

AQUA LOGISTICS LIMITED

(Our Company was originally incorporated as Aqua Logistics Private Limited on September 20, 1999 under the Companies Act, 1956 *vide* Certificate of Incorporation bearing registration number 11 – 121803 issued by the Registrar of Companies, Mumbai. Our Company was converted into a public limited company *vide* fresh Certificate of Incorporation dated March 05, 2009 and subsequently the name of our Company was changed to “Aqua Logistics Limited”. Our Company has been allocated Corporate Identification Number U63090MH1999PLC121803. For details of changes to our Registered Office, please refer to the chapter titled “History and Other Corporate Matters” beginning on page 123 of the Red Herring Prospectus).

Registered Office: 5th Floor, B–Wing, Trade Star Building, Andheri Kurla Road, Andheri (East), Mumbai – 400 059, Maharashtra, India.

Tel No: +91 22 6777 0200; **Fax No:** +91 22 2835 3976; **Email:** ipo@aqualogistics.com; **Website:** www.aqualogistics.com

Contact Person: Mr. Bhupendra N. Shah, Company Secretary and Compliance Officer

Promoters: Mr. Rajesh G. Uchil, Mr. M.S. Sayad, Mr. Harish G. Uchil, Mr. Gopalkrishna G. Uchil

PUBLIC ISSUE OF [•] EQUITY SHARES OF RS.10/- EACH AT A PRICE OF RS. [•] PER EQUITY SHARE (INCLUDING A PREMIUM OF RS. [•] PER EQUITY SHARE) FOR CASH AGGREGATING UPTO RS. 15,000 LACS (THE “ISSUE”), BY AQUA LOGISTICS LIMITED (THE “COMPANY” OR THE “ISSUER”). THE ISSUE WILL CONSTITUTE [•]% OF THE FULLY DILUTED POST ISSUE PAID-UP CAPITAL OF OUR COMPANY. THE NET ISSUE TO PUBLIC WILL CONSTITUTE [•]% OF THE FULLY DILUTED POST ISSUE PAID-UP CAPITAL OF OUR COMPANY.

Price Band: Rs. 220 To Rs. 230 Per Equity Share of Face Value of Rs. 10 Each

The Floor Price is 22 times of the Face Value and the Cap Price is 23 times of the Face Value

A discount of Rs. 5 to the Issue Price determined pursuant to completion of the Book Building Process shall be offered to Retail Individual Bidder (the “Retail Discount”).

In case of revision in the Price Band, the Bidding/Issue Period shall be extended for three additional working days after such revision, 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, shall be widely disseminated by notification to the Bombay Stock Exchange Limited (BSE) and The National Stock Exchange of India Limited (NSE), whose online IPO system will be available for bidding, by issuing a press release and by indicating the change on the websites of the Book Running Lead Managers (BRLMs) and the terminals of the member(s) of the Syndicate.

This Issue is being made through a 100% Book Building Process wherein not more than 50% of the Issue will be allocated to Qualified Institutional Buyers (QIBs) on a proportionate basis, subject to valid bids being received at or above the Issue Price. Further, our Company may allocate upto 30% of the QIB Portion to Anchor Investors, out of which atleast one-third will be available for allocation to Domestic Mutual Funds. In the event of under subscription in Anchor Investors Portion, the balance Equity Shares shall be added to the Net QIB Portion. 5% of the Net QIB Portion shall be available for allocation on proportionate basis to Mutual Funds only and the remaining Net QIB portion shall be available for allocation on a proportionate basis to all Qualified Institutional Buyers, including Mutual Funds, subject to valid bids being received at or above Issue Price. Further, not less than 15% of the Issue shall be available for allocation on a proportionate basis to Non Institutional Bidders and not less than 35% of the Issue shall be available for allocation on a proportionate basis to Retail Individual Bidders, subject to valid bids being received at or above the Issue Price.

RISKS IN RELATION TO THE FIRST ISSUE

This being the first issue of Equity Shares of our Company, there has been no formal market for our Equity Shares. The Face Value of the Equity Shares is Rs.10/- and the Floor Price is 22 times of the Face Value and the Cap Price is 23 times of the Face Value. The Price Band (has been determined and justified by the BRLMs and the Issuer as stated under the chapter on “Basis for Issue Price” beginning on page 73 of the Red Herring Prospectus) should not be taken to be indicative of the market price of our Equity Shares after our Equity Shares are listed. No assurance can be given regarding an active or sustained trading in the Equity Shares of our Company nor regarding the price at which the Equity Shares will be traded after listing.

GENERAL RISK

Investments in equity and equity related securities involve a degree of risk and investors should not invest any funds in this Issue unless they can afford to take the risk of losing their investment. Investors are advised to read the risk factors carefully before taking an investment decision in this Issue. For taking an investment decision, investors must rely on their own examination of the Issuer and the Issue including the risk involved. The Equity Shares have not been recommended or approved by the Securities and Exchange Board of India (SEBI) nor does SEBI guarantee the accuracy or adequacy of this document. **Specific attention of the investors is invited to the statement of “Risk Factors” beginning on page 12 of the Red Herring Prospectus.**

ISSUER’S ABSOLUTE RESPONSIBILITY

Our Company, having made all reasonable enquiries, accepts responsibility for, and confirms that the 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 the Red Herring Prospectus is true and correct in all material aspects and is not misleading in any material respect; that the opinions and intentions expressed herein are honestly held and that there are no other facts, the omission of which makes this document as a whole or any of such information or the expression of any such opinions or intentions misleading in any material respect.

IPO GRADING

The Issue has been graded by Brickwork Ratings India Private Limited and has been assigned a grade of 3/5 indicating average fundamentals. The IPO Grading is assigned on a 5 point scale from 1 to 5 with an ‘IPO Grade 5’ indicating strong fundamentals and an ‘IPO Grade 1’ indicating poor fundamentals. For further details and grading rationale, please refer to page 43 of the Red Herring Prospectus under the section “General Information”.

LISTING ARRANGEMENT

The Equity Shares issued through the Red Herring Prospectus are proposed to be listed on Bombay Stock Exchange Limited (BSE) and on The National Stock Exchange of India Limited (NSE). In-principle approvals have been received from BSE and NSE for the listing of the Equity Shares *vide* their letters dated November 12, 2009 and November 30, 2009 respectively. For the purpose of this Issue, BSE shall be the Designated Stock Exchange.

BOOK RUNNING LEAD MANAGERS

REGISTRAR TO THE ISSUE

 <p>Saffron Capital Advisors Private Limited SEBI Registration No : INM000011211 204, Vishwananak, Gurunanakwadi, Andheri Ghatkoper Link Road, Chakala, Andheri (East), Mumbai - 400 099. Tel No : +91 22 4082 0905/0906 Fax No : +91 22 4082 0999 Website: www.saffronadviser.com Email : aqualogistics.ipo@saffronadviser.com Investor Grievance Id : investor grievance@saffronadviser.com Contact Person : Mr. Saurabh Vijay / Ms. Apeksha A. Munwane</p>	 <p>Centrum Capital Limited SEBI Registration No : INM000010445 Centrum House, Vidya Nagari Marg, CST Road, Kalina, Santacruz (East), Mumbai- 400 098. Tel No : +91 22 4215 9000 Fax No : +91 22 4215 9707 Website: www.centrum.co.in Email: aqualogistics.ipo@centrum.co.in Investor Grievance Id : igmbd@centrum.co.in Contact Person : Ms. Hema Lalwani Wagle / Mr. Bhavyan Dalal</p>	 <p>Link Intime India Private Limited SEBI Registration No: INR000003761 C-13, Pannalal Silk Mills Compound, LBS Marg, Bhandup (West), Mumbai - 400 078 Tel No : +91 22 25960320 Fax No : +91 22 25960329 Website : www.linkintime.co.in Email : aqua-ipo@linkintime.co.in Contact Person : Mr. Sachin Achar</p>
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ISSUE PROGRAMME*

BID/ISSUE OPENS ON : MONDAY, JANUARY 25, 2010

BID/ISSUE CLOSES ON : THURSDAY, JANUARY 28, 2010

* Anchor Investors, if any, shall submit their Bid on the Anchor Investor Bidding Date, i.e. Friday, January 22, 2010, which is one working day prior to the Bid/Issue Opening Date.

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SECTION I - DEFINITIONS AND ABBREVIATIONS

CONVENTIONAL/GENERAL TERMS

Term	Description
Act/ Companies Act	The Companies Act, 1956, as amended from time to time
Equity Shares	The Equity Shares of face value of Rs. 10 each of Aqua Logistics Limited
Indian GAAP	Generally Accepted Accounting Principles in India
Non Resident	A person who is not an NRI, FII and is not a person resident in India
NRI/ Non-Resident Indian	A person resident outside India, as defined under FEMA and who is a citizen of India or a Person of Indian Origin as defined under FEMA (Transfer or Issue of Security by a Person Resident Outside India) Regulations, 2000
Quarter	A period of three continuous months
RBI Act	The Reserve Bank of India Act, 1934
SEBI	Securities and Exchange Board of India
SEBI Act	Securities and Exchange Board of India Act, 1992 as amended from time to time.
SEBI (ICDR) Regulations, 2009	Means the regulations for Issue of Capital and Disclosure Requirements issued by Securities and Exchange Board of India, constituted in exercise of powers conferred by Section 30 of the Securities and Exchange Board of India Act, 1992 (as amended), called Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009.
Stock Exchanges	Bombay Stock Exchange Limited (BSE) and The National Stock Exchange of India Limited (NSE)

ISSUE RELATED TERMS

Term	Description
Allotment/ Allotment of Equity Shares	Unless the context otherwise requires, Allotment of Equity Shares pursuant to this Issue
Allottee	The successful Bidder to whom the Equity Shares are being/have been allotted
Anchor Investor	A Qualified Institutional Buyer, making an application for a value of Rupees Ten Crore or more in the Public Issue made through the Book Building process in accordance with SEBI (ICDR) Regulations, 2009
Anchor Investor Issue Price	The final price at which Equity Shares will be issued and allotted in terms of the Red Herring Prospectus and the Prospectus to the Anchor Investors, which will be a price equal to or higher than the Issue Price but not higher than the Cap Price. The Anchor Investor Issue Price will be decided by our Company in consultation with the BRLMs.
Anchor Investor Margin Amount	An amount representing 25% of the Bid Amount payable by Anchor Investors at the time of submission of their Bid
Anchor Investor Portion	The portion of the Net Issue, being up to 30% of the portion available to QIBs, being [●] Equity Shares
Anchor Investor Bid/Issue Period	The date one working day prior to the Bid/Issue Opening Date i.e. Friday, January 22, 2010, on which bidding by Anchor Investors shall open and shall be completed
Applications Supported by Blocked Amount (ASBA)	Application Supported by Blocked Amount means an application (whether physical or electronic) subscribing to an Issue containing an authorization to block the Bid Amount in their specified bank account with Self Certified Syndicate Bank
ASBA Bidders/Investor	A Bidder / an Investor other than QIB Bidder, who intends to apply through ASBA process
ASBA Form / ASBA BCAF	The Bid-cum-Application 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 purpose of Red Herring Prospectus and Prospectus
ASBA Bid Revision	The form used by ASBA Bidders to modify the quantity of Equity Shares or the Bid

Term	Description
Form	Price in any of their Bid-cum-Application Forms or any previous Revision Form(s)
Banker(s) to the Issue / Escrow Collection Banks	The banks which are clearing members and registered with SEBI as Banker to the Issue at which the Escrow Account for the Issue will be opened and in this case being HDFC Bank Limited, ICICI Bank Limited, Indusind Bank Limited and Yes Bank Limited
Bid	<p>An indication to make an offer made during the Bidding Period by a prospective investor or on the Anchor Investor Bidding Date by an Anchor Investor, pursuant to submission of a Bid-cum-Application Form to subscribe to the Equity Shares of our Company at a price within the Price Band, including all revisions and modifications thereto</p> <p>For the purposes of ASBA Bidders, it means an indication to make an offer during the Bidding Period by any Bidder other than QIB Bidder pursuant to the submission of an ASBA Bid-cum-Application Form to subscribe to the Equity Shares</p>
Bid Lot/ Minimum bid lot	25 Equity Shares and in multiples of 25 Equity Shares thereafter.
Bid Amount	The highest value of the optional Bids indicated in the Bid-cum-Application Form and payable by the Bidder on submission of the Bid for this Issue
Bid/ Issue Closing Date	Except in relation to Anchor Investor, the date after which the Syndicate will not accept any Bids for the Issue, which shall be notified in a widely circulated English and Hindi national newspapers, and a regional language newspaper.
Bid-cum-Application Form / Bid Form	The form in terms of which the Bidder shall make an offer to subscribe to the Equity Shares of our Company and which will be considered as the application for allotment in terms of the Red Herring Prospectus
Bid/ Issue Opening Date	Except in relation to Anchor Investor, the date on which the Syndicate shall start accepting Bids for the Issue, which shall be the date notified in widely circulated English and Hindi national newspapers and a regional language newspaper.
Bidder	Any prospective investor who makes a Bid pursuant to the terms of the Red Herring Prospectus and the Bid-cum-Application Form, including an ASBA Bidder and Anchor Investor.
Bid/ 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 (excluding Anchor Investors) can submit their Bids including any revisions thereof.
Book Building Process	Book Building Process as provided under Schedule XI of SEBI (ICDR) Regulations, 2009, in terms of which this Issue is being made
Brokers to this Issue	Brokers registered with any recognized Stock Exchange, appointed by the Members of the Syndicate
BRLMs	Book Running Lead Managers to this Issue, in this case being Saffron Capital Advisors Private Limited and Centrum Capital Limited
CAN/ Confirmation of Allocation Note	<p>Except in relation to Anchor Investor, the note or advice or intimation of allocation of Equity Shares sent to the Bidders who have been allocated Equity Shares after discovery of the Issue Price in accordance with the Book Building Process, including any revisions thereof.</p> <p>In relation to Anchor Investors, the note or advice or intimation of allocation of Equity Shares sent to the successful Anchor Investors who have been allocated Equity Shares after discovery of the Anchor Investor Issue Price, including any revisions thereof.</p>
Cap Price	The higher end of the Price Band, above which the Issue Price will not be finalized and above which no Bids will be accepted in this case being Rs. 230
Cut-off /Cut-off Price	Any price within the Price Band finalized by our Company in consultation with the BRLMs. A bid submitted at the Cut-off Price is a valid Bid at all price levels within the Price Band.

Term	Description
Controlling Branches	Such branches of the SCSBs which co-ordinate Bids received under this Issue by the ASBA Bidders with the BRLMs, the Registrar to the Issue and the Stock Exchange(s) and a list of which is available at www.sebi.gov.in
Depository	A body corporate registered with SEBI under the SEBI (Depositories and Participants) Regulations, 1996, as amended from time to time
Depositories Act	The Depositories Act, 1996, as amended from time to time
Depository Participant	A Depository Participant as defined under the Depositories Act, 1996
Designated Branches	Branch offices of the SCSBs which the respective SCSB has identified as a designated branch at which the physical ASBA Form can be submitted by an ASBA Investor.
Designated Date	The date on which funds are transferred from the Escrow Account of our Company to the Public Issue Account after the Prospectus is filed with the RoC, following which the Board of Directors shall allot Equity Shares to successful bidders
Designated Stock Exchange	Bombay Stock Exchange Limited (BSE)
Draft Red Herring Prospectus/ DRHP	The Draft Red Herring Prospectus dated September 24, 2009, which does not have complete particulars on the price at which the Equity Shares are offered and size of the Issue, which was filed with the SEBI and Stock Exchanges. It will become a Red Herring Prospectus issued in accordance with the provisions of Section 60B of the Companies Act after filing with the RoC at least three days before the opening of the Issue. It will become a Prospectus after filing with the RoC after determination of the Issue Price
Electronic ASBA Application / Bid	Submission of ASBA Bid-cum-Application Form electronically, by an ASBA Investor, through the internet banking facility offered by the SCSBs.
Eligible NRI	NRIs from such jurisdiction outside India where it is not unlawful for our Company to make this Issue or an invitation under this Issue and in relation to whom the Red Herring Prospectus constitutes an invitation to subscribe to the Equity Shares offered herein.
Equity Shares	Equity shares of our Company of face value of Rs. 10 each unless otherwise specified in the context thereof
Escrow Account	An Account opened with Escrow Collection Bank(s) and in whose favour the Bidder will issue cheques or drafts in respect of the Bid Amount when submitting a Bid
Escrow Agreement	Agreement entered into amongst our Company, the Registrar to this Issue, the Escrow Collection Banks, the BRLMs and the Syndicate Member(s) in relation to the collection of the Bid Amounts and dispatch of the refunds (if any) of the amounts collected, to the Bidders
First Bidder	The Bidder whose name appears first in the Bid-cum-Application Form or Revision Form
Floor Price	The lower end of the Price Band, below which the Issue Price will not be finalized and below which no Bids will be accepted in this case being Rs. 220
Issue	Public Issue of [●] Equity Shares of Rs.10 each at a Price of Rs. [●] per Equity Share (including a premium of Rs. [●] per Equity Share) for cash aggregating upto Rs. 15,000 Lacs ("The Issue"), by Aqua Logistics Limited (the "Company" Or the "Issuer"). The Issue will constitute [●]% of the fully diluted Post Issue Paid-up capital of our Company. The Net Issue to Public will constitute [●]% of the fully diluted Post Issue Paid-up capital of our Company.
Issue Management Team	The team managing this Issue as set out in the chapter titled 'General Information' in the Red Herring Prospectus
Issue Price	The final price at which Equity Shares will be issued and allotted in term of the Red Herring Prospectus. The Issue Price will be decided by our Company in consultation with the BRLMs on the Pricing Date

Term	Description
Issue Period	The Issue period shall be January 25, 2010 being the Bid/Issue Opening date, to January 28, 2010 being the Bid/Issue Closing date
Issue Proceeds	The proceeds of the Issue that will be available to our Company being upto Rs. 15,000 Lacs
Margin Amount	The amount paid by the Bidder (except ASBA Investor) at the time of submission of his/her Bid, which may range from 10% to 100% of the Bid Amount as applicable.
Mutual Funds	Mutual funds registered with SEBI under the SEBI (Mutual Funds) Regulations, 1996, as amended from time to time
Mutual Fund Portion	That portion of the Net Issue, being 5% of the QIB Portion or [●] Equity Shares shall be available for allocation on a proportionate basis to Mutual Funds only
Net QIB Portion	The portion of the QIB Portion less the number of Equity Shares allotted to the Anchor Investors, being a minimum of [●] Equity Shares to be allotted to QIB's on a proportionate basis.
Non Institutional Bidders	All Bidders that are not Qualified Institutional Buyers or Retail Individual Bidders and who have Bid for Equity Shares for an amount more than Rs.1,00,000
Non Institutional Portion	The portion of the Net Issue being not less than 15% of the Issue i.e. [●] Equity Shares of Rs.10 each available for allocation to Non Institutional Bidders on a proportionate basis, subject to receipt of valid Bids at or above the Issue Price
Overseas Corporate Body	A company, partnership, society or other corporate body owned directly or indirectly to the extent of at least 60% by NRIs including overseas trusts, in which not less than 60% of beneficial interest is irrevocably held by NRIs directly or indirectly and which was in existence on October 03, 2003 and immediately before such date had taken benefits under the general permission granted to Overseas Corporate Bodies under the FEMA. Overseas Corporate Bodies are not permitted to invest in this Issue.
Pay-in Date	Bid/Issue Closing Date or the last date specified in the CAN sent to Bidders receiving allocation who pay less than 100% Margin Amount at the time of bidding, as applicable and which shall with respect to Anchor Investors, be a date not later than two days after the Bid Closing Date.
Pay-in-Period	This term means (i) with respect to Bidders whose Margin Amount is 100% of the Bid Amount, the period commencing on the Bid/ Issue Opening Date and extending until the Bid/Issue Closing Date, (ii) with respect to Bidders whose Margin Amount is less than 100% of the Bid Amount, the period commencing on the Bid/Issue Opening Date and extending until the closure of the Pay-in Date as specified in the CAN and (iii) With respect to Anchor Investors, the Anchor Investor Bidding Date and the last date specified in the CAN which shall not be later than two days after the Bid Closing Date.
Physical ASBA Application / Bid	ASBA Bid-cum-Application Forms submitted by an ASBA Investor physically with the designated branches of the SCSBs.
Price Band	Being the Price Band of a minimum price (Floor Price) of Rs. 220 and the maximum price (Cap Price) of Rs. 230 and includes revisions thereof.
Pricing Date	The date on which our Company in consultation with the BRLMs finalizes the Issue Price
Prospectus	The prospectus to be filed with the RoC in terms of Section 60 of the Companies Act, containing, <i>inter alia</i> , the Issue Price that is determined at the end of the Book Building Process, the size of the Issue and certain other information.
Public Issue Account	Account opened with the Bankers to the Issue to receive monies from the Escrow Account and accounts of ASBA Investors for this Issue on the Designated Date.
Qualified Institutional Buyers or QIBs	“Qualified Institutional Buyer” means: (i) a mutual fund, venture capital fund and foreign venture capital investor registered with the Board; (ii) a foreign institutional investor and sub-account (other than a sub-account which is a foreign corporate or foreign individual), registered with the Board;

Term	Description
	<ul style="list-style-type: none"> (iii) a public financial institution as defined in section 4A of the Companies Act, 1956; (iv) a scheduled commercial bank; (v) a multilateral and bilateral development financial institution; (vi) a state industrial development corporation; (vii) an insurance company registered with the Insurance Regulatory and Development Authority; (viii) a provident fund with minimum corpus of twenty five crore rupees; (ix) a pension fund with minimum corpus of twenty five crore rupees; (x) National Investment Fund set up by resolution no. F. No. 2/3/2005-DDII dated November 23, 2005 of the Government of India published in the Gazette of India; (xi) Insurance funds set up and managed by Army, Navy or Air Force of the Union of India
QIB Portion	The portion of this Issue being not more than 50% (including Anchor Investor Portion) of the Issue, i.e. [●] Equity Shares of Rs 10 each available for allocation on proportionate basis to QIBs of which 5% shall be available for allocation on proportionate basis to Mutual Funds registered with SEBI, subject to valid bids being received at or above the Issue Price.
Refund Account	The no-lien account maintained by the Refund Bank(s) to which the surplus money shall be transferred on the Designated Date.
Refund Bank	The bank(s) which have been appointed / designated for the purpose of refunding the amount to investors (except ASBA Investors) either through the electronic mode as prescribed by SEBI and / or physical mode in accordance with the procedure contained in the Chapter titled "Issue Procedure" beginning on page 226 of the Red Herring Prospectus.
Resident Retail Individual Investor /Resident Retail Individual Bidder	A Retail Individual Bidder who is a "person resident in India" (as defined in Foreign Exchange Management Act, 1999)
Retail Discount	Discount of upto 10% of the Issue Price given to bidders in the Retail Portion in this case being Rs. 5 per Equity Share
Retail Individual Bidders	Individual Bidders (including HUFs and NRIs) who have not Bid for an amount more than Rs. 1,00,000 in any of the bidding options in this Issue (before the Retail Discount in any of the Bidding Options in the Issue)
Retail Portion	The portion of this Issue being not less than 35% of the Issue i.e. [●] Equity Shares of Rs. 10 each available for allocation to Retail Individual Bidder(s).
Revision Form	The form used by the Bidders to modify the quantity of Equity Shares or the Bid Price in any of their Bid-cum-Application Forms or any previous Revision Form(s)
Red Herring Prospectus/ RHP	The Red Herring Prospectus to be issued in accordance with Section 60B of the Companies Act, which will not have complete particular of the price at which the Equity Shares are offered and the size of 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 Prospectus after filing with the RoC after determination of the Issue Price
Registrar to the Issue or Registrar	In this case being, Link Intime India Private Limited
Self Certified Syndicate Bank (SCSB)	Self Certified Syndicate Bank (SCSB) is a Banker to an Issue registered under SEBI (Bankers to an Issue) Regulations, 1994 and which offers the service of ASBA, including blocking of bank account and a list of which is available on http://www.sebi.gov.in
Syndicate	The BRLMs and the Syndicate Member(s)
Syndicate Agreement	The agreement to be entered into between our Company, BRLMs and the Syndicate Member(s), in relation to the collection of Bids in this Issue

Term	Description
Syndicate Member(s)	Intermediaries registered with SEBI and eligible to act as underwriters. Syndicate Member(s) are appointed by the BRLMs in this case being Enam Securities Private Limited and Saffron Global Markets Private Limited.
TRS or Transaction Registration Slip	The slip or document issued by the Syndicate Member(s) to the Bidder as proof of registration of the Bid on the online system of BSE/NSE.
Underwriters	The BRLMs and the Syndicate Member(s).
Underwriting Agreement	The Agreement among the Underwriters and our Company to be entered into on or after the Pricing Date.

ISSUER RELATED TERMS

Term	Description
“Aqua Logistics Limited”, “Aqua Logistics”, “our Company”, “the Company”, “the Issuer Company”, “the Issuer” “we”, “us”, and “our”	Unless the context otherwise requires, refers to Aqua Logistics Limited, a public limited company incorporated under the Companies Act, 1956.
Articles/ Articles of Association	The Articles of Association of Aqua Logistics Limited
Auditors	The Statutory Auditors of our Company namely, M/s. Anil Nair & Associates, Chartered Accountants.
Board / Board of Directors	The Board of Directors of Aqua Logistics Limited unless otherwise specified or any committee constituted thereof
Memorandum/ Memorandum of Association	The Memorandum of Association of Aqua Logistics Limited
Objects of the Issue / Project	The present issue is being made to raise the funds for the following purposes: <ol style="list-style-type: none"> 1. Purchase of Specialized Equipments 2. Expansion and Establishment of Offices 3. To finance the funds required for Proposed acquisitions 4. Additional Working Capital Requirements 5. Public Issue expenses 6. General Corporate Purposes
Promoter(s)	Unless the context otherwise requires, refers to <ul style="list-style-type: none"> • Mr. Rajesh G. Uchil, • Mr. M. S. Sayad, • Mr. Harish G. Uchil • Mr. Gopalkrishna G. Uchil
Promoter–Director (s)	Unless the context otherwise requires, refers to Mr. Rajesh G. Uchil, Mr. M.S. Sayad, and Mr. Harish G. Uchil
Promoter Group Entities/ Group Companies / Associate Companies	<ul style="list-style-type: none"> • Harapa International Private Limited • Aqua Management Consulting Group Private Limited • Aqua Specialized Transport Private Limited • Trikon Electronics Private Limited • Lefworld Private Limited • Aqua PCW Private Limited
Registered Office of our Company	5th Floor, B–Wing, Trade Star Building, Andheri Kurla Road, Andheri (East), Mumbai – 400 059, Maharashtra, India.
RoC	Registrar of Companies, Maharashtra situated at Mumbai

INDUSTRY RELATED TERMS

Term	Description
3PL	Third party logistics
AWB	Air Way Bill
BCHAA	Bombay Custom House Agents Association
CHA	Custom House Agent
CHA License	Custom House Agent License
CSG	Customer Solutions Group
DFC	Dedicated Freight Corridor
DFCCIL	Dedicated Freight Corridor Corporation of India Limited
GRT	Gross Registration Tonnage
IATA	International Air Transport Association
ICD	Inland Container Depots
JNPT	Jawaharlal Nehru Port Trust
JIT	Just in Time
LSP	Logistics Service Providers
MRP	Maximum Retail Price
MT	Metric Tonnes
MTO	Multimodal Transport Operator
NMDP	National Maritime Development Plan
TEUs	Twenty Foot Equivalent Units

ABBREVIATIONS

Abbreviation	Full Form
AGM	Annual General Meeting
AS	Accounting Standards issued by the Institute of Chartered Accountants of India
ASBA	Applications Supported by Blocked Amount
BRLMs	Book Running Lead Managers
BSE	Bombay Stock Exchange Limited
Bn	Billion
CAIIB	Certified Associate of Indian Institute of Bankers
CAN	Confirmation of Allocation Note
CAGR	Compounded Annual Growth Rate
CB	Controlling Branch
CDSL	Central Depository Services (India) Limited
CENVAT	Central Value Added Tax
CESTAT	Central Excise and Services Tax Appellate Tribunal
CIN	Corporate Identification Number
DB	Designated Branch
DGFT	Directorate General of Foreign Trade
DIN	Director's Identification Number
DP	Depository Participant
DP ID	Depository Participant's Identification Number
ECS	Electronic Clearing System
EGM	Extraordinary General Meeting of the shareholders
EPS	Earnings per Equity Share
FCL	Foreign Currency Loans
FCNR Account	Foreign Currency Non Resident Account
FEMA	Foreign Exchange Management Act, 1999, as amended from time to time and the rules and regulations issued thereunder

Abbreviation	Full Form
FDI	Foreign Direct Investment
FII	Foreign Institutional Investor [as defined under SEBI (Foreign Institutional Investors) Regulations, 1995, as amended from time to time] registered with SEBI under applicable laws in India
FIPB	Foreign Investment Promotion Board
FIs	Financial Institutions
FMCG	Fast Moving Consumer Foods
FVCI	Foreign Venture Capital Investors registered with SEBI under the SEBI (Foreign Venture Capital Investor) Regulations, 2000
FY	Financial Year
GAAP	Generally Accepted Accounting Principles
GDP	Gross Domestic Product
GIR Number	General Index Registry Number
Gol / Government	Government of India
HNI	High Net Worth Individual
HUF	Hindu Undivided Family
IEM	Industrial Entrepreneur Memorandum
ICAI	Institute of Chartered Accountants of India
ICWAI	The Institute of Cost and Works Accountants of India
INR	Indian National Rupee
IPO	Initial Public Offering
MAPIN	Market Participant and Investor Database
MODVAT	Modified Value Added Tax
MNC's	Multi-National Corporations
Mn	Million
NAV	Net Asset Value
NEFT	National Electronic Fund Transfer
NR	Non-Resident
NRE Account	Non Resident (External) Account
NRI	Non-Resident Indian
NRO Account	Non Resident (Ordinary) Account
NSDL	National Securities Depository Limited
NSE	The National Stock Exchange of India Limited
OCB	Overseas Corporate Body
P/E Ratio	Price / Earnings Ratio
PAN	Permanent Account Number
PAT	Profit After Tax
PBT	Profit Before Tax
PPP	Public Private Partnership
RBI	The Reserve Bank of India
RoNW	Return on Net Worth
Rs.	Indian Rupees
RTGS	Real Time Gross Settlement
SCRA	Securities Contracts (Regulation) Act, 1956, as amended from time to time
SCRR	Securities Contracts (Regulation) Rules, 1957, as amended from time to time
SCSB	Self Certified Syndicate Bank
SEBI	The Securities and Exchange Board of India
SPV	Special Purpose Vehicle
TAN	Tax Deduction Account Number
TIN	Taxpayers Identification Number
TRS	Transaction Registration Slip

Abbreviation	Full Form
UIN	Unique Identification Number issued in terms of SEBI (Central Database of Market Participants) Regulations, 2003, as amended from time to time
UMPP	Ultra Mega Power Project
UoI	Union of India
WDV	Written Down Value
w.e.f	With effect from

SECTION II - GENERAL

PRESENTATION OF FINANCIAL INFORMATION AND USE OF MARKET DATA

Financial Data

Unless stated otherwise, the financial information used in the Red Herring Prospectus is derived from our Company's restated financial statements as of and for the six months period ended September 30, 2009 and financial years ended March 31, 2005, 2006, 2007, 2008 and 2009 prepared in accordance with Indian GAAP and the Companies Act and restated in accordance with SEBI (ICDR) Regulations, 2009, as stated in the report of our Auditors, Anil Nair and Associates, Chartered Accountants, *beginning on page 151 of the Red Herring Prospectus*.

Our Financial Year commences on April 1 and ends on March 31 of the ensuing calendar year. Unless stated otherwise, references herein to a Financial Year (e.g., Financial Year 2008), are to the Financial Year ended March 31 of that particular year.

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

There are significant differences between Indian GAAP and U.S. GAAP; accordingly, the degree to which the Indian GAAP financial statements included in the Red Herring Prospectus will provide meaningful information is entirely dependent on the reader's level of familiarity with Indian accounting practices, Indian GAAP, Companies Act and SEBI (ICDR) Regulations, 2009. Any reliance by persons not familiar with Indian accounting practices on the financial disclosures presented in the Red Herring Prospectus should accordingly be limited. Our Company has not attempted to explain these differences or 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 financial data.

Market and Industry Data

Unless stated otherwise, industry data used throughout the Red Herring Prospectus has been obtained or derived from industry publications and/or publicly available government documents. Industry publications or publicly available government documents generally state that the information contained therein has been obtained from sources believed to be reliable but that their accuracy and completeness are not guaranteed and their reliability cannot be assured. Accordingly, no investment decisions should be made based on such information. Although our Company believes that industry data used in the Red Herring Prospectus is reliable, it has not been verified by us or any other person connected with the Issue.

FORWARD LOOKING STATEMENTS

We have included statements in the Red Herring Prospectus which contain words or phrases such as “will”, “aim”, “is likely to result”, “believe”, “expect”, “will continue”, “anticipate”, “estimate”, “intend”, “plan”, “contemplate”, “seek to”, “future”, “objective”, “goal”, “project”, “should”, “will pursue” and similar expressions or variations of such expressions, that are “forward-looking statements”.

All forward looking statements are subject to risks, uncertainties and assumptions about us that could cause actual results to differ materially from those contemplated by the relevant forward-looking statement. Important factors that could cause actual results to differ materially from our expectations include but are not limited to:

- General economic and business conditions in the markets in which we operate and in the local, regional and national economies;
- Changes in laws and regulations relating to the industry in which we operate;
- Increased competition in Logistics industry;
- Our ability to successfully implement our growth strategy and expansion plans, and to successfully launch and implement various projects and business plans including those for which funds are being raised through this Issue;
- Our ability to meet our capital expenditure requirements;
- Fluctuations in operating costs;
- Our ability to attract and retain qualified personnel;
- Changes in technology;
- Changes in political and social conditions in India or in other countries that may adversely affect us (directly or indirectly), the monetary and interest rate policies of India and other countries, inflation, deflation, unanticipated turbulence in interest rates, equity prices or other rates or prices;
- The performance of the financial markets in India and globally; and
- Any adverse outcome in the legal proceedings in which we are involved.

For a further discussion of factors that could cause our actual results to differ, *please refer Section titled “Risk Factors” beginning on page 12 of the Red Herring Prospectus, and Chapters titled “Business Overview” and “Management’s Discussion and Analysis of Financial Condition and Results of Operations as Reflected in the Financial Statements” beginning on pages 106 and 188, respectively of the 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 nor the BRLMs, nor any of their respective affiliates have any obligation to update or otherwise revise any statements reflecting circumstances arising after the date hereof or to reflect the occurrence of underlying events, even if the underlying assumptions do not come to fruition. In accordance with SEBI requirements, our Company and the BRLMs will ensure that investors in India are informed of material developments until the time of grant of listing and trading permissions by the Stock Exchanges.

SECTION III - RISK FACTORS

RISK FACTORS

An investment in Equity Shares involves a high degree of financial risk. You should carefully consider all information in the Red Herring Prospectus, including the risks described below, before making an investment in our Equity Shares. This section addresses general risks associated with the industry in which we operate and specific risks associated with our Company. Any of the following risks, as well as the other risks and uncertainties discussed in the Red Herring Prospectus, could have a material adverse effect on our business, financial condition and results of operations and could cause the trading price of our Equity Shares to decline. In addition, the risks set out in the Red Herring Prospectus may not be exhaustive and additional risks and uncertainties, not presently known to us, or which we currently deem immaterial, may arise or become material in the future. Unless otherwise stated in the relevant Risk Factors set forth below, we are not in a position to specify or quantify the financial or other risks mentioned herein.

Materiality

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

- 1. Some risks may not be material individually but may be material when considered collectively.*
- 2. Some risks may have an impact which is qualitative though not quantitative.*
- 3. Some risks may not be material at present but may have a material impact in the future.*

PROJECT RELATED RISKS

- 1. *As the specific acquisition targets have not been identified, the fund deployment in this regard is uncertain.***

Our Company intends to use part of the proceeds up to Rs. 3,500.00 Lacs out of the total Issue proceeds for acquisitions as described in the paragraph titled "Proposed Acquisitions" beginning on page 65 under the Section titled 'Objects of the Issue' beginning on page 62 of the Red Herring Prospectus. This approximately forms 23.33% of the Issue Proceeds. We have not yet entered into any definitive agreements to utilize the funds allocated for acquisitions. There can be no assurance that we will be able to conclude definitive agreements for such expenditures on terms anticipated by us. As on the date of the Red Herring Prospectus, we have not yet identified specific acquisition targets.

- 2. *The objects of the Issue for which funds are being raised have not been appraised by any bank or financial institution. The deployment of funds in the project is entirely at our discretion and as per the details mentioned in the section titled "Objects of the Issue". Any revision in the estimates may require us to reschedule our Project expenditure and may have a bearing on our expected revenues and earnings.***

Our funding requirements and the deployment of the proceeds of the Issue are based on management estimates and have not been appraised by any bank or financial institution. We may have to revise our management estimates from time to time and consequently our funding requirements may also change. Our estimates for the project may exceed the value that would have been determined by third party appraisals and may require us to reschedule our project expenditure which may have a bearing on our expected revenues and earnings. Further, the deployment of the funds towards the objects of the Issue is entirely at the discretion of our Board of Directors and is not subject to monitoring by external independent agency. However, the deployment of funds is subject to monitoring by our audit committee.

3. *Failure to manage the integration of the businesses acquired or the performance of such businesses being below expectations may cause profitability and operations to suffer.*

We have identified inorganic growth as one of our avenues for growth and intend to acquire businesses which are strategically important for the growth of our Company. We also intend to enter into strategic relationships as a part of our strategy. We intend to acquire a foreign company to enhance our geographical reach in South East Asia. Further, it will also be cost effective, since we can outsource certain operations of the target company to India and improve our profitability. In India we intend to have our own set-up instead of making acquisitions to serve our customers in an efficient manner. Towards this we are establishing our presence in East India (Kolkata) and enhancing our presence in Delhi and Mumbai by opening new offices to cater to rail freight operations.

Since we are planning to acquire foreign company(s), we may require prior approval from relevant regulatory authorities within India or outside India, which we may not be able to conclude such acquisitions if we fail to obtain such approvals. Further, foreign acquisitions also involve risks related to integration of operations across different cultures and languages, currency risks and in particular economic, political and regulatory risks associated with doing business in other countries. Any failure to achieve successful integration of such acquisitions or investments could have an adverse effect on our business, results of operations or financial condition. Further, the acquisitions may not necessarily contribute to our profitability and may divert management attention or require us to assume a high level of debt or contingent liabilities. Also, our Company is not assured of any returns pursuant to such acquisitions. Lack of understanding by the Promoters and inability to adapt to the new setup may adversely affect our ability to fully implement our growth plans.

4. *We have not yet placed orders for specialised equipments aggregating Rs. 3,051.89 Lacs required by us. Any delay in placing the orders/ or supply of equipments may result in time and cost overruns, and may affect our profitability.*

We have not yet placed orders for specialised equipments aggregating 3,051.89 Lacs required by us which constitutes 100% of the total specialised equipments required. The expenditure on the specialised equipments is approximately 20.35% of the Issue Proceeds. Further, we are subject to risks on account of inflation in the price of specialised equipments. Our Company has received quotations for these equipments, and negotiations with the vendors have commenced. The details of quotations received appear in *paragraph titled "Purchase of Specialized Equipments" beginning on page 63 under the Section titled 'Objects of the Issue' beginning on page 62 of the Red Herring Prospectus*. Since the funding for the specialised equipments is from the IPO proceeds, any delay in access to IPO proceeds would eventually delay the process of placing the orders. The purchase of specialised equipments would require us to consider factors including but not limited to pricing, delivery schedule and after-sales maintenance. There may also be a possibility of delay at the suppliers' end in providing timely delivery of these equipments, which in turn may affect our capability to bid for bigger logistics tenders and may adversely affect our profitability.

5. *We have not made firm arrangements for funding of balance working capital requirement from Banks. The failure to obtain additional financing may adversely affect our ability to grow and our future profitability.*

Additional working capital requirement has been estimated at Rs. 7,363.86 Lacs for FY 2010, of which Rs. 4,500.00 Lacs would be funded out of the Issue Proceeds, whereas the balance amount i.e. Rs. 2,863.86 Lacs would be arranged by way of borrowings from Banks. However, as on date no arrangement for the same has been finalized by our Company. We cannot assure you that we will be able to raise additional financing on acceptable terms in a timely manner or at

all. Our failure to renew existing funding or to obtain additional financing on acceptable terms and in a timely manner could materially and adversely impact our planned capital expenditure, which, in turn, could materially and adversely affect our business, financial condition and results of operations.

- 6. *We are yet to apply for the Single Window clearance from Dubai Airport Free Zone Authority (DAFZA), for setting up our office in Dubai. Delay in receipt of the requisite regulatory approval or non-receipt of the same may impede our proposed expansion plans and would adversely affect our growth plans.***

We require the Single Window clearance from Dubai Airport Free Zone Authority (DAFZA), for setting up our office in Dubai. Non-receipt of the requisite approval, or delayed in receipt of the same, may delay our Project and would adversely affect our growth plans. For further details, please refer chapter titled “Government and Other Statutory Approvals” beginning on page 207 of the Red Herring Prospectus.

INTERNAL RISKS

- 7. *We are involved in certain legal proceedings which, if determined against us, could adversely affect our business and financial condition.***

Our Company is involved in certain legal proceedings and claims in relation to certain civil, criminal and tax matters incidental to its business and operations. These legal proceedings are pending at different levels of adjudication before various courts and tribunals. Any adverse decision may render us liable and may adversely affect our business and results of operations. A classification of these legal and other proceedings instituted against/by our Company is given in the following table:

a) Cases filed against our Company

Type of legal proceedings	Total number of pending cases	Amount Involved (Rs. in Lacs)
Civil cases	3	98.25
Income Tax matters	1	8.30
Potential Litigations	2	82.00

b) Cases filed by our Company

Type of legal proceedings	Total number of pending cases	Amount Involved (Rs. in Lacs)
Criminal Cases	13	22.50
Civil cases	4	41.17

The tables above do not include those penalties, interests and costs, if any, which may be imposed or which may have been pleaded but not quantified in the course of legal proceedings, or which the Court/Tribunal otherwise has the discretion to impose. The imposition and amount of such penalties/interests/costs are at the discretion of the court/tribunal where the case is pending. Such liability, if any, would crystallize only on the order of the court/tribunal where the case(s) is/are pending.

For further details regarding these legal proceedings, please refer to Chapter titled “Outstanding Litigations, Material Developments and Other Disclosures” beginning on page 200 of the Red Herring Prospectus.

- c) *We have received a legal notice dated November 21, 2009 by Wadia Ghandy & Co. on behalf of Blend Financial Services Limited which may lead to potential litigation.***

Our Company and our Promoters received a legal notice dated November 21, 2009 from Wadia Ghandy & Co. on behalf of Blend Financial Services Limited for payment of Rs. 72.00 Lacs together with interest @18% per annum from August 01, 2009 till date of payment and also for non disclosure of the previous legal notice dated August 05, 2009 issued by Corporate Law Chambers, Advocates on behalf of Blend Financial Services Limited. This may lead to legal proceedings and any adverse decision by any court/competent authority may render our Company or our Promoters liable to pay such amounts as may be decided which may adversely affect their business and results of operations. For further details regarding the aforesaid litigations, please refer chapter titled "Outstanding Litigations, Material Developments and Other Disclosures" beginning on page 200 of the Red Herring Prospectus.

8. Our Company has a negative cash flow in the past 5 years, details of which are given below. Sustained negative cash flow could impact our growth and business.

(Rs. in Lacs)						
Particulars	March 31, 2005	March 31, 2006	March 31, 2007	March 31, 2008	March 31, 2009	Sept 30, 2009
Cash flow from operating activities	(25.99)	(118.63)	(621.31)	(1,109.37)	(2,383.70)	-
Cash flow from investing activities	(76.24)	(401.02)	(50.18)	(407.04)	(704.40)	(1078.07)

Cash flow of a company is a key indicator to show the extent of cash generated from operations to meet capital expenditure, pay dividends, repay loans and make new investments without raising finance from external resources. If we are not able to generate sufficient cash flows, it may adversely affect our business and financial operations. *For further details please refer to the Section titled "Financial Information" and Chapter titled "Management's Discussion and Analysis of Financial Condition and Results of Operations as reflected in the Financial Statements" beginning on pages 151 and 188 of the Red Herring Prospectus.*

9. There are certain audit qualifications in the auditor's report of our previous financial years/periods. The details of the audit qualifications are reproduced as follows:

FY ended	Qualificatory Remarks	Amount Involved (Rs. in Lacs)
March 31, 2006	a.) Non compliance of Accounting Standard – 1 (issued by the Institute of Chartered Accountants of India), for non-provision of interest on loan of Rs. 63.00 Lacs	9.45
	b.) Non compliance of Accounting Standard – 11 (issued by the Institute of Chartered Accountants of India), with reference to accounting for effects of changes in foreign exchange rates.	Not quantifiable
March 31, 2007	a.) Non-Provision of accrued Gratuity liability for employees in accordance with the Accounting Standard 15 on Employee Benefits issued by Institute of Chartered Accountants of India.	7.35
	b.) Non confirmation of balances in parties' accounts and the consequential effects of the same on the profits, assets and liabilities of the company which are not ascertainable.	Not quantifiable
	c.) Non provision of bad and doubtful debts of Rs. 3.09 Lacs consequent to which, the profits of the company were overstated to that extent.	3.09

March 31, 2008	a.) Non confirmation of balances in parties' accounts and the consequential effects of the same on the profits, assets and liabilities of the company which are not ascertainable.	Not quantifiable
	b.) Non-Provision of accrued liability on Gratuity for employees in accordance with the Accounting Standard 15 on Employee Benefits issued by Institute of Chartered Accountants of India.	1.78
	c.) Non-payment of statutory dues amounting to Rs. 0.47 Lacs were outstanding as on 31st March 2008 for a period of more than six months from the date they became payable.	0.47
March 31, 2009	a.) Non confirmation of balances in parties' accounts and the consequential effects of the same on the profits, assets and liabilities of the company which are not ascertainable.	Not quantifiable
	b.) Disclaimer on valuation for the purpose of preferential allotment of shares to parties covered in the register maintained U/s 301 of the Companies Act, 1956.	Not quantifiable
	c.) Non-payment of outstanding statutory dues amounting to Rs. 37.39 Lacs were outstanding as on 31st March 2009 for a period of more than six months from the date they became payable#.	37.39
September 30, 2009	a.) Nonconfirmation of balances in parties' accounts and the cosequential effects of the same on the profits, assets and liabilities of the Company which are not ascertainable.	Not quantifiable

Our Company has made the adjustments for the above qualifications, wherever quantifiable in the restated financial statements, except for those which may not be quantified.

#The aforesaid sums have since been deposited with the appropriate authorities.

10. Some of the Group Companies promoted by our Promoters have incurred losses in the last three years. Sustained financial losses by our Group Companies may not be perceived positively by external parties such as customers, bankers, suppliers etc, which may affect our credibility and business operations.

The following Group Companies promoted by the Promoters have incurred losses in one or more of the last three years:

(Rs. In Lacs)		
Name of the Company	FY 2009	FY 2008
Harapa International Private Limited	(13.66)	(0.17)
Trikon Electronics Private Limited	-	(28.41)
Aqua Management Consulting Group Private Limited	(243.19)	-

11. Our Company operates under several statutory and regulatory permits, licenses and approvals. Our failure to obtain and/or renew any approvals or licenses in future may have an adverse impact on our business operations.

Our Company requires several statutory and regulatory permits, licenses and approvals to operate the business. Many of these approvals are granted for fixed periods of time and need renewal from time to time. Our Company is required to renew such permits, licenses and approvals. There can be no assurance that the relevant authorities will issue any of such permits or approvals in time or at all. Further, these permits, licenses and approvals are subject to several conditions, and our Company cannot assure that it shall be able to continuously meet such conditions or be able to prove compliance with such conditions to statutory authorities, and this may lead to cancellation, revocation or suspension of relevant permits/ licenses/ approvals. Failure by our Company to renew, maintain or obtain the required permits, licenses or approvals,

or cancellation, suspension or revocation of any of the permits, licenses or approvals which may result in the interruption of our Company's operations and may have a material adverse effect on the business. *For details please refer to Chapter titled "Government and Other Statutory Approvals" beginning on page 207 of the Red Herring Prospectus.*

12. *Our Company did not comply with Section 383A of the Companies Act, 1956 regarding the appointment of whole time company secretary. Such non-compliances may result into penalties or other action on our Company by the statutory authorities.*

Our Company did not comply with Section 383A of the Companies Act, 1956 regarding the appointment of wholetime Company Secretary for the year ended March 31, 2007 and March 31, 2008. No action has so far been initiated or taken by any statutory authority for the above non compliance. Further, our Company appointed Mr. Bhupendra N. Shah on November 17, 2008 as a full time Company Secretary.

13. *We are an asset light third party logistics company and hence may be constrained to bid for tenders which require higher level of equipment bank. The inability to bid for tenders may result in loss of business and adversely impact our business, future profitability and financial condition.*

We operate on an asset light business model which provides us with the flexibility to appoint vendors who would provide the specific equipments required for the goods to be transported. Many of our customers float tenders for projects and our Company bids for them. Many tenders have pre-requisites of certain equipment bank to be owned by the bidder, either by themselves or through the consortium. In case we do not fulfil the required pre-qualification criteria, we may not be able to bid for such contracts, which could adversely affect our turnover and profitability. Our Company in the past has not been able to participate in bids relating to projects that require owning of critical equipment bank as a pre requisite to bid for such contract. However, our Company proposes to acquire certain specialised equipments from the Issue Proceeds to enable us to bid for such tenders.

14. *We depend upon third parties to provide equipment and services. This may result in delays in delivering the cargo/service on time, which inturn may lead to customer dissatisfaction and loss of further business. This reliance could also cause delays in reporting certain events, including recognizing revenue and claims.*

Being a third party logistics provider, we do not own or control the transportation assets that deliver our customers cargo and we do not employ the people directly involved in delivering the cargo. We are dependent on independent third parties to provide freight services (truck, rail, ocean and air) and to report certain events to us including delivery information and freight claims. This reliance could cause delays in reporting certain events, including recognizing revenue and claims.

Some of our nearest competitors include multinational 3PLs like Expeditors International of Washington, Inc., Kuehne & Nagel Private Limited, DB Schenker, DHL Global, Agility Logistics Private Limited, Panalpina, CH Robinson Worldwide Inc, and Indian companies like Arshiya International Limited, Allcargo Global Logistics Limited, Gateway Distriparks Limited, Sical Logistics Limited, Transport Corporation of India Limited, AFL Private Limited, Jeena & Company Private Limited, J.M. Baxi & Co. amongst others. As per the CRISIL report of Indian Logistics Industry Outlook 2009-10 to 2013-14 the total estimated 3PL Market in India in about Rs. 47-50 billion in 2008-09. The total 3PL market share of our Company at the FY 2009 turnover of Rs. 21,340.05 Lacs is approximately 4.25% to 4.50%. If we are unable to secure sufficient equipment or other transportation services to meet our commitments to our customers, our operating results could be materially and adversely affected, and our customers could switch to our competitors temporarily or permanently.

15. Our top five clients contribute approximately 30% of our revenues for FY 2009. Any loss of business from one or more of them may adversely affect our revenues and profitability.

Our top five clients contribute approximately 30% of our revenues for FY 2009. However, the composition and revenue generated from these clients might change as we continue to add new clients in normal course of business. We intend to retain our customers by offering vertical based solutions to address specific logistics needs in a proactive, cost effective and time efficient manner. This helps us in providing better value to each customer thereby increasing our entrenchment with our new and existing customer base that presents a substantial opportunity for growth. Any decline in our quality standards, growing competition and any change in the demand for our services by these customers may adversely affect our ability to retain them. We cannot assure that we shall generate the same quantum of business, or any business at all, from these customers, and loss of business from one or more of them may adversely affect our revenues and profitability.

16. Our Company is operating in multiple industry verticals which may result in reduced focus on key verticals.

Our Company is operating in multiple industry verticals i.e. Power, Heavy Engineering, Pharmaceutical, Telecom, Retail, Sports and Events and has the necessary people and the skill sets to provide logistics services across these domains. Although such diversification limits risk of fluctuation in our profitability from business fluctuations in any of these domains, it could also result in reduced focus on one or any key vertical. This may result in loss of existing clientele, risk business continuity and future profitability from such verticals.

17. Our freight forwarding business depends upon our network of overseas agents for fulfilment of logistics needs of our customers. Our inability to maintain our relationships with our overseas sales agents or deficiency in the service provided by such agents may adversely affect our revenues and profitability.

We depend on our network of overseas agents for cargo handling, transportation, warehousing and timely delivery at the destination and load port for export cargo and import cargo respectively. For this purpose, we enter into agency agreements and co-operation agreements in the normal course of business with overseas agents. Any deficiency in the service levels of our overseas agents or termination of any such agency agreement can directly impact our business.

18. We may be unable to meet certain contractual obligations including timelines of delivery, due to which we could become liable to claims by customers, suffer adverse publicity and incur substantial costs as a result of deficiency in our services, which in turn could adversely affect our results of operations.

Many of our contracts involve providing services that are critical to the operations of our customers' business. Any failure or defect in services could result in a claim against us for substantial damages, regardless of our responsibility for such a failure or defect. In our Multimodal Transport Operator (MTO) contracts, we have commitments for safe and timely delivery of the cargo. Any failure to meet the scheduled timelines set by our customers or loss or damage to cargo may lead to our customers raising claims against us. Although we attempt to limit our contractual liability for all damages, including consequential damages, in rendering our services, we cannot be assured that the limitations on liability we provide for in our service contracts will be enforceable in all cases, or that they will otherwise be sufficient to protect us from liability for damages.

Further, in certain instances we may also be required to provide performance bank guarantees to our clients and in case we are not able to perform as desired, the clients may invoke the bank

guarantees to claim damages. A successful assertion of one or more large claims against us that exceeds our available insurance coverage or changes in our insurance policies, including premium increases or the imposition of a large deductible or co-insurance requirement, could adversely affect our financial condition and results of operations.

19. We are also in the business of Heavy Lift Transportation. In case of non identification of efficient method of transporting or not obtaining statutory permissions in this regard, our operations and profitability could be adversely affected.

Heavy Lift Transportation is also one of the services provided by our Company, which *inter alia* include route survey, equipment analysis and obtaining statutory permissions before the cargo is transported. In case the route survey conducted by us is inaccurate, or we are unable to identify another efficient method of transporting, or we fail to obtain statutory permissions, it could lead to time and/or cost overrun and/or failure to meet scheduled timeliness or damage to cargo which could adversely affect our operations and profitability.

20. We have certain contingent liabilities, which have not been provided for. Crystallization of any of these contingent liabilities may adversely affect our financial condition.

The Contingent liabilities of our Company not provided for, as certified by our statutory auditors are as under:

(Rs. In Lacs)		
Sr. No.	Nature of Liability	As on 30.09.09
1)	Claims against our Company not acknowledged as debts	89.00
2)	Bills discounted	738.00
	Total	827.00

In the event any of these contingent liabilities gets crystallized, our financial condition may be adversely affected. *For further information please refer "Annexure 19" beginning on page 177 under Chapter titled "Auditors' Report and Financial Information of our Company" beginning on page 151 of the Red Herring Prospectus.*

21. Our ability to pay dividends will depend upon future earnings, financial condition, cash flows, working capital requirements, capital expenditures, lender's approvals and other factors.

Till date our Company has not paid any dividends and has had negative cash flows from operating and investing activities in the past three financial years. The amount of our future dividend payments, if any, will depend upon our future earnings, financial condition, cash flows, working capital requirements, capital expenditures, lender's approvals and other factors. There can be no assurance that we shall have distributable funds or that we will declare dividends in the future. Additionally, the terms of any financing we obtain in the future, may contain restrictive covenants which may also affect some of the rights of our shareholders, including the payment of the dividend.

22. Our success depends largely upon the services of our Promoters, Executive Directors and other key managerial personnel and our ability to retain them. Our inability to attract and retain key managerial personnel may adversely affect the operations of our Company.

Our Company and our Promoters have over the years built relations with suppliers, clients and other persons who are connected with our business. Further, our key managerial personal also possess the requisite domain knowledge to provide efficient services to our clients. Accordingly, our Company's performance is dependent upon the services of our Promoters, our Executive Directors and other key managerial personnel. Our future performance will therefore depend

upon the continued services of these persons. It is possible that we may lose our skilled and trained staff to our competitors and high attrition rates in particular, could result in a loss of domain and process knowledge. The employee attrition rates for the FY 2007, 2008 and 2009 were 1.59%, 2.56% and 4.50% respectively. Demand for key managerial personnel in the industry is intense and our inability to attract and retain key managerial personnel may affect the operations of our Company. Our expansion of operations has placed added demands on our management. Continued expansion depends in large part on our ability to develop successful employees into managers.

23. We rely extensively on our IT systems to provide connectivity across our business functions through our software, hardware and network systems. Any failure in our IT systems or loss of connectivity or any loss of data arising from such failure can adversely impact our operations/service levels.

Any failure of our IT systems could disrupt our ability to track and trace our consignments. Computer viruses could cause an interruption to the availability of our systems. Unauthorized access to our systems with malicious intent could result in the theft of proprietary information and in systems outages. An unplanned systems outage or unauthorized access to our systems could materially and adversely affect our business. However, there have been no cases of systems breakdown in the past in our Company. For the purpose of maintaining the systems integrity and security we use licensed software and have installed antivirus on all the computers/laptops and have also installed firewalls to block unauthorised access to our systems. We take daily back-up of all the critical data. We also have an in-house IT team to take care of system security and maintenance. Further, to provide continuous connectivity across our business functions, we have broadband connectivity in all our offices and also have back-up internet connectivity through telephone lines.

24. Delays or defaults in client payments could result in a reduction of our profits.

We may be subject to working capital shortages due to delays or defaults in payment by clients. If clients default in their payments to which we have devoted significant resources it could have a material adverse effect on our business, financial condition and results of operations and could cause the price of our Equity Shares to decline.

25. We have entered into related party transactions aggregating Rs. 785.61 Lacs for the 6 months period ended September 30, 2009. Such transactions or any future transactions with related parties may potentially involve conflicts of interest and impose certain liabilities on our Company.

Our Company has entered into certain Related Party Transactions with the Promoters, Directors, Promoter Group, and Group Concerns/Entities. The total amount of related party transactions for the 6 months period ended September 30, 2009 aggregate Rs. 785.61 Lacs as under:

		(Rupees in Lacs)
Name of the Party	Nature of Transaction	September 30, 2009
Rajesh G. Uchil	Salary	16.80
	Advance / Loan Repayment	8.65
	Rent Paid	2.24
M. S. Sayad	Salary	16.80
	Advance / Loan Repayment	6.34
	Rent Paid	6.26
Harish G. Uchil	Salary	14.00
	Advance / Loan Repayment	5.89

	Rent Paid	2.24
Harapa International Pvt. Ltd.	Advance for Software Services	22.36
Aqua Specialized Transport Pvt. Ltd.	Transport Services	29.62
	Advance paid to Services	56.85
	Share Application Money	240.00
Aqua Management Consulting Group Pvt. Ltd.	Advance paid for Services	49.86
	Share Application Money	300.00
Aqua PCW Pvt. Ltd	Advance / Loan Repayment	0.18
Lefworld Pvt. Ltd.	Advance / Loan Repayment	2.21
Parvathi Uchil	Rent Paid	2.40
Gopalkrishna G. Uchil	Advance / Loan Repayment	0.80
	Rent Paid	2.10

There can be no assurance that such transactions, individually or in the aggregate, will not have an adverse effect on our financial condition and results of our operations. For further information please refer “Annexure 18” beginning on page 175 under Chapter titled “Auditors’ Report and Financial Information of our Company” beginning on page 151 of the Red Herring Prospectus.

- 26. Our Company has taken on leave and licence, properties owned by our Promoters, Mr. M.S. Sayad, Mr. Rajesh G. Uchil, Mr. Harish G. Uchil and Mr. Gopalkrishna G. Uchil. If the agreements under which we occupy the premises are not renewed or renewed on such terms and conditions that are unfavorable to us, we may suffer a disruption in our operations which could have a material adverse effect on our business and operations. The details of these properties are as under:**

Sr. No.	Details of the Agreement	Description of the Property	Validity	Rent paid	Usage
1.	Leave and License Agreement dated May 21, 2009 entered into by and between M. S. Sayad and Aqua Logistics Limited.	B 202, Oxford Chamber, opposite Saki Vihar Telephone Exchange, Saki-Vihar Road, Powai, admeasuring 635 sq. ft.	Commencing from May 21, 2009 till April 20, 2010.	Monthly Rent: Rs. 1,25,625	Commercial and business purposes
2.	Leave and License Agreement dated May 21, 2009 entered into by and between Mr. Rajesh G. Uchil and Aqua Logistics Limited	C-5, Ankur Co-operative Housing Society Limited, behind Mukund Hospital, village Kondivita, Marol pipeline, Andheri (east), Mumbai – 400 059 admeasuring 625 sq. ft.	Commencing from May 22, 2009 till April 21, 2010.	Monthly Rent: Rs. 45,000	Company Guest house
3.	Leave and License Agreement dated May 22, 2009 entered into by and between Mr. Harish G. Uchil and Aqua Logistics	C-6, Ankur Co-operative Housing Society Limited, behind Mukund Hospital, village Kondivita, Marol	Commencing from May 22, 2009 till April 21, 2010.	Monthly rent: Rs. 45,000	Company Guest house

	Limited.	pipeline, Andheri (East), Mumbai – 400 059 admeasuring 625 sq. ft.			
4.	Leave and License Agreement dated June 5, 2009 entered into and by Mr. Gopalkrishna G. Uchil and Aqua Logistics Limited.	A/7, Swami Shivanand Co-operative Housing Society Limited, Cardinal Gracias Road, Chakala, Andheri (East), Mumbai – 400099 admeasuring 700 sq. ft.	Commencing from 1 st June 2009 till 31 st April 2010.	Monthly rent: Rs. 75,000	Company Guest house

- 27. Our branch offices, from where we operate, are either taken on leave and licence or are leased. Discontinuation of lease agreements may require us to vacate such premises which may have an adverse impact on our business continuity and profitability. Further the lease deeds/agreements entered into by our Company are not adequately stamped and registered.**

If any of the owners of the premises of our branch offices, do not renew the agreements under which we occupy the premises or renew such agreements on terms and conditions that are unfavorable to us, we may suffer a disruption in our operations which could have a material adverse effect on our business, financial condition and results of operations. The lease deeds/agreements entered into by our Company for its branch offices are not adequately stamped and/or registered. The potential consequence of this could be that the said lease documents may not be admissible as evidence in a court of law, until the relevant stamp duties are paid and the relevant registration, if required, is done. Any claim or adverse order/ finding in connection with these properties could adversely affect the operations of our Company. For further information please refer paragraph titled "Property" beginning on page 115 under Chapter titled "Business Overview" beginning on page 106 of the Red Herring Prospectus.

- 28. For the year ended March 31, 2009, our Company has not provided for the decline in the value of investment by Rs. 58.93 Lacs. Further, for the 6 months period ended September 30, 2009, our Company has not provided for the decline in the value of investment by Rs. 1.02 Lacs. Accordingly, the profits are overstated to the above extent. Decline in the value of the Investments at the time of their sale may have adverse effect on the financial condition of our Company.**

For the Financial Year ended March 31, 2009 the total quoted investments made by our Company aggregated Rs. 108.30 Lacs and unquoted investment of Rs. 138.13 Lacs. The market value of quoted investments as on March 31, 2009 was Rs. 49.38 Lacs. Hence the decline in the value of investments was of Rs. 58.93 Lacs.

For the 6 months period ended September 30, 2009 the total quoted investments made by our Company aggregated Rs. 10.52 Lacs and unquoted investment of Rs. 513.13 Lacs. The market value of quoted investments as on September 30, 2009 was Rs. 9.51 Lacs. Hence the decline in the value of investments was of Rs. 1.02 Lacs.

No provision has been made in respect of the book value and market value of quoted investments for the above periods, since the investments are long-term in nature and valued at cost. Further, the decline in the value of investments is not permanent in nature. The auditors'

have not made any qualifications with regard to this non-provisioning for the decline in the value of investments.

29. *Some of our Promoter Group Companies have objects similar to that of our Company's business and this could lead to a potential conflict of interest between promoter Group Entities.*

Some of our Promoter Group Companies i.e. Aqua Management Consulting Group Private Limited, Lefworld Private Limited and Aqua PCW Private Limited, have some of the objects similar to that of our Company's business. Further, Aqua Specialized Transport Private Limited is currently engaged in the business of transportation, loading, unloading of goods, materials or other things in any form. As on the date of filing the Red Herring Prospectus, the aforesaid entities are not carrying any business competing with that of our Company, and currently we do not have any non-compete agreement/arrangement with any of our Promoter Group Entities.

30. *Our Company may face risks arising from any disproportionate increase in labour costs including in relation to increased wage/salary demands, labour unrest, or claims arising from accidents. Though in the past, we have not experienced any labour/manpower unrest in our organisation due to the factors mentioned above, we cannot assure you that such unrest will not occur in the future, as a result of which our business operations and financial performance may be adversely impacted.*

As on January 06, 2010, our Company has manpower strength of 148 employees. Our employee strength may increase with increase in our operations. At present, our Company's staff/workmen are not represented by any labour unions. Though in the past, we have not experienced any labour/manpower unrest in our organisation there is no assurance that we will not experience future disruptions to its business operations due to problems with its workforce. In FY 2009, the staff cost constituted about 4.96% of our Company's cost of operations. In the event the cost of labour continues to increase, we may be unable to pass on the additional increase to our customers due to market conditions and pricing pressure from our competitors. This would result in our Company being required to absorb the additional increase in cost, which may have a material adverse effect on our profitability. Any upward revision of the prescribed minimum wage or other benefits required to be paid to our workers (including in the event of injuries or death sustained in course of employment, dismissal or retrenchment), or unavailability of the required number of labour in future, may adversely affect the revenues and operations of our Company.

31. *Demand for our services may decrease during an economic recession which may adversely affect our profitability and financial condition.*

The transportation industry historically has experienced cyclical fluctuations in financial results due to economic recession, downturns in business cycles of our customers, fuel shortages, price increases by carriers, interest rate fluctuations, and other economic factors beyond our control. Carriers can be expected to charge higher prices to cover higher operating expenses, and our gross profits and income from operations may decrease if we are unable to pass through to our customers the full amount of higher transportation costs. If economic recession or a downturn in our customers business cycles causes a reduction in the volume of freight shipped by those customers, our operating results could also be adversely affected.

32. *Some of the cargos may be hazardous in nature, in case of any accident involving hazardous goods, we may be liable for damages and subsequent litigations.*

We depend on third party carriers' capability to handle hazardous cargo. Any mishandling of hazardous substances by these carriers could affect our business adversely. These hazards can cause personal injury and loss of life, severe damage to and destruction of property and equipment, environmental damage and may result in the suspension of operations and the

imposition of civil and criminal liabilities. Liabilities incurred as a result of these events have the potential to adversely impact our financial position.

33. Mishaps or accidents could result in a loss or slowdown in operations and could also cause damage to life and property.

The services provided by our Company are subject to operating risks, including but not limited to, breakdown or accidents & mishaps. While, till date, there have not been any incidents involving mishaps or major accidents, we cannot assure that these may not occur in the future. Any consequential losses arising due to such events will affect our operations and financial condition.

34. Insurance cover available for certain risks as is customary in our business may be inadequate and may not protect us from entire liability for damages in case of any unforeseen adverse event.

Although we attempt to limit and mitigate our liability for damages arising from negligent acts, errors or omissions through contractual provisions and/or insurance, the indemnities set forth in our contracts and/ or our insurance may not be enforceable in all instances or the limitations of liability may not protect us from entire liability for damages. A successful assertion of one or more large claims against us could adversely affect the results of our operations. Brief details of the insurance policies taken by our Company are given hereunder:

Sr. No.	Policy Details	Name of the Insurance Company	Total Amount
1.	Standard Fire and Special Perils Policy bearing No. 112500/11/09/11/00000267 for the office premises situated at: 5 th Floor, Trade Star Building, Andheri Kurla Road, Mumbai – 400059.	The New India Assurance Company Limited	Insurance covered for Rs. 49,00,000/- Premium: Rs. 2,973/-

Apart from the above mentioned policies, we have obtained insurance policies for the vehicles owned by our Company.

We have not claimed any losses against our insurance policy cover, except in one instance in November 2006, for damage to our office interior, air-conditioning system, fire alarm system etc, due to fire in our office building on July 31, 2006. We had filed a damage claim of Rs. 5.02 Lacs, for which we received a claim amount of Rs. 0.15 Lacs in January 2008.

35. Certain Equity Shares of our Promoters are pledged with Non Banking Financial Company (NBFC) and in case the pledge is enforced, the shareholding of our Promoters will get reduced to that extent.

As on date, 2,00,000 Equity Shares of the Promoters of our Company which form 1.47% of the total pre-Issue paid-up equity capital of our Company, have been pledged in favour of Global Trade Finance Limited, a NBFC. In case of non-fulfilment of financial obligations, Global Trade Finance Limited has the right to sell/transfer the pledged shares without any notice to our Promoters and/or our Company.

36. We have issued Equity Shares in the last twelve months, the price of which may be lower than the Issue Price.

Our Company has issued 5,00,000 Equity Shares at Rs. 225 per Equity Share on August 4, 2009 to Subhkam Ventures (I) Private Limited. Further, our Company has also issued 68,491 Equity Shares to Enam Shares & Securities Private Limited and 1,33,204 Equity Shares to HT Media

Limited on August 04, 2009 for consideration other than cash. The price at which the Equity Shares were issued in last twelve months may be less than the Issue Price and is not indicative of the price which may be offered in this Issue. *For further details of Equity Shares issued, please refer to Chapter titled, 'Capital Structure' beginning on page 48 of the Red Herring Prospectus.*

37. Our Company is subjected to certain restrictive covenants under the Shareholders' Agreement entered into by our Company

The restrictive covenants in the Shareholders' Agreements entered into by our Company require us to obtain prior written consent for, among other things, changes in our Company's capital structure, issue of new shares and disposing of a substantial portion of its assets. There can be no assurance that our Company will be able to comply with these financial or other covenants or that it will be able to obtain mandatory consents to take certain actions which our Company believes are necessary for its operation and growth. We have received no objection certificate from the investors for the proposed Issue. *For details, please refer to the paragraph titled "Shareholders Agreements" beginning on page 127 under the Chapter titled "History and Other Corporate Matters" beginning on page 123 of the Red Herring Prospectus.*

38. Our Company and our Group Companies have unsecured loans, which are repayable on demand. Any demand from lenders for repayment of such unsecured loans, may adversely affect our business operations and financial condition of our Group.

As per our standalone financial statements, as on September 30, 2009, we have unsecured loan of Rs. 1.82 Lacs which is repayable on demand. For further details of these unsecured loans, please refer to chapter titled "Auditors' Report and Financial Information of Our Company" beginning on page 151 of this Red Herring Prospectus. Further, our following Group Companies also have unsecured loans which are repayable on demand:

(Rs. Lacs)

Sr. No.	Name of the Group Company	Unsecured Loans as at 31.03.2009
1)	Harapa International Private Limited	297.66
2)	Trikon Electronics Private Limited	83.45
3)	Aqua Management Consulting Group Private Limited	47.15

Any demand from lenders for repayment of such unsecured loans, the cash outgo, may adversely affect our business operations and operations of our Group Companies. Further it may also adversely impact the financial position of our group.

EXTERNAL RISK FACTORS

39. Global economic, political and social conditions may harm our ability to do business, increase our costs and negatively affect our stock price.

Global economic and political factors that are beyond our control, influence forecasts and directly affect performance. These factors include interest rates, rates of economic growth, fiscal and monetary policies of governments, inflation, deflation, foreign exchange fluctuations, consumer credit availability, consumer debt levels, unemployment trends, terrorist threats and activities, worldwide military and domestic disturbances and conflicts, and other matters that influence consumer confidence, spending and tourism. Increasing volatility in financial markets may cause these factors to change with a greater degree of frequency and magnitude.

40. Any disruption in the supply of power, IT infrastructure, telecom lines and disruption in internet connectivity could disrupt our business process or subject us to additional costs.

Any disruption in basic infrastructure or the failure of the Government to improve the existing infrastructure facilities could negatively impact our business since we may not be able to provide timely or adequate services to our clients. We do not maintain business interruption insurance and may not be covered for any claims or damages if the supply of power, IT infrastructure, internet connectivity or telecom lines is disrupted. This may result in the loss of a client, impose additional costs on us and have an adverse effect on our business, financial condition and results of operations and could lead to decline in the price of our Equity Shares.

41. *Terrorist attacks and other acts of violence or war involving India, the United States, and other countries could adversely affect the financial markets, result in a loss of business confidence and adversely affect our business, results of operations and financial condition.*

Terrorist attacks and other acts of violence or war, including those involving India, the United States or other countries, may adversely affect Indian and worldwide financial markets. These acts may also result in a loss of business confidence and have other consequences that could adversely affect our business, results of operations and financial condition. Increased volatility in the financial markets can have an adverse impact on the economies of India and other countries, including economic recession.

42. *The price of our Equity Shares may be highly volatile, or an active trading market for its Equity Shares may not develop.*

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

- Volatility in the Indian and global securities market;
- Our results of operations and performance, in terms of market share;
- Performance of the Indian economy;
- Changes in Government policies;
- Changes in the estimates of our performance or recommendations by financial analysts;
- Perceptions about our future performance or the performance of Indian Logistics companies generally;
- Performance of the Company's competitors in the Indian Logistics Industry and market perception of investments in the Indian Logistics Industry;
- Adverse media reports on our Company or the Indian Logistics Industry;
- Significant developments in India's economic liberalization and deregulation policies; and
- Significant developments in India's fiscal and environmental regulations.

43. *The Issue Price of our Equity Shares may not be indicative of the market price of our Equity Shares after the Issue and the market price of our Equity Shares may decline below the Issue Price and you may not be able to sell your Equity Shares at or above the Issue Price.*

The Issue Price of our Equity Shares will be determined on the basis of the Book Building Process. This price will be based on numerous factors (*For further information please refer Chapter titled "Basis for Issue Price" beginning on page 73 of the Red Herring Prospectus.*) and may not be indicative of the market price of our Equity Shares after the Issue. The market price of our Equity Shares could be subject to significant fluctuations after the Issue, and may decline below the Issue Price. We cannot assure you that you will be able to sell your Equity Shares at or above the Issue Price. Among the factors that could affect our share price are:

- Quarterly variations in the rate of growth of our financial indicators, such as earnings per share, net income and revenues;
- Changes in revenue or earnings estimates or publication of research reports by analysts;

- Speculation in the press or investment community;
- General market conditions; and
- Changes in economic, legal and regulatory factors (both domestic and international) unrelated to our performance such as global recession, imposition of trade / non trade barriers and sanctions etc.

44. You will not be able to immediately sell any of our Equity Shares purchased through this Issue on Stock Exchanges until the receipt of appropriate trading approvals from Stock Exchanges.

Our Equity Shares will be listed on the NSE and the BSE. Pursuant to Indian regulations, certain actions must be completed before the Equity Shares can be listed and trading may commence. Investors demat accounts with depository participants in India are expected to be credited within two working days of the date on which the basis of allotment is approved by the Designated Stock Exchange. Thereafter, upon receipt of trading approval from the Stock Exchanges, trading in the Equity Shares is expected to commence within seven working days of the date on which the basis of allotment is approved. We cannot assure you that the Equity Shares will be credited to investors' demat accounts, or that trading in the Equity Shares will commence, within the time periods specified above. Any delay in obtaining the approvals would restrict your ability to dispose of your Equity Shares.

Prominent Notes to Risk Factors:

1. Investors may contact the BRLMs or the Compliance officer for any complaint/clarification/information pertaining to the issue. *For contact details of the BRLMs and the Compliance Officer, please refer to Chapter titled "General Information" beginning on page 37 of the Red Herring Prospectus.*
2. Pre-Issue Net worth of our Company as on March 31, 2009 is Rs. 5,580.19 Lacs and as on September 30, 2009 is Rs. 7,541.64 Lacs.
3. Size of the Present Issue – Public Issue of [●] Equity Shares of Rs.10 each at a Price of Rs. [●] per Equity Share for (including a premium of Rs. [●] per Equity Share) cash aggregating upto Rs. 15,000 Lacs ("The Issue"), by Aqua Logistics Limited (the "Company" Or the "Issuer"). The Issue will constitute [●]% of the fully diluted Post Issue Paid-up capital of our Company. The Net Issue to Public will constitute [●]% of the fully diluted Post Issue Paid-up capital of our Company.
4. The average cost of acquisition of Equity Shares of our Promoters is given below:

Sr. No	Name of our Promoters	Average cost of acquisition of shares (Rs.)
1.	Mr. Rajesh G. Uchil	1.87
2.	Mr. M. S. Sayad	7.61
3.	Mr. Harish G. Uchil	2.16
4.	Mr. Gopalkrishna G. Uchil	1.74

For further details relating to the allotment of Equity Shares to our Promoters, Promoter Group and other Entities, please refer to the Chapter titled "Capital Structure" beginning on page 48 of the Red Herring Prospectus.

5. Book value of the Equity Shares of our Company as on March 31, 2009 is Rs. 43.18 per Equity Share and as on September 30, 2009 is Rs. 55.13 per Equity Share.

6. The details of the business interest of our Group Companies are appearing under *Related Party Transactions*, “Annexure 18” beginning on page 175 under Chapter titled “Auditors’ Report And Financial Information of our Company” beginning on page 151 of the Red Herring Prospectus.
7. Our Company has entered into following transactions with our Group Companies for the FY 2009 and the 6 months period ended September 30, 2009:

(Rs. in Lacs)

Sr. No	Particulars	Nature of Transaction	March 31, 2009	September 30, 2009
1	Harapa International Pvt. Ltd.	Purchase of Software	227.00	-
		Advance for software services	-	22.36
2	Aqua Specialized Transport Pvt. Ltd.	Transport Services	24.30	29.62
		Advance paid to services	-	56.85
		Share Application Money	375.00	240.00
3	Aqua Management Consulting Group Pvt. Ltd.	Advance paid for Services	93.90	49.86
		Share Application Money	463.25	300.00
4	Aqua PCW Pvt. Ltd.	Advance	-	0.18
5	Lefworld Pvt. Ltd.	Advance	-	2.21

8. Our Company was converted into a public limited company *vide* fresh Certificate of Incorporation dated March 05, 2009 and subsequently the name of our Company was changed to “Aqua Logistics Limited”.
9. No part of the Issue proceeds will be paid as consideration to Promoters, Promoter Company, Directors, Key Managerial Personnel, Associate Companies or Group Companies.
10. For details of liens and hypothecation on the movable and immovable properties and assets of our Company *please refer* “Annexure 13” beginning on page 170 under Chapter titled “Auditors’ Report And Financial Information of our Company” beginning on page 151 of the Red Herring Prospectus.
11. There are no contingent liabilities as on March 31, 2009 and September 30, 2009, except as mentioned in “Annexure 19” beginning on page 177 under Chapter titled “Auditors’ Report And Financial Information of our Company” beginning on page 151 of the Red Herring Prospectus.
12. Investors may please note that in the event of over-subscription, allotment shall be made on a proportionate basis in consultation with BSE, the Designated Stock Exchange.
13. Our Company and the BRLMs shall update the Red Herring Prospectus in accordance with the Companies Act, 1956. All information shall be made available by our Company and the BRLMs 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 shows, presentations, in research or sales reports, at bidding centres etc.
14. Trading in Equity Shares for all investors shall be in dematerialized form only.
15. There are no financing arrangements whereby the Promoter Group, the Directors of our Company and their relatives have financed the purchase by any other person of securities of

our Company during the period of six months immediately preceding the date of filing Red Herring Prospectus with the Board.

16. This Issue is being made through a 100% Book Building Process wherein not more than 50% of the Issue shall be allocated on a proportionate basis to Qualified Institutional Buyers. Further, our Company may allocate upto 30% of the QIB Portion to Anchor Investors at the Anchor Investor Issue Price on a discretionary basis, out of which atleast one-third will be available for allocation to Domestic Mutual Funds only. In the event of under subscription in Anchor Investors Portion, the balance Equity Shares shall be added to the Net QIB Portion. 5%, of the Net QIB Portion shall be available for allocation on a proportionate basis to Mutual Funds only. The remaining of the Net QIB portion shall be available for allocation on a proportionate basis to QIBs including Mutual Funds, subject to valid Bids being received from them at or above the Issue Price. Further, not less than 15% of the Issue shall be available for allocation on a proportionate basis to Non Institutional Bidders and not less than 35% of the Issue shall be available for allocation on a proportionate basis to Retail Individual Bidders, subject to valid Bids being received at or above the Issue Price.

SECTION IV - INTRODUCTION

SUMMARY

You should read the following summary together with the Risk Factors and the more detailed information about us and our financial data included in the Red Herring Prospectus. Unless otherwise indicated, all financial and statistical data relating to the industry in the following discussion is derived from internal Company reports & data, industry publication and estimates. This data has been reclassified in certain respects for purposes of presentation. For more information, please refer to Chapter titled "Forward Looking Statements" and "Presentation of Financial Information and Use of Market Data" beginning on page. 11 & 10 respectively of the Red Herring Prospectus.

SUMMARY ABOUT THE INDUSTRY

Logistics is defined as managing the flow of raw materials, in-process inventory, finished goods from point of origin to point of consumption. In layman's terms, it is all that goes into ensuring that goods reach the right place at the right time. While almost all industrial activity is supported by logistics, it has traditionally been perceived as a cost centre and has not been viewed as strategic tool which can lead to efficient business operations.

The estimated overall Indian Logistics spend is at Rs. 2.7 trillion in the year 2008 – 2009, which includes only primary transport modes and infrastructure, equivalent to around 8.2% of the GDP and if the secondary movement (from the hub to various depots) is also included, this shoots up to 10.70 % which is significantly higher than those of developed nations where it averages 5-7 % of the GDP.

The growth that India is likely to witness in the near future will only help in expanding the logistics sector. Higher logistics spend as percentage of GDP can be attributed to the overall inefficiency in logistics operations, multiple tax structures, inadequate infrastructure and unorganised nature of the industry in India.

(Source: Crisil Research Report on Logistics, September 2009)

Components of Logistics Industry

	2008 – 2009 (E) (Rs. In Bn)	2013 -2104 (P) (Rs. In Bn)	CAGR (2008-09 – 2013-14) (%)
Total Logistics Industry	2762.2	4642.1	10.9
Road	1789.2	3150.1	12.0
Rail	547.2	814.3	8.3
Coastal	46.4	69.3	8.3
Pipeline	67.3	110.6	10.5
Cold Storage	82.7	136.2	10.5
Warehousing	193.7	299.7	9.1
CFS/ICD	35.6	61.9	11.7

E=Estimated; P=Projected

(Source: Crisil Research Report on Logistics, September 2009)

THIRD PARTY LOGISTICS IN INDIA

(Source: Crisil Research Report on Logistics, September 2009)

The Logistics industry in India is undergoing a change to a system wherein a single player handles majority of a company's logistics operations. These players are referred to as 3PL players who typically specialize in integrated transportation and warehousing services that can be customized to meet the company's needs. The need for controlling logistics costs and increasing need to focus on core competencies are driving more and more companies to look for such 3 PL players.

Growth and future of 3PL Market in India

CRISIL Research has estimated the 3PL market in India at Rs 47-50 billion in 2008-09, which is expected to grow at a CAGR of 27% to Rs 162-165 billion by 2013-14. 3PL penetration has been the highest in sectors such as cars and organized retail. The segment is also gaining importance in other sectors such as IT hardware and FMCG. The share of 3PL in the overall logistics market is expected to increase from around 1.5 - 2.0% in 2008-09 to around 3.5 – 4 % by 2013-14. The benefits would accrue in the form of:

The logistics value chain consists of three key links or segments – (A) **Transportation**, (B) **Warehousing** and (C) **Value Added Services**. Value added services arise from leveraging core transportation and warehousing assets and hence may differ significantly by the mode of logistics.

(A) Transportation

CRISIL Research estimates the total size of the transport industry (comprising all four modes; Road, Rail, Sea, Air) to be Rs. 2,450.1 billion; of this road transport accounts for Rs. 1,789.2 billion. The transportation industry is expected to grow at a CAGR of 11.1% to reach Rs. 4,144.3 billion by 2013-14.

(B) Warehousing

The warehousing industry is a crucial component of the logistics value chain. Warehousing activities account for 6-7 % of the total Indian logistics industry.

Warehousing industry in India is expected to grow from Rs. 192-196 billion in 2008-09 to Rs. 298-302 billion in 2013-14, registering a CAGR of around 9 per cent. Warehousing space in India is likely to increase at a CAGR of 4.0 per cent from 1.3-1.5 bn sq ft in 2008-09 to 1.6-1.8 billion sq ft in 2013-14.

(C) Value added services

Value added services are an integral part of the logistics supply chain in the highly competitive environment, with a presence in transportation and warehousing stages. During transportation, the services include tracking the exact position of the shipment for the benefit of the customer.

Value added services provided in the warehouses are more extensive. They include MRP tagging, repackaging, quality checking and bundling with promotion items. Special care for perishable products, hazardous products and products that require specific conditions for transportation and warehousing are also key components of the value added service.

(Source: Crisil Research Report on Logistics, September 2009)

DISCLAIMER

CRISIL limited has used due care and caution in preparing