equivalent to the Bid Amount.

Subsequent to the acceptance of the Bid by the Designated Branch, our Company and the Selling Shareholders would have a right to reject the Bids only on technical grounds.

(i) Only Bids that are uploaded on the online IPO system of the Stock Exchanges shall be considered for allocation/Allotment. In case of discrepancy of data between the BSE or NSE and the Designated Branches of the SCSBs, the decision of the Registrar, based on the physical records of the ASBA Bid cum Application Forms shall be final and binding on all concerned.

Build up of the book and revision of Bids

(a) Bids registered through the Designated Branches of the SCSBs shall be electronically transmitted to the BSE or the NSE mainframe on a regular basis.

(b) The book gets built up at various price levels. This information will be available with the BRLMs, CBRLM and the Stock Exchanges on a regular basis.

(c) ASBA Bidders shall not revise their Bids.

(d) The SCSBs shall provide aggregate information about the numbers of ASBA Bid cum Application Forms uploaded, total number of Equity Shares and total amount blocked against the uploaded ASBA Bid cum Application Form and other information pertaining to the ASBA Bidders. The Registrar to the Issue shall reconcile the electronic data received from the Stock Exchanges and the information received from the SCSBs. In the event of any error or discrepancy, the Registrar to the Issue shall inform the SCSB of the same. The SCSB shall be responsible to provide the rectified data within the time stipulated by the Registrar to the Issue.

(e) Only Bids that are uploaded on the online IPO system of the BSE and NSE shall be considered for allocation/ Allotment.

Price Discovery and Allocation

After the Bid/Issue Closing Date, the Registrar to the Issue shall aggregate the demand generated under the ASBA process and which details are provided to them by the SCSBs with the Retail Individual Investor applied under the non ASBA process to determine the demand generated at different price levels. For further details, refer to the section titled “Issue Procedure” beginning on page 229 of this Draft Red Herring Prospectus.

Advertisement regarding Issue Price and Prospectus

Our Company will issue a statutory advertisement after the filing of the Prospectus with the RoC. This advertisement, in addition to the information that has to be set out in the statutory advertisement, shall indicate the Issue Price. Any material updates between the date of the Red Herring Prospectus and the date of Prospectus will be included in such statutory advertisement.

Issuance of CAN

(a) Upon approval of the Basis of Allotment by the Designated Stock Exchange, the Registrar to the Issue shall send to the Controlling Branches of the SCSBs, a list of the ASBA Bidders who have been allocated Equity Shares in the Issue. Investors should note that our Company shall endeavour to ensure that the demat credit of Equity Shares pursuant to Allotment shall be made on the same date to all investors in this Issue; and

(b) The ASBA Bidders shall directly receive the CAN from the Registrar. The dispatch of a CAN shall be deemed a valid, binding and irrevocable contract for the ASBA Bidder.

Unblocking of ASBA Account

On the basis of instructions from the Registrar to the Issue, the SCSBs shall transfer the requisite amount against each successful ASBA Bidder to the ASBA Public Issue Account and shall unblock excess amount, if any in the ASBA Account. However, the Bid Amount may be unblocked in the ASBA Account prior to receipt of intimation from the Registrar to the Issue by the Controlling Branch of the SCSB regarding finalisation of the

Basis of Allotment in the Issue, in the event of withdrawal/failure of the Issue or rejection of the ASBA Bid, as the case may be.

Allotment of Equity Shares

(a) Our Company will ensure that the Allotment of Equity Shares is done within 15 days of the Bid/Issue Closing Date. After the funds are transferred from the bank account of the ASBA Bidders to the ASBA Public Issue Account on the Designated Date, to the extent applicable, our Company would ensure the credit of the Allotted Equity Shares to the depository accounts of all successful ASBA Bidders' within two working days from the date of Allotment.

(b) Equity Shares will be issued, transferred and allotted only in the dematerialised form to the Allottees. Allottees will have the option to re-materialise the Equity Shares so Allotted, if they so desire, as per the provisions of the applicable law.

GENERAL INSTRUCTIONS

Do's:

(a) Check if you are a Resident Retail Individual Investor and eligible to Bid under ASBA process.

(b) Ensure that you use the ASBA Bid cum Application Form specified for the purposes of ASBA process.

(c) Read all the instructions carefully and complete the ASBA Bid cum Application Form (if the Bid is submitted in physical mode, the prescribed ASBA Bid cum Application Form is white in colour).

(d) Ensure that your Bid is at the Cut-off Price.

(e) Ensure that you have mentioned only one Bid option with respect to the number of equity shares in the ASBA Bid cum Application Form.

(f) Ensure that the details of your Depository Participant and beneficiary account are correct and that your beneficiary account is activated, as Equity Shares will be Allotted in dematerialised form only.

(g) Ensure that your Bid is submitted at a Designated Branch of an SCSB, with a branch of which the ASBA Bidder or a person whose bank account will be utilized by the ASBA Bidder for bidding has a bank account and not to the Bankers to the Issue/Collecting Banks (assuming that such Collecting Bank is not a SCSB), to our Company, the Selling Shareholders or Registrar or Lead Manager to the Issue.

(h) Ensure that the ASBA Bid cum Application Form is signed by the account holder in case the applicant is not the account holder.

(i) Ensure that you have mentioned the correct bank account No. in the ASBA Bid cum Application Form.

(j) Ensure that you have funds equal to the number of Equity Shares Bid for at Cut-off Price available in the ASBA Account maintained with the SCSB before submitting the ASBA Bid cum Application Form to the respective Designated Branch of the SCSB.

(k) Ensure that you have correctly checked the authorisation box in the ASBA Bid cum Application Form, or have otherwise provided an authorisation to the SCSB via the electronic mode, for the Designated Branch to block funds equivalent to the Bid Amount mentioned in the ASBA Bid cum Application Form in your ASBA Account maintained with a branch of the concerned SCSB.

(l) Ensure that you receive an acknowledgement from the Designated Branch of the concerned SCSB for the submission of your ASBA Bid cum Application Form.

(m) Ensure that you have mentioned your Permanent Account Number ("PAN") allotted under the I.T. Act.

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

(o) Ensure that the demographic details are updated, true and correct, in all respects.

Don'ts:

(a) Do not submit an ASBA Bid if you are not a Resident Retail Individual Investor.

(b) Do not submit an ASBA Bid if you are applying under any reserved category.

(c) Do not revise your Bid.

(d) Do not Bid for lower than the minimum Bid size.

(e) Do not Bid on another ASBA or Non-ASBA Bid cum Application Form after you have submitted a Bid to a Designated Branch of the SCSB.

(f) Payment of Bid Amounts in any mode other than blocked amounts in the bank accounts maintained by SCSBs, shall not be accepted under the ASBA process.

(g) Do not send your physical ASBA Bid cum Application Form by post; instead submit the same to a Designated Branch of the SCSB only.

(h) Do not fill up the ASBA Bid cum Application Form such that the bid amount against the number of Equity Shares Bid for exceeds Rs. 100,000.

(i) Do not submit the GIR number instead of the PAN Number.

(j) Do not instruct your respective banks to release the funds blocked in the bank account under the ASBA process.

Bids by ASBA Bidders must be:

(a) Made only in the prescribed ASBA Bid cum Application Form, which is white in colour if submitted in physical mode, or electronic mode.

(b) In single name or in joint names (not more than three, and in the same order as their Depository Participant details).

(c) Completed in full, in BLOCK LETTERS in ENGLISH and in accordance with the instructions contained herein, in the ASBA Bid cum Application Form.

(d) The Bids must be for a minimum of [●] Equity Shares and in multiples of [●] Equity Shares thereafter subject to a maximum of [●] Equity Shares such that the Bid Amount does not exceed Rs. 100,000.

(e) 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.

ASBA Bidder's depository account and bank details

ALL ASBA BIDDERS SHALL RECEIVE THE EQUITY SHARES ALLOTTED TO THEM IN DEMATERIALISED FORM. ALL ASBA BIDDERS SHOULD MENTION THEIR DEPOSITORY PARTICIPANT'S NAME, DEPOSITORY PARTICIPANT IDENTIFICATION NUMBER, BENEFICIARY ACCOUNT NUMBER AND PAN IN THE ASBA BID CUM APPLICATION FORM. ASBA BIDDERS MUST ENSURE THAT THE NAME GIVEN IN THE ASBA BID CUM

APPLICATION FORM IS EXACTLY THE SAME AS THE NAME IN WHICH THE DEPOSITORY ACCOUNT IS HELD. ADDITIONALLY, PAN IN THE ASBA BID CUM APPLICATION FORM SHOULD BE EXACTLY THE SAME AS PROVIDED WHILE DEPOSITORY ACCOUNT. IN CASE THE ASBA 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 ASBA BID CUM APPLICATION FORM.

ASBA Bidders should note that on the basis of name of the ASBA Bidders, PAN, Depository Participant's name and identification number and beneficiary account number provided by them in the ASBA Bid cum Application Form, the Registrar to the Issue will obtain from the Depository, demographic details of the ASBA Bidders including address, ("Demographic Details"). Hence, ASBA Bidders should carefully fill in their Depository Account details in the ASBA Bid cum Application Form.

As these Demographic Details would be used for all correspondence with the ASBA Bidders they are advised to update their Demographic Details as provided to their Depository Participants.

By signing the ASBA Bid cum Application Form, the ASBA Bidder is deemed to have authorised the Depositories to provide, upon request, to the Registrar to the Issue, the required Demographic Details as available on its records.

CAN/Allocation advice and letters intimating unblocking of bank account of the respective ASBA Bidder would be mailed at the address of the ASBA Bidder as per the Demographic Details received from the Depositories. ASBA Bidders may note that delivery of CAN/Allocation advice or letters intimating unblocking of bank account may be delayed if the same once sent to the address obtained from the Depositories are returned undelivered. Note that any such delay shall be at the sole risk of the ASBA Bidders and neither of the Designated Branches of the SCSBs, the members of the Syndicate, or our Company or the Selling Shareholders shall be liable to compensate the ASBA Bidder for any losses caused to the ASBA Bidder due to any such delay or be liable to pay any interest for such delay.

In case no corresponding record is available with the Depositories that matches three parameters, namely, names of the ASBA Bidders (including the order of names of joint holders), the DP ID and the beneficiary account number, then such Bids are liable to be rejected.

ASBA Bidders are required to ensure that the beneficiary account is activated, as Equity Shares will be Allotted in dematerialised form only.

Payment mechanism under ASBA

The ASBA Bidders shall specify the bank account number in the ASBA Bid cum Application Form and the SCSB shall block an amount equivalent to the application money in the bank account specified in the Bid cum Application Form. The SCSB shall keep the Bid Amount in the relevant bank account blocked until withdrawal/rejection of the ASBA Bid or receipt of instructions from the Registrar to the Issue to unblock the Bid Amount.

In the event of withdrawal or rejection of Bid cum Application Form or for unsuccessful Bid cum Application Forms, the Registrar to the Issue shall give instructions to the Controlling Branch of the SCSB to unblock the application money in the relevant bank account. The Bid Amount shall remain blocked in the ASBA Account until finalisation of the Basis of Allotment in the Issue and consequent transfer of the Bid Amount to the ASBA Public Issue Account, or until withdrawal/failure of the Issue or until rejection of the ASBA Bid, as the case may be.

ASBA Bids under Power of Attorney

In case of ASBA Bids made pursuant to a power of attorney, a certified copy of the power of attorney must be lodged along with the ASBA Bid cum Application Form. Failing this, our Company and the Selling Shareholders, in consultation with the BRLMs and CBRLM, reserve the right to reject such ASBA Bids.

Our Company and the Selling Shareholders, in its absolute discretion, reserve the right to relax the above condition of simultaneous lodging of the power of attorney along with the ASBA Bid cum Application Form, subject to such terms and conditions that our Company and the Selling Shareholders, in consultation with the BRLMs and CBRLM may deem fit.

OTHER INSTRUCTIONS

Withdrawal of ASBA Bids

In case an ASBA Bidder wants to withdraw the ASBA Bid cum Application Form during the Bid/Issue Period, the ASBA Bidder shall submit the withdrawal request to the SCSB, which shall do the necessary, including deletion of details of the withdrawn ASBA from the electronic bidding system of the Stock Exchange(s) and unblocking of funds in the relevant bank account.

In case an ASBA Bidder wants to withdraw the ASBA cum Application Form after the Bid Closing date, the ASBA Bidder shall submit the withdrawal request to the Registrar to the Issue before finalization of Basis of Allotment. The Registrar to the Issue shall delete the withdrawn Bid from the Bid file. The instruction for and unblocking of funds in the relevant bank account, in such withdrawals, shall be forwarded by the Registrar to the Issue to the SCSB on finalization of the Basis of Allotment.

Joint ASBA Bids

ASBA Bids may be made in single or joint names (not more than three). In case of joint ASBA Bids, all communication will be addressed to the first Bidder and will be dispatched to his address.

Multiple ASBA Bids

An ASBA Bidder should submit only one Bid for the total number of Equity Shares desired. Two or more Bids will be deemed to be multiple Bids if the sole or first Bidder is one and the same. In this regard, the procedures which would be followed by the Registrar to the Issue to detect multiple applications are described in "Issue Procedure - Multiple Bids" on page 246 of Draft Red Herring Prospectus.

Permanent Account Number

For details, see the section titled "Permanent Account Number or PAN" on page 247 of this Draft Red Herring Prospectus.

Right to Reject ASBA Bids

The Designated Branches of the SCSBs shall have the right to reject ASBA Bids if at the time of blocking the Bid Amount in the Bidder's bank account, the respective Designated Branch ascertains that sufficient funds are not available in the Bidder's bank account maintained with the SCSB. Subsequent to the acceptance of the ASBA Bid by the SCSB, our Company and the Selling Shareholders would have a right to reject the ASBA Bids only on technical grounds.

Further, in case any DP ID, Client ID or PAN mentioned in the ASBA Bid cum Application Form does not match with one available in the depository's database, such ASBA Bid shall be rejected by the Registrar to the Issue.

GROUNDS FOR TECHNICAL REJECTIONS UNDER THE ASBA PROCESS

In addition to the grounds listed under "Grounds for Rejections" on page 247 of this Draft Red Herring Prospectus, applications under the ASBA process are liable to be rejected on, *inter alia*, the following technical grounds:

1. Amount mentioned in the ASBA Bid cum Application Form does not tally with the amount payable for the value of Equity Shares Bid for;

2. Bids at a price other than at the Cut-off Price;

3. Age of first Bidder not given;

4. Bid made by categories of investors other than Resident Retail Individual Investors;

5. Bids by persons not competent to contract under the Indian Contract Act, 1872, including minors and persons of unsound mind;

6. Authorisation for blocking funds in the ASBA Bidder's bank account not ticked or provided;

7. ASBA Bids accompanied by stockinvest/ money order/ postal order/ cash;

8. Signature of sole and/or joint Bidders missing in case of ASBA Bid cum Application Forms submitted in physical mode;

9. ASBA Bid cum Application Form does not have the stamp of the SCSB and/or a member of the Syndicate;

10. ASBA Bid cum Application Form is not delivered, either in physical or electronic form, by the Bidder within the time prescribed and as per the instructions provided in the ASBA Bid cum Application Form and the Red Herring Prospectus;

11. Inadequate funds in the ASBA Account to block the Bid Amount specified in the ASBA Bid cum Application Form at the time of blocking such Bid Amount in the ASBA Account; and

12. If the ASBA Bid in the Issue is revised.

Bidders are advised that ASBA Bids not uploaded in the electronic book of the Stock Exchanges, due to any of the grounds mentioned above, would be rejected.

COMMUNICATIONS

All future communication in connection with ASBA Bids made in this Issue should be addressed to the Registrar to the Issue quoting the full name of the sole or First ASBA Bidder, ASBA Bid cum Application Form number, details of Depository Participant, number of Equity Shares applied for, date of ASBA Bid cum Application Form, name and address of the Designated Branch of the SCSB where the ASBA Bid was submitted, bank account number in which the amount equivalent to the Bid amount was blocked and a copy of the acknowledgement slip. The Registrar to the Issue shall obtain the required information from the SCSBs for addressing any clarifications or grievances. The SCSB shall be responsible for any damage or liability resulting from any errors, fraud or wilful negligence on the part of any employee of the concerned SCSB, including its Designated Branches and the branches where the ASBA Accounts are held. Our Company, the Selling Shareholders, the BRLMs, the CBRLM, the Syndicate Members and the Registrar accept no responsibility for errors, omissions, commission or any acts of SCSBs including any defaults in complying with its obligations.

ASBA Investors can contact the Compliance Officer, the Designated Branch of the SCSB where the ASBA Bid cum Application Form was submitted, or the Registrar to the Issue in case of any pre- or post-Issue related problems such as non-receipt of credit of Allotted Equity Shares in the respective beneficiary accounts, unblocking of excess Bid Amount, etc.

Disposal of Investor Grievances

All grievances relating to the ASBA process may be addressed to the Registrar to the Issue, with a copy to the SCSB, giving full details such as name, address of the applicant, number of Equity Shares applied for, Bid Amount blocked on application, bank account number and the Designated Branch or the collection centre of the SCSB where the Bid cum Application Form was submitted by the ASBA Bidders.

Impersonation

For details, see section titled "Issue Procedure - Impersonation" on page 251 of this Draft Red Herring Prospectus.

DISPOSAL OF APPLICATIONS AND APPLICATION MONEYS AND INTEREST IN CASE OF DELAY IN INSTRUCTIONS TO SCSBs BY THE REGISTRAR TO THE ISSUE

Our Company undertakes that:

- Allotment and transfer shall be made only in dematerialised form within 15 days from the Bid/Issue Closing Date; and
- Instructions for unblocking of the ASBA Bidder's Bank Account shall be made within 15 days from the Bid/Issue Closing Date.

Basis of Allocation

Bids received from ASBA Bidders will be considered at par with Bids received from non-ASBA Bidders. The basis of allocation to such valid ASBA and non-ASBA Bidders will be that applicable to Retail Individual Bidders. For details, see section titled "Issue Procedure - Basis of Allotment" on page 251 of this Draft Red Herring Prospectus.

Method of Proportionate basis of allocation in the Issue

ASBA Bidders, along with non-ASBA Bidders, will be categorized as Retail Individual Bidders. No preference shall be given vis-à-vis ASBA and non-ASBA Bidders.

Undertaking by our Company

In addition to the undertakings described under "Issue Procedure - Undertaking by our Company", with respect to the ASBA Bidders, our Company undertakes that adequate arrangement shall be made to consider ASBA Bidders similar to other Bidders while finalizing the basis of allocation.

Utilisation of Fresh Issue Proceeds

The Board has provided certain certifications with respect to the utilization of Issue Proceeds. For details, see the section titled "Issue Procedure - Utilisation of Proceeds of the Fresh Issue" on page 257 of this Draft Red Herring Prospectus.

RESTRICTION ON FOREIGN OWNERSHIP OF INDIAN SECURITIES

Foreign investment in Indian securities is regulated through the Industrial Policy, 1991 of GoI and FEMA. While the Industrial Policy, 1991 prescribes the limits and the conditions subject to which foreign investment can be made in different sectors of the Indian economy, FEMA regulates the precise manner in which such investment may be made. Under the Industrial Policy, unless specifically restricted, foreign investment is freely permitted in all sectors of Indian economy up to any extent and without any prior approvals, but the foreign investor is required to follow certain prescribed procedures for making such investment. Foreign investment limit is allowed up to 100% under automatic route in our Company.

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

The transfer of shares between an Indian resident and a non-resident does not require the prior approval of the FIPB or the RBI, provided that (i) the activities of the investee company are under the automatic route under the foreign direct investment (FDI) Policy and transfer does not attract the provisions of the SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 1997 (ii) the non-resident shareholding is within the sectoral limits under the FDI policy, and (iii) the pricing is in accordance with the guidelines prescribed by the SEBI/RBI.

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

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

The Equity Shares have not been and will not be registered under the Securities Act or any state securities laws in the United States and may not be offered or sold within the United States except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act and applicable state securities laws. Accordingly, the Equity Shares are only being offered and sold (i) within the United States to "qualified institutional buyers", as defined in Rule 144A under the Securities Act in transactions exempt from the registration requirements of the Securities Act, and (ii) outside the United States in offshore transactions in compliance with Regulation S under the Securities Act.

The above information is given for the benefit of the Bidders. Our Company, the Selling Shareholders, the BRLMs and the CBRLM are not liable for any amendments or modification or changes in applicable laws or regulations, which may occur after the date of this Draft Red Herring Prospectus. Bidders are advised to make their independent investigations and ensure that the number of Equity Shares Bid for do not exceed the applicable limits under laws or regulations.

SECTION VIII - MAIN PROVISIONS OF ARTICLES OF ASSOCIATION OF OUR COMPANY

Capitalised terms used in this section have the meaning given to such terms in the Articles of Association of our Company.

Pursuant to Schedule II of the Companies Act and the ICDR Regulations, the main provisions of the Articles of Association of our Company relating to voting rights, dividends, lien, forfeiture, restrictions on transfer and transmission of Equity Shares/debentures and/or their consolidation/splitting are described below:

The regulations contained in Table 'A' in the First Schedule of the Companies Act, 1956 shall apply to the extent that they are not specifically excluded or modified by these Articles.

Amount of Capital

Article 1 provides that,

The authorised share capital of the Company shall be such amount as is given, in Clause V of the Memorandum of Association.

Article 6 provides that,

Except so far as otherwise provided by the conditions of the issue or by these Presents any capital raised by the creation of new shares, shall be considered as part of the existing capital and shall be subject to the provisions herein contained, with reference to the payment of calls and installments, forfeiture, lien, surrender, transfer and transmission, voting and otherwise.

Power to issue Preference Shares

Article 8 provides that,

Subject to the provisions of Section 80 of the Act, the Company shall have the powers to issue Preference Shares which are liable to be redeemed in accordance with Section 80 of the Act and the resolution authorizing such issue shall prescribe the manner, terms and conditions of such redemption.

Buy Back of shares

Article 67 provides that,

The Company shall be entitled to purchase its own shares or other securities, subject to such limits, upon such terms and conditions and subject to such approvals as required under Section 77 A and other applicable provisions of the Act, The Securities and Exchange Board of India Act, 1992 and the Securities and Exchange Board of India (Buy Back of Securities) Regulations 1998 and any amendments, modification(s), repromulgation (s) or re-enactment(s) thereof.

Reduction of Capital

Article 4 provides that,

The Company may, subject to the provisions of Sections 78, 80, 100 to 105 (both inclusive) and other applicable provisions of the Act from time to time, by Special Resolution reduce its capital and any Capital Redemption Reserve Account or Share Premium Account in any manner for the time being authorised by law, and in particular, the capital may be paid off on the footing that it may be called up again or otherwise.

Sub-division and Consolidation of Share Certificate

Article 5 provides that,

Subject to the provisions of Section 94 of the Act, the Company in General Meeting, may by an Ordinary Resolution from time to time:

(1) Divide, sub-divide or consolidate its shares, or any of them, and the resolution whereby any share is sub-divided, may determine that as between the holders of such shares resulting from such sub-division one or more of such shares have some preference of special advantage as regards Dividend capital or otherwise as compared with the others

(2) Cancel shares which at the date of such general meeting have not been taken or agreed to be taken by any person and diminish the amount of its share capital by the amount of the shares so cancelled.

Dematerialisation of securities

Article 65 provides that,

(1) Definitions: For the purpose of this Article:

"*Beneficial Owner*" means a person whose name is recorded as such with a Depository.

"*Bye-Laws*" mean bye-laws made by a Depository under Section 26 of the Depositories Act, 1996.

"*Depositories Act*" means the Depository Act, 1996, including any statutory modifications or re-enactment for the time being in force.

"*Depository*" means a company formed and registered under the Act and which has been granted a certificate of registration under the Securities and Exchange Board of India Act 1992.

"*Member*" means the duly registered holder from time to time of the shares of the company and includes every person whose name is entered as Beneficial Owner in the records of the Depository.

"*Participant*" means a person registered as such under Section 12 (1A) of the Securities and Exchange Board of India Act, 1992.

"*Record*" includes the records maintained in form of books or stored in a computer or in such other form as may be determined by the regulations issued by the Securities and Exchange Board of India in relation to the Depository Act, 1996.

"*Registered Owner*" means a Depository whose name is entered as such in the records of the Company.

"*SEBI*" means the Securities and Exchange Board of India

"*Security*" means such security as may be specified by the Securities and Exchange Board of India from time to time.

Words imparting the singular number only includes the plural number and vice versa.

Words imparting persons include corporations.

Words and expressions used and not defined in the Act but defined in the Depositories Act, 1996 shall have the same meaning respectively assigned to them in the Depositories Act, 1996.

(2) Company to recognise interest in Dematerialized Securities under the Depositories Act, 1996

Either the Company or the investor may exercise an option to issue, de-link, hold the securities (including shares) with a depository in electronic form and the certificates in respect thereof shall be dematerialised, in which event the rights and obligations of the parties concerned and matters connected therewith or incidental thereto shall be governed by the provisions of the Depositories Act, 1996.

(3) Dematerialisation/Re-Materialisation of Securities

Notwithstanding anything to the contrary or inconsistent contained in these Articles, the Company shall be entitled to dematerialize its existing securities, re-materialize its securities held in Depositories and/or offer its fresh securities in the dematerialised form pursuant to the Depositories Act, 1996 and the rules framed there under, if any

(4) Option to Receive Security Certificate or hold Securities with Depository

Every person subscribing to or holding securities of the Company shall have the option to receive the security certificate or hold Securities with a Depository. Where a person opts to hold a Security with the Depository, the Company shall intimate such Depository of the details of allotment of the Security and on receipt of such information; the Depository shall enter in its record, the name of the allottees as the Beneficial Owner of that Security.

(5) Securities in Electronic Form

All securities held by a Depository shall be dematerialised and held in electronic form. No certificate shall be issued for the securities held by the Depository. Nothing contained in Section 153, 153A, 153B, 187 B, 187 C and 372 of the Act, shall apply to a Depository in respect of the securities held by it on behalf of the Beneficial Owners.

(6) Beneficial Owner deemed as Absolute Owner

Except as ordered by the court of competent jurisdiction or as required by law, the Company shall be entitled to treat the person whose name appears on the Register as the holders of any share or whose name appears as the Beneficial Owner of the shares in the records of the Depository as the absolute owner thereof and accordingly shall not be bound to recognise any benami, trust equity, equitable contingent, future, partial interest, other claim to or interest in respect of such shares or (except only as by these Articles otherwise expressly provided) any right in respect of a share other than an absolute right thereto in accordance with these Articles, on the part of any other person whether or not it has expressed or implied notice thereof but the Board shall at its sole discretion register any share in the joint names of any two or more persons or the survivor or survivors of them.

(7) Rights of Depositories and Beneficial Owners

Notwithstanding anything to the contrary contained in the Act, or these Articles, a Depository shall be deemed to be the registered owner for the purpose of effecting transfer of ownership of Security on behalf of the Beneficial Owner.

Save as otherwise provided above, the Depository is the registered owner of the securities, and shall not have any voting rights or any other rights in respect of the securities held by it.

Every person holding Securities of the Company and whose name is entered as a Beneficial Owner in the records of the Depository shall be deemed to be a Member. The Beneficial Owner of securities shall be entitled to all the rights and benefits and be subject to all the liabilities in respect of his Securities which are held by a Depository

(8) Register and Index of Beneficial Owners

The Company shall cause to be kept a Register and Index of Members with details of shares and Debentures held in materialised and dematerialised forms in any media as may be permitted by law including any form of electronic media.

The Register and Index of Beneficial Owners maintained by a Depository under the Depositories Act, 1996 shall be deemed to be a Register and Index of Members for the purposes of this Act. The Company shall have the power to keep in any state or country outside India a branch register of Members resident in that state or country.

(9) Cancellation of Certificates upon Surrender by Person

Upon receipt of certificate of Securities on surrender by a person who has entered into an agreement with the Depository through a Participant, the Company shall cancel such certificates and shall substitute in its record, the name of the Depository as the Registered Owner in respect of the said Securities and shall also inform the Depository accordingly.

(10) Service of Documents

Notwithstanding anything contained in the Act, or these Articles, to the contrary, where securities are held in a Depository, the record of the beneficial ownership may be served by such Depository on the Company by means of hard copies or through electronic mode or by delivery of floppies or discs.

(11) Allotment of Securities

Where the Securities are dealt within a Depository, the Company shall intimate the details of allotment of relevant Securities to the Depository on allotment of such Securities.

(12) Distinctive Number of Securities Held In A Depository

The shares in the capital shall be numbered progressively according to their several denominations, provided, however that the provisions relating to progressive numbering shall not apply to the share of the Company which are in dematerialised form. Except in the manner provided under these Articles, no share shall be sub-divided. Every forfeited or surrendered share be held in material form shall continue to bear the number by which the same was originally distinguished.

(13) Provisions of Articles to Apply to shares Held In Depository

Except as 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 so far as they apply to shares held in physical form subject to the provisions of the Depository Act, 1996.

(14) Depository to Furnish Information

Every Depository shall furnish to the Company information about the transfer of securities in the name of the Beneficial Owner at such intervals and in such manner as may be specified by laws and the Company in that behalf.

(15) Option to opt out in respect of any such Security

If a Beneficial Owner seeks to opt out of a Depository in respect of any security, he shall inform the Depository accordingly. The Depository shall on receipt of such information make appropriate entries in its records and shall inform the Company. The Company shall within thirty (30) days of the receipt of intimation from a Depository and on fulfillment of such conditions and on payment of such fees as may be specified by the regulations, issue the certificate of securities to the Beneficial Owner or the transferee as the case may be.

(16) Overriding effect of this Article

The provisions of this Article will have full effect and force notwithstanding anything to the contrary or inconsistent contained in any other Articles of these Presents.

Further Issue of Shares

Article 13 provides that,

(1) Where at any time after the expiry of two years from the formation of the Company or at any time after the expiry of one year from the allotment of shares in the Company made for the first time after its formation, whichever is earlier, it is proposed to increase the subscribed capital of the Company by allotment of further shares then:

(a) Such further shares shall be offered to the persons who at the date of the offer, are holders of the equity shares of the Company, in proportion, as nearly as circumstances admit, to the capital paid up on those shares at that date.

(b) The offer aforesaid shall be made by a notice specifying the number of shares offered and limiting a time not being less that thirty (30) days from the date of offer within which 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 him or any of them in favour of any other person and the notice referred to in Article (b) hereof shall contain a statement of this right.

(d) After the expiry of the time specified in the aforesaid notice or on receipt of earlier intimation from the person to whom such notice is given that he declines to accept the shares offered, the Board may dispose of them in such manner as they think most beneficial to the Company.

(2) Notwithstanding anything contained in sub-clause (1) the further shares aforesaid may be offered to any persons (whether or not those persons include the persons referred to in clause (b) of sub-clause (1) hereof in any manner whatsoever.

(a) If a special resolution to that effect is passed by the Company in the general meeting, or

(b) Where no such special resolution is passed, if the votes cast (whether on a show of hands or on a poll as the case may be) in favour of the proposal contained in the resolution moved in the general meeting (including the casting vote, if any, of the Chairman.) by the Members who, being entitled to do so, vote in person, or where proxies are allowed by proxy, exceed the votes, if any, cast against the proposal by Members so entitled and voting and the Central Government is satisfied, on an application made by the Board of Directors in this behalf that the proposal is most beneficial to the Company.

(3) Nothing in Article 1.1(c) hereof shall be deemed:

(a) To extend the time within which the offer should be accepted; or

(b) To authorize any person to exercise the right of renunciation for a second time on the ground that the person in whose favour the renunciation was first made has declined to take the shares comprised in the renunciation.

(4) Nothing in this Article shall apply to the increase of the subscribed capital of the Company caused by the exercise of an option attached to the Debenture issued or loans raised by the Company:

(a) To convert such Debentures or loans into shares in the Company; or

(b) To subscribe for shares in the Company.

PROVIDED THAT the terms of issue of such Debentures or the terms of such loans include a term providing for such option and such term:

(i) Either has been approved by the Central Government before the issue of the Debentures or the raising of the loans or is in conformity with Rules, if any, made by that Government in this behalf; and

(ii) In the case of Debentures or loans or other than Debentures issued to or loans obtained from Government or any institution specified by the Central Government in this behalf, has also been approved by a special resolution passed by the Company in the general meeting before the issue of the Debentures or raising of the loans.

Shares at the Disposal of the Directors

Article 2 provides that,

Subject to the provisions of Section 81 of the Act and these Articles, the shares in the Capital of the Company for the time being shall be under the 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 the 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 the Company on payment in full or part of any property sold and transferred or for any services rendered to the Company in the conduct of its business and any shares which may so be allotted may be issued as fully paid up shares, and if so issued, shall be deemed to be fully paid shares.

Provided that an option or right to call on shares shall not be given to any person or persons without the sanction of the Company in the general meeting.

Allotment on application to be acceptance of shares

Article 14 provides that,

Any application signed by or on behalf of an applicant for shares in the Company followed by an allotment of any share therein, shall be an acceptance of shares within the meaning of these Articles, and every person who thus or otherwise accepts any shares and whose name is on the register, shall, for the purpose of these Articles, be a Member.

Every Member entitled to a certificate for his shares

Article 19 provides that,

(1) Every Member or allottee of shares shall be entitled, without payment, to receive one or more certificates specifying the name of the person in whose favour it is issued, the shares to which it relates, and the amount paid thereon. Such certificates shall be issued only in pursuance of a resolution passed by the Board and on surrender to the Company of fractional coupon of requisite value, save in case of issue of share certificates against letters of acceptance of or renunciation or in cases of issues of bonus shares. Such share certificates shall also be issued in the event of consolidation or sub-divisions of the shares of the Company.

(2) Every such certificate shall be issued under the seal of the Company, which shall be affixed in the presence of (1) two Directors or persons acting on behalf of the Directors under duly registered powers of attorney; and (2) the Secretary or some other persons appointed by the Board for the purpose and the two Directors or their attorneys and the secretary or other persons shall sign the Share Certificate, provided that if the composition of the Board permits, at least one of the aforesaid two Directors shall be a person other than the Managing Director.

(3) Particulars of every share certificate issued shall be entered in the Registrar of Members against the name of the person, to whom it has been issued, indicating date of issue.

(4) Joint ownership of shares

Any two or more joint allottees of shares shall be treated as a single Member for the purposes of this Article and any share certificate, which may be the subject of joint ownership, may be delivered to any one of such joint owners on behalf of all of them. The Company shall comply with the provisions of Section 113 of the Act.

(5) Director to sign Share Certificates

A Director may sign a share certificate by affixing his signature thereon by means of any machine, equipment or other mechanical means, such as engraving in metal or lithography but not by means of rubber stamp, provided that the Director shall be responsible for the safe custody of such machine, equipment or other materials use for the purpose.

(6) Issue of new certificate in place of one defaced, lost or destroyed or Renewal of Certificates

If any certificate be worn out, defaced, mutilated or torn or if there be no further space on the back thereof for endorsement of transfer, then upon production and surrender thereof to the Company, a new Certificate may be issued in lieu thereof, and if any certificate lost or destroyed then upon proof thereof to the satisfaction of the Company and on execution of such indemnity as the Company deem adequate, being given, a new Certificate in lieu thereof shall be given to the party entitled to such lost or destroyed Certificate. Every Certificate 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 the rules made under Securities Contracts (Regulation) Act, 1956 or any other Act. or rules applicable in this behalf.

The provision of these Articles shall mutatis mutandis apply to Debentures of the Company.

(7) Renewal of Share Certificate

When a new share certificate has been issued in pursuance of clause (6) of this Article, it shall state on the face of it and against the stub or counterfoil to the effect that it is issued in lieu of share certificate No………….. sub-divided / replaced on consolidation of shares.

(8) When a new certificate has been issued in pursuance of clause (6) of this Article, it shall state on the face of it against the stub or counterfoil to the effect that it is duplicate issued in lieu of share certificate No……. The word 'Duplicate' shall be stamped or punched in bold letters across the face of the share certificate and when a new certificate has been issued in pursuance of Articles 0, 0, 0 and 0 of this Article, particulars of every such share certificate shall be entered in a Register of Renewed and Duplicate Certificates indicating against it ,the names of the persons to whom the certificate is issued, the number and the necessary changes indicated in the Register of Members by suitable cross references in the "remarks" column.

(9) All blank forms, share certificates shall be printed only on the authority of a resolution duly passed by the Board.

Board to have right to make calls on shares

Article 28 provides that,

The Board may, from time to time, subject to the terms on which any shares may have been issued and subject to the conditions of allotment, by a resolution passed at a meeting of the Board (and not by circular resolution), make such call as it thinks fit upon the Members in respect of all monies unpaid on the shares held by them respectively and each Member shall pay the amount of every call so made on him to the person or persons and the Member(s) and place(s) appointed by the Board. A call may be made payable by instalments.

Provided that the Board shall not give the option or right to call on shares to any person except with the sanction of the Company in the general meeting.

Call when made

Article 30 provides that,

The Board of Directors may, when making a call by resolution, determine the date on which such call shall be deemed to have been made not being earlier than the date of resolution making such call, and thereupon the call shall be deemed to have been made on the date so determined and if no such date is so determined a call shall be deemed to have been made at the date when the resolution authorising such call was passed at the meeting of the Board.

Calls to carry Interest

Article 33 provides that,

If a Member fails to pay any call due from him on the day appointed for payment thereof, or any such extension thereof as aforesaid, he shall be liable to pay interest on the same from the day appointed for the payment thereof to the time of actual payment at such rate of interest as shall from time to time be fixed by the Board but nothing in this Article shall render it obligatory for the Board to demand or recover any interest from any such Member.

Payment in anticipation of call may carry interest

Article 37 provides that,

(1) 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, the 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.

(2) The Members shall not be entitled to any voting rights in respect of the monies so paid by him until the same would but for such payment become presently payable.

(3) The provisions of these Articles shall mutatis mutandis apply to the calls on Debentures of the Company.

Company's lien on shares /Debentures

Article 25 provides that,

The 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 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 a waiver of the 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 provisions of this clause. The fully paid up shares shall be free from all lien and that in the case of partly paid shares the Company’s lien shall be restricted to monies called or payable at a fixed time in respect of such shares.

Instrument of Transfer

Article 51 provides that,

The instrument of transfer of any share shall be in writing and all the provisions of Section 108 of the 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. The Company shall use a common form of transfer in all cases.

Directors may refuse to register transfer

Article 54 provides that,

Subject to the provisions of Section 111A of the Act, these Articles and other applicable provisions of the Act or any other law for the time being in force, the Board may refuse whether in pursuance of any power of the Company under these Articles or otherwise to register the transfer of, or the transmission by operation of law of the right to, any shares or interest of a Member in or Debentures of the Company. The Company shall within one (1) month from the date on which the instrument of transfer, or the intimation of such transfer, as the case may be, was delivered with the Company, send notice of refusal to the transferee and transferor or to the person giving notice of such transmission, as the case may be, giving reasons for such refusal. Provided that registration of a transfer shall not be refused on the ground of the transferor being either alone or jointly with any other person or persons indebted to the Company on any account whatsoever except where the Company has a lien on shares.

Nomination Facility

Article 66 provides that,

(1) Every holder of shares, or holder of Debentures may at any time, nominate, in the prescribed manner a person to whom his shares in or Debentures shall rest in the event of his death.

(2) Where the shares or Debentures are held by more than one person jointly, the joint holders may together nominate in the prescribed manner, a person to whom all the rights in the shares or Debentures shall rest in the event of death of all the joint holders.

(3) Notwithstanding any thing contained in any other law for the time being in force or in any disposition, whether testamentary or otherwise in respect of such shares or Debentures where a nomination made in the prescribed manner purports to confer on any person the right to vest the shares or Debentures, the nominee shall, on the death of the shareholder or Debenture holder of the Company or as the case may be on the death of the joint holders become entitled to all the rights in the shares or Debentures or as the case may be all the joint holders in relation to such shares or Debenture to the exclusion of all the other persons, unless the nomination is varied or cancelled in the prescribed manner.

(4) Where the nominee is a minor it shall be lawful for the holder of shares or Debentures, to make the nomination and to appoint in the prescribed manner any person to become entitled to shares in or Debentures in the event of his death during the minority of the nominee.

(5) Any person who becomes a nominee by virtue of the provisions of Section 109 A upon the production of such evidence as may be required by the Board and subject as hereinafter provided elect either

(a) To be registered himself as holder of the shares or Debentures as the case may be, or

(b) To make such transfer of the share or Debenture as the case may be, as the deceased shareholder or Debenture holder, as the case may be could have made.

(6) If the person being a nominee, so becoming entitled, elects to be registered himself as a holder of the share or Debenture as the case may be, he shall deliver or send to the Company a notice in writing signed by him stating that he so elects and such notice shall be accompanied with a death certificate of the deceased shareholder or Debenture holder as the case may be.

(7) All the limitations, restrictions and provisions of this Act, relating to the right to transfer and registration of transfer of shares or Debentures shall be applicable to any such notice or transfer as aforesaid as if the death of the Member had not occurred and the notice or transfer where a transfer is signed by that shareholder or Debenture holder, as the case may be.

(8) A person being a nominee, becoming entitled to a share or Debenture by reason of the death of the holder shall be entitled to the same Dividends and other advantages to which he would be entitled if he were the registered holder of the share or Debenture, except that he shall not, before being registered as a Member in respect of his share or Debenture, be entitled in respect of it to exercise any right conferred by membership in relation to the meetings of the Company.

(9) 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 or Debenture and if the notice is not complied with within ninety (90) days, the Board may thereafter withhold payments of all Dividends, bonus, or other monies payable in respect of the share or Debenture, until the requirements of the notice have been complied with.

(10) A Depository may in terms of Section 58 A at any time, make a nomination and above provisions shall as far as may be, apply to such nomination.

No fee on Transfer or Transmission

Article 63 provides that,

No fee shall be charged for registration of transfers, transmission, probate, succession certificate and letters of administration, certificate of death or marriage, power of attorney or similar other document.

Concession Agreement

Promoter of the Company

Article 69 provides that,

The Members acknowledge and confirm that, pursuant to the consent of the GoG and the GMB, the "Key Promoter" and "Lead Promoter" under the Concession Agreement (each as defined in the Concession Agreement) have been amalgamated and, that the amalgamated role has been transferred to the A.P. Møller-Mærsk Group pursuant to the supplemental agreement dated June 2, 2006 to the Concession Agreement dated September 30, 1998.

Management by the Key Promoter and Lead Promoter

Article 70 provides that,

The Members undertake that the day-to-day management of the port of Pipavav shall be undertaken by the Key Promoter and Lead Promoter pursuant to the terms of the Concession Agreement with Gujarat Maritime Board. For the purposes of this Article 'Key Promoter and Lead Promoter' means APM Terminals Mauritius or such other entities that are a part of the A.P. Møller-Mærsk Group and are disclosed as promoters in the periodic filings by the Company with the stock exchanges.

Restriction on Share Transfer under Concession Agreement

Article 71 provides that,

The Members acknowledge that the Concession Agreement requires that during the term of the Concession Agreement, an acquisition of more than 10% direct or indirect interest in the Company by any person (either alone or together with its associates) shall require and shall be subject to the prior approval of the GMB and the GoG, which approval shall be withheld if, inter alia, such acquisition, is in the opinion of the GMB and the GoG, prejudicial to national interest.

Rights to convert shares into stock and vice-versa

Article 76 provides that,

The Company in the general meeting may, by an Ordinary Resolution, convert any fully paid-up shares into stock and when any shares shall have been converted into stock the several holders of such stock, may henceforth transfer their respective interest therein, or any part of such interest in the same manner and subject to the same Regulations as, and subject to which shares from which the stock arise might have been transferred, if no such conversion had taken place. The Company may, by an Ordinary Resolution reconvert any stock into fully paid up shares of any denomination. Provided that the Board may, from time to time, fix the minimum amount of stock transferable, so however such minimum shall not exceed the nominal amount of shares from which the stock arose.

Rights of stock holders

Article 77 provides that,

The holders of stock shall according to the amount of stock held by them have the same rights, privileges and advantages as regards Dividends, voting at meetings of the Company and other matters as if they held the shares from which the stock arose; but no such privileges or advantages (except participation in the Dividends and profits of the Company and in the assets on winding-up) shall be conferred by an amount of stock which would not, if existing in shares, have conferred those privileges or advantages.

Annual General Meetings

Article 78 provides that,

The Company shall, in addition to any other meetings, hold a general meeting which shall be called its Annual General Meeting, at the intervals and in accordance with the provisions of the Act.

Extraordinary General Meetings

Article 79 provides that,

The Board may, whenever it thinks fit, convene an Extraordinary General Meeting at such date, time and at such place as it deems fit, subject to such directions if any, given by the Board.

Quorum for General Meeting

Article 86 provides that,

Five Members or such other number of Members as the law for the time being in force prescribes, who shall be entitled to be personally present, shall be quorum for a General Meeting and no business shall be transacted at any general meeting unless the requisite quorum is present at the commencement of the meeting.

Chairman of General Meeting

Article 88 provides that,

The chairman of the Board of Directors shall be entitled to take the chair at every general meeting. If there is no such chairman or if at any meeting he is not present within fifteen (15) minutes after the time appointed for holding the meeting or is unwilling to act as chairman, the vice-chairman, if any, shall be entitled to take the chair. If the vice-chairman is also not present or is unwilling to take the chair, the Directors present shall elect one of them as chairman and if no Director be present or if the Directors present decline to take the chair, then the Members present shall elect someone of their number to be the chairman. If a poll is demanded for the election of the chairman, it shall be taken forthwith in accordance with the provisions of the Act and the chairman elected on show of hands shall exercise all the powers of the chairman under the said provision. If some other person is elected chairman as a result of the poll, he shall be the chairman for the rest of the meeting.

Voting at Meeting

Article 91 provides that,

At any general meeting, a resolution put to the vote at the meeting shall be decided on a show of hands, unless a poll is (before or on the declaration of the result of the show of hands) is demanded in accordance with the provisions of Section 179 of the Act. Unless a poll is so demanded, a declaration by the chairman that the resolution had, on a show of hands been carried unanimously or by a particular majority or lost and an entry to that effect in the book of the proceedings of the Company shall be conclusive evidence of the fact without proof of the number or proportion of the votes recorded in favour of or against that resolution.

Demand of Poll

Article 92 provides that,

Before, or on the declaration of the result of the voting on any resolution by a show of hands, a poll may be ordered to be taken by the chairman of the meeting of his own motion and shall be ordered to be taken by him on a demand made by any Member or Members present in person, or by proxy and holding shares in the Company which confer a power to vote on the resolution, being not less than one-tenth of the total voting power in respect of the resolution or on which an aggregate sum of not less than fifty thousand rupees (Rs 50,000) has been paid up. The demand for a poll may be withdrawn at any time by the person or persons making the demand.

Voting by joint-holders

Article 99 provides that,

In the case of joint-holders the vote of the first named of such joint holders who tender a vote whether in person or by proxy shall be accepted to the exclusion of the votes of other joint holders.

Instrument of proxy

Article 102 provides that,

The instrument appointing a proxy shall be in writing under the hand of the appointer or of his attorney duly authorised in writing or if appointed by a corporation either under its common seal or under the hand of its attorney duly authorised in writing. Any person whether or not he is a Member may be appointed as a proxy.

The instrument appointing a proxy and power of attorney or other authority (if any) under which it is signed must be deposited at the Office not less than forty eight (48) hours prior to the time fixed for holding the meeting at which the person named in the instrument proposed to vote, or, in case of a poll, not less than twenty four (24) hours before the time appointed for the taking of the poll, and in default the instrument of proxy shall not be treated as valid.

Article 103 provides that,

The form of proxy shall be two (2) way proxies as given in Schedule IX of the Act enabling the share holder to vote for/against any resolution.

Validity of proxy

Article 104 provides that,

A vote given in accordance with the terms of an instrument of proxy shall be valid, notwithstanding the previous death of or insanity of the principal or the revocation of the proxy or of the authority under which the proxy was executed or the shares in respect of revocation or transfer shall have been received by the Company at its office before the commencement of the meeting or adjourned meeting at which the proxy is used.

Number of Directors

Article 106 provides that,

Unless otherwise determined by general meeting, the number of Directors shall not be less than three (3) and not more than twelve (12), including all kinds of Directors.

Alternate Directors

Article 110 provides that,

The Board of Directors may appoint an alternate Director to act for a Director (hereinafter called the original Director) during the absence of the original Director for a period of not less than three (3) months from the state in which the meetings of the Board are ordinarily held. An alternate Director so appointed shall vacate office if and when the original Director returns to the state in which the meetings of the Board are ordinarily held. If the term of office of the original Director is determined before he so returns to the state aforesaid any provision for the automatic reappointment of the retiring Director in default of another appointment shall apply to the original and not to the alternate Director.

Additional Directors

Article 109 provides that,

The Board of Directors shall have power at any time and from time to time, to appoint one or more persons as additional directors ("**Additional Directors**") provided that the number of Directors and Additional Directors together shall not exceed the maximum number fixed. An Additional Director so appointed shall hold office up to the date of the next Annual general Meeting of the Company and shall be eligible for re-election by the Company at that Meeting. The number of Additional Directors appointed under this Article shall not exceed in the aggregate one-third of the total number of Directors for the time being in office.

Remuneration of Directors

Article 111 provides that,

(1) Subject to the provisions of the Act, a Director who is either in the full time employment of the Company or a Managing Director may be paid remuneration as provided in Sections 198, 309, 310 and 311 of the Act and Schedule XIII of the Act, either by way of monthly payment or at a specified percentage of the net profits of the Company or partly by one way and partly by the other.

(2) Subject to the provisions of the Act, a Director who is neither in the permanent employment of the Company nor a Managing Director, may be paid remuneration as provided in Sections 198, 309, 310 and 311 of the Act and Schedule XIII of the Act either

(a) by way of a monthly, quarterly or annual payment with the approval of the Central Government; or

(b) by way of commission of the Company approved by a Special Resolution authorising such payment.

(3) Director may receive remuneration by way of a fee for each meeting of the Board or a committee thereof attended by him, as prescribed by the Central Government.

Vacation of office of Director

Article 118 provides that,

(1) The office of a Director shall be deemed to have been vacated if:

(a) he is found to be of unsound mind by a court of competent jurisdiction; or

(b) he applies to be adjudged an insolvent; or

(c) he is adjudged an insolvent; or

(d) he is convicted by a court of any offence involving moral turpitude and sentenced in respect thereof to imprisonment for not less than six (6) months; or

(e) he fails to pay any call in respect of shares held by him, whether alone or jointly within six (6) months from the last date fixed for the payment of the call unless the Central Government, by a notification in the official Gazette, remove the disqualification incurred by such failure; or

(f) he absents himself from three (3) consecutive meetings of the Board of Directors or from all meetings of the Board for a continuous period of three (3) months, whichever is longer, without obtaining leave of absence from the Board; or

(g) he (whether by himself or by any person for his benefit or on his account) or any firm in which he is a partner or any private company of which he is a director, accepts a loan or any guarantee or security for a loan, from the Company in contravention of Section 295 of the Act; or

(h) he being in any way, whether directly or indirectly, concerned or interested in a contract or arrangement or proposed contract or arrangement, entered into or to be entered into by or on behalf of the Company fails to disclose the nature of his concern or interest at a meeting of the Board of Directors as required by Section 299 of the Act; or

(i) he becomes disqualified by an order of the Court under Section 203 of the Act; or

(j) if, by notice in writing to the Company, he resigns his office; or

(k) having been appointed a Director by virtue of his holding any office or other employment in the Company, he ceases to hold such office or other employment in the Company.

(2) Notwithstanding anything contained in (c), (d) and (i) above, the disqualification referred to in these Articles shall not take effect:

(a) for thirty (30) days from the date of the adjudication sentence or order;

(b) where any appeal or petition is preferred within thirty (30) days aforesaid against the adjudication, sentence or conviction resulting in the sentence or order until the expiry of seven (7) days from the date on which such appeal or petition is disposed of; or

(c) where within the seven (7) days aforesaid, any further appeal or petition is preferred in respect of the adjudication, sentence, conviction or order and the appeal or petition, if allowed, would result in the removal of the disqualification until such further appeal or petition is disposed of.

Disclosure of Interests by Director

Article 120 provides that,

(1) Every Director who is any way, whether directly or indirectly, concerned, interested in a contract or arrangement or proposed contract or arrangement entered into or to be entered into, by or on behalf of the Company, shall disclose the nature of his concern or interest at a meeting of the Board of Directors in the manner provided in Section 299(2) of the Act.

(2) In the case of a proposed contract or arrangement, the disclosure required to be made by a Director under this Article shall be made at the meeting of the Board at which the question of entering into the contract or arrangement is first taken into consideration or, if the Director was not at the date of that meeting concerned or interested in the proposed contract or arrangement, at the first meeting of the Board held after he became so concerned of interested.

(c) In case of any other contract or arrangement, the required disclosure shall be made at the first meeting of the Board held after the Director becomes concerned or interested in the contract or arrangement.

(3) For the purposes of this Article a general notice given to the Board by a Director to the effect that he is a director or a member of a specified body corporate or is a member of a specified firm and is to be regarded as interested in any contract or arrangement which may after the date of the notice, be entered into with that body corporate or firm, shall be deemed to be sufficient disclosure of concern or interest in relation to any contract or arrangement so made.

(4) Any such general notice shall expire in the financial year in which it is given but may be renewed for further period of one (1) financial year at a time by a fresh notice given in which it would otherwise expire.

(5) No such general notice and renewal thereof, shall be of effect unless either, it is given at a meeting of the Board or the Directors concerned take reasonable steps to secure that it is brought up and read at the first meeting of the Board after it is given.

(6) Nothing in these Articles shall apply to any contract or arrangement entered into or to be entered into between the Company and any other company where any one or more of the Director(s) together holds or hold not more than two percent (2%) of the paid up share capital in the other company.

Delegation of Powers

Article 137 provides that,

(1) The Board may, subject to the provisions of the Act, delegate any of its powers to committees consisting of such members of its body as it thinks fit.

(2) The Board of Directors shall establish a Conflict Committee which shall comprise of three (3) Directors, the majority of such Directors or at least its chairman being independent, to deal with matters relating to related parties (as per the applicable accounting standards followed by the Company) and those specifically referring to:

(i) Tariffs and pricing; and

(ii) Contracts, agreements or disputes;

to ensure that the best interests of the Company are protected.

(3) The Conflict Committee shall conduct all business subject to and in accordance with the terms of reference determined by the Board through its resolutions from time to time.

(4) All decisions of the Conflict Committee shall be reported to the Board of Directors within fourteen (14) days of such decision being made.

(5) Any other committee so formed shall, in the exercise of the power so delegated conform to any regulations that may be imposed on it by the Board.

Nominee Directors

Article 144 provides that,

(1) Nominee Directors of financial institutions

(a) Notwithstanding anything to the contrary contained in these Articles, so long as any monies remain owing by the Company to any finance corporation or credit corporation or to any other finance company or body out of any loans granted by them to the Company or so long as any finance corporation or credit corporation or any other finance company or body (each of which finance corporation or credit corporation or any other finance company or body is hereinafter in this Articles referred to as "**the Corporation**") holds or continues to hold shares or Debentures or so long as any liability of the Company arising out of any guarantee furnished by the Corporation on behalf of the Company remains outstanding, and if the loan or other agreement with the Corporation so provides, the Corporation may have a right to appoint from time to time any person or persons as a Director or Directors whole-time or non whole-time (which Director or Director/s is/are hereinafter referred to as Nominee Directors(s) and to remove from such office any person or person so appointed and to appoint any person or persons in his /their place(s).

(b) The Board of Directors shall have no power to remove from office any Nominee Director(s). At the option of the Corporation, such Nominee Director(s) may not be required to hold any qualification shares in the Company. Also at the option of the Corporation, such Nominee Director(s) may not be liable to retirement by rotation of Directors. Subject as aforesaid, the Nominee Director(s) shall be entitled to the same rights and privileges and be subject to the same obligations as any other Director.

(c) The Nominee Director(s) so appointed shall hold the said office only so long as any moneys remain owing by the Company to the Corporation or so long as the Corporation holds or continues to hold Debentures/shares in the Company as result of underwriting or by direct subscription or private placement or the liability of the Company arising out of any guarantee is outstanding and the Nominee Director(s) so appointed in exercise of the said power shall *ipso facto* vacate such office immediately on the moneys owing by the Company to the Corporation are paid off or on the Corporation ceasing to hold shares or Debentures or on the satisfaction of the liability of the Company arising out of any guarantee furnished by the Corporation.

(d) The Nominee Director(s) appointed under this Article shall be entitled to receive all notices of and attend all General Meetings, Board Meetings and of the meetings of the committee of which the Nominee Director(s) are member(s) as well as minutes of such meetings. The Corporation shall also be entitled to receive all such notices and minutes.

(e) The Company shall pay to the Nominee Director(s) sitting fees and expenses to which the other Directors are entitled, but if any other fees commission, monies or remuneration in any form is payable to the Directors the fees, commission, monies and remuneration in relation to such Nominee Director(s) shall accrue to the Corporation and same shall accordingly be paid by the Company directly to the Corporation. Any expenses that may be incurred by the Corporation or by such Nominee Director(s) in connection with their appointment shall also be paid or reimbursed by the Company to the Corporation or, as the case may be, to such Nominee Director(s).

(f) Provided that the sitting fees, in relation to such Nominee Director(s) shall also accrue to the Corporation and same shall accordingly be paid by the Company directly to the Corporation.

(2) Nominee Director of GMB

During the currency of the Concession Agreement, the Gujarat Maritime Board shall also have a right to appoint from time to time one (1) Director on the Board (which Director is hereinafter referred to as the "**GMB Director**").

(3) Nominee Directors of certain Members

(a) APMT Mauritius shall, so long as it continues to hold shares in the Company, have a right to appoint from time to time any person or persons, not exceeding four (4) in number, as Director or Directors whole time or non-whole time on the Board (which Director(s) is/are hereinafter referred to as the "**APMT Mauritius Nominee Directors**") and to remove from such office any person or persons so appointed and to appoint any person or persons in his/their place(s).

(b) IDFC Private Equity Group shall, so long as it continues to hold at least 22,399,419 Shares, have a right to appoint from time to time one (1) Director (which Director is hereinafter referred to as the "**Investor Nominee Director**") and to remove from office the Investor Nominee Director and to appoint any person in his place. The Investor Nominee Director shall not be liable to retire by rotation as provided for in Article 121.

In the event IDFC Private Equity Group's holding falls below 22,399,419 Shares, it will cease to have the right to appoint and remove the Investor Nominee Director as aforesaid and the Financial Investor holding the largest number of Shares (the "**Nominating Shareholder**") shall have the right to appoint the Investor Nominee Director. Provided however, that the Financial Investor shall have the right to appoint the Investor Nominee Director as aforesaid only so long as it continues to hold at least 4 per cent of the paid up equity share capital of the Company.

For the purposes of this Article, Financial Investor means each of the following shareholders: (i) Administrator of the Specified Undertakings of the Unit Trust of India and UTI Trust Company Private Limited; (ii) IIF and TIFOI (being funds advised and managed by AMP Capital); (iii) NYLIIF Group; and (iv) IL&FS Trust Company Limited.

In the event that any of IDFC Private Equity Group or the Nominating Shareholder Transfers, acquires or disposes of Shares, then IDFC Private Equity Group or the Nominating Shareholder, as the case may be, shall, within 15 days of such transfer, by notice in writing intimate the Company, the other Financial Investors and IDFC Private Equity Group of such change in its percentage of shareholding in the Company. In the event that the percentage of shareholding of a Nominating Shareholder, falls below that of the other Financial Investor, then its nominee on the Board shall, within fifteen (15) days from the reduction of shareholding of the Nominating Shareholder, vacate his office and the Financial Investor then holding the highest percentage of Shares among the Financial Investors shall be entitled to exercise its right to appoint a Director as aforesaid and the Company and the Directors shall take such steps as are required in this regard.

(4) Appointment of an observer on the Board

The Board of Directors shall be entitled to nominate, appoint, remove and replace from time to time at their sole discretion, any person or persons as observer(s) to attend meetings of the Board of Directors and any committees of the Board of Directors, of the Company in a non-voting, observer capacity and such observer shall be entitled to attend every meeting of the Board and any of its committees.

Appointment of Managing Director/ whole-time Director

Article 149 provides that,

(1) The Board may from time to time and with such sanction of the Central Government as may be required by the Act, appoint one or more of the Directors to the office of the Managing Director or whole-time Directors.

(2) The Managing Director shall always be an APMT Mauritius Nominee Director and shall report directly to the Board. APMT Mauritius shall be entitled to remove any such Managing Director and to require the appointment of another APMT Mauritius Nominee Director in place of any such Managing Director so removed.

(3) The Directors may from time to time resolve that there shall be either one or more Managing Directors or whole-time Directors.

(4) In the event of any vacancy arising in the office of a Managing Director or whole-time Director, the vacancy shall be filled by the Board of Directors, subject to the approval of the Members.

(5) If a Managing Director or whole-time Director ceases to hold office as Director, he shall ipso facto and immediately cease to be Managing Director or whole-time Director (as the case may be).

(6) The Managing Director or whole-time Director shall not be liable to retirement by rotation as long as he holds office as Managing Director or whole-time Director.

Meetings of the Board

Article 131 provides that,

(1) The Board of Directors shall meet at least once in every three (3) calendar months for the dispatch of business, adjourn and otherwise regulate its meetings and proceedings as it thinks fit; provided that at least four (4) such meetings shall be held in every year.

(2) The Managing Director may at any time summon a meeting of the Board and the Managing Director, or a secretary or a person authorised in this behalf on the requisition of Director shall at any time summon a meeting of the Board. 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.

(3) Resolutions requiring Special Majority of the Board

The following resolutions shall only be effective with the approval of a Special Majority of the Board, unless a resolution of the Members is required pursuant to Indian law, in which case the resolutions shall also require the approval of the Members, in accordance with the Act:

(a) Any variation, amendment or termination to the Concession Agreement (or the lease under the Concession Agreement);

(b) Any variation, amendment or termination to the terms of appointment of the Conflict Committee;

(c) The creation, allotment, division into classes or issue of any shares or the grant or agreement to grant any option over Shares or any uncalled capital of the Company or the issue of any securities that are convertible into Shares;

(d) The increase or reduction of Share Capital of the Company or the consolidation, sub-division, purchase, or cancellation of any share capital or the alteration of any rights pertaining to any share or class of shares in such capital or any other re-organisation of the share capital of the Company;

(e) Creation of subsidiaries; and

(f) The acquisition by the Company of any shares or other interests in any other company or the participation by the Company in any partnership or joint venture outside the ordinary course of business.

For the purposes of this Article, "Special Majority" means the consent of at least three quarters (3/4) of the Directors appointed on the Board present at a duly convened meeting and entitled to vote.

Right to Dividend

Article 158 provides that,

In respect of each financial year, the Company's profits available for distribution in respect of the relevant financial year shall be distributed to the Members by way of Dividends, in proportion to the amount of capital paid up on the shares held by them respectively, subject to requirements under the Act and such reasonable and proper reserves being retained for working capital requirements or other liabilities and the financing needs of the Company as the Board may consider appropriate from time to time having regard to the terms and conditions of the commitment of the Company pursuant to the existing debt arrangements in accordance with the Debt Restructuring Letter.

Declaration of Dividends

Article 159 provides that,

The Company in a general meeting may declare Dividends and may fix the time of payment, but no Dividend shall exceed the amount recommended by the Board, however the Company may declare a smaller Dividend in the general meeting.

Interim Dividends

Article 160 provides that,

The Board may from time to time pay to the Members such interim Dividends as appear to them to be justified by the profits of the Company.

Dividends not to bear interest

Article 171 provides that,

No Dividends shall bear interest against the Company.

Capitalisation of Profits

Article 174 provides that,

(1) The Company in a general meeting, may, on recommendation of the Board resolve:

(a) That it is desirable to capitalize any part of the amount for the time being standing to the credit of the Company's reserve accounts or to the credit of the profit and loss account or otherwise available for distribution; and

(b) That such sum be accordingly set free for distribution in the manner specified in Article 174(2) amongst the Members who would have been entitled thereto if distributed by way of Dividend and in the same proportion.

(2) The sum aforesaid shall not be paid in cash but shall be applied, either in or towards:

(a) Paying up any amounts for the time being unpaid on shares held by such Members respectively

(b) Paying up in full, unissued share of the Company to be allotted and distributed, credited as fully paid up, to and amongst such Members in the proportions aforesaid; or

(c) Partly in the way specified in Article 172(2)(a) and partly that specified in Article0.

(3) The Board shall give effect to the resolution passed by the Company in pursuance of this regulation.

A share premium account and a capital redemption reserve account may, only be applied in the paying up of unissued shares to be issued to Members as fully paid bonus shares.

Power of Directors for declaration of bonus issue

Article 175 provides that,

(1) Whenever such a resolution as aforesaid shall have been passed, the Board shall

(a) make all appropriations and applications of the undivided profits resolved to be capitalised thereby and all allotments and issues of fully paid shares, if any, and

(b) generally do all acts and things required to give effect thereto.

(2) The Board shall have full power:

(a) to make such provisions, by the issue of fractional certificates or by payments in cash or otherwise as it thinks fit, in the case of shares or Debentures becoming distributable in fraction; and also

(b) to authorize any person, on behalf of all the Members entitled thereto, to enter into an agreement with the Company providing for the allotment to such Members, credited as fully paid up, of any further shares or Debentures to which they may be entitled upon such capitalisation or (as the case may require) for the payment of by the Company on their behalf, by the application thereto of their respective proportions of the profits resolved to the capitalised of the amounts or any parts of the amounts remaining unpaid on the shares.

(3) Any agreement made under such authority shall be effective and binding on all such Members.

Where Books of accounts to be kept

Article 177 provides that,

The books of accounts shall be kept at the Office or at such other place in India as the Directors think fit.

Inspection by Members

Article 178 provides that,

No Member (not being a Director) shall have any right of inspecting any accounts or books or documents of the Company except as conferred by the Act.

SECTION IX – OTHER INFORMATION

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 Draft Red Herring Prospectus) which are or may be deemed material have been entered into or will be entered into by our Company. These contracts, copies of which have been attached to the copy of this Draft Red Herring Prospectus, delivered to the Registrar of Companies for registration and also the documents for inspection referred to hereunder, may be inspected at the registered office of our Company situated at Port Pipavav, At Post Ucchaiya Via Rajula, District Amreli, Gujarat 365 560, from 10.00 am to 4.00 pm on working days from the date of this Draft Red Herring Prospectus until the Bid/Issue Closing Date.

Material Contracts

1. Engagement Letter dated November 23, 2009 for the appointment of IDFC-SSKI and KMCC as the BRLMs.

2. Engagement Letter dated December 2, 2009 for the appointment of IDBI Capital as CBRLM.

3. Issue Agreement dated December 21, 2009 among our Company, the Selling Shareholders, the BRLMs and the CBRLM.

4. Memorandum of Understanding dated December 21, 2009 executed by our Company and the Selling Shareholders with the Registrar to the Issue.

5. Escrow Agreement dated [●] among our Company, the Selling Shareholders, the BRLMs, the CBRLM, Escrow Collection Banks and the Registrar to the Issue.

6. Syndicate Agreement dated [●] among our Company, the Selling Shareholders, the BRLMs, the CBRLM and the Syndicate Members.

7. Underwriting Agreement dated [●] among our Company, the Selling Shareholders, the BRLMs, the CBRLM and the Syndicate Members.

Material Documents

1. Memorandum and Articles of Association of our Company as amended through the date hereof.

2. Certificate of incorporation dated August 5, 1992.

3. Shareholders’ resolutions dated November 17, 2009 in relation to the Issue and other related matters.

4. Circular resolution of the Board dated October 20, 2009 authorizing the Issue.

5. Resolution dated November 24, 2009 passed by the Board of Directors of The Infrastructure Fund of India, LLC approving the Offer for Sale.

6. Resolution dated December 4, 2009 passed by the Board of Directors of the India Infrastructure Fund, LLC approving the Offer for Sale.

7. Shareholders’ Agreement dated December 18, 2009 between our Company, APM Terminal Mauritius Limited, the Administrator of the Specified Undertakings of Unit Trust of India and UTI Trustee Company Private Limited, India Infrastructure Fund LLC, The Infrastructure Fund of India LLC, New York Life International India Fund (Mauritius) LLC, Jacob Ballas Capital India Private Limited, IDFC Private Equity Group and IL&FS Trust Company Limited;

8. Concession Agreement dated September 30, 1998 and a supplementary agreement to the concession agreement dated June 2, 2006 with the Gujarat Maritime Board and the Government of Gujarat;

9. Lease and Possession Agreement dated September 30, 1998 between our Company and the Gujarat Maritime Board;

10. Offshore Support Services Agreement dated April 15, 2005 between our Company and APM Terminals Management B.V.;

11. Shareholders' Agreement dated March 28, 2001 between our Company and the Railway Board of the Ministry of Railways, Government of India;

12. Transportation and Traffic Guarantee Agreement dated January 10, 2003 between our Company, Pipavav Railway Corporation Limited and the Ministry of Railways, Government of India;

13. Non Compete Letter dated March 30, 2005 issued by Nikhil Gandhi, SKIL Infrastructure Limited, Montana Valves and Compressors Limited and Grevek Investment and Finance Private Limited;

14. Reports of the Auditors, B S R & Associates, Chartered Accountants, prepared as per Indian GAAP and mentioned in this Draft Red Herring Prospectus and letters from the auditors dated December 19, 2009.

15. Copies of annual reports of our Company for the past five financial years.

16. Consents of the Auditors, B S R & Associates, Chartered Accountants, for inclusion of their report on accounts in the form and context in which they appear in this Draft Red Herring Prospectus.

17. Consents of Auditors, Bankers to our Company, the BRLMs, the CBRLM, Syndicate Members, Registrar to the Issue, Banker to the Issue, Bankers to our Company, Domestic Legal Counsel to our Company, Domestic Legal Counsel to the Auditors, International Legal Counsel to the BRLMs and CBRLM, Directors of our Company, Company Secretary and Compliance Officer, as referred to, in their respective capacities.

18. Statement of tax benefits dated December 21, 2009 by B S R & Associates, Chartered Accountants

19. Applications dated [●] and [●] for in-principle listing approval to [●] and [●], respectively.

20. In-principle listing approval dated [●] and [●] from [●] and [●] respectively.

21. Agreement among NSDL, our Company and the Registrar to the Issue dated August 8, 2007.

22. Agreement among CDSL, our Company and the Registrar to the Issue dated [●].

23. Due diligence certificate dated December 21, 2009 to SEBI from the BRLMs and CBRLM.

24. SEBI observation letter [●] dated [●] and our Company's in-seriatim reply to the same dated [●].

25. Any of the contracts or documents mentioned in this Draft 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

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 Draft Red Herring Prospectus is contrary to the provisions of the Companies Act, 1956, the Securities and Exchange Board of India Act, 1992 or rules made or guidelines issued thereunder, as the case may be. We herby certify that all statements in this Draft Red Herring Prospectus are true and correct.

SIGNED BY THE DIRECTORS OF THE COMPANY

____

Mr. Prakash Tulsiani,
Managing Director

____

Mr. Per Jorgensen,
Chairman and Independent Director

____

Mr. Pravin Laheri, IAS,
Non-Executive and Independent Director

____

Mr. Luis Miranda,
Non- Executive Director

____

Mr. Christian Moller Laursen,
Non-Executive Director

____

Mr. Abhay Bongirwar,
Non-Executive and Independent Director

____

Mr. Dinesh Lal,
Non-Executive Director

____

Mr. Charles Menkhorst,
Non-Executive Director

____

Mr. Hariharan Iyer
Chief Financial Officer

Date: December 21, 2009

Place: Mumbai

We, the Selling Shareholders, certify that the statements made by the Selling Shareholders in this Draft Red Herring Prospectus about or in relation to the Selling Shareholders and their Equity Shares being offered pursuant to the Offer for Sale are true and correct.

Signed by the Selling Shareholders

For The Infrastructure Fund of India, LLC *
* *Authorised Signatory*

For The India Infrastructure Fund, LLC*
* *Authorised Signatory*

Date: December 21, 2009

Place: Mumbai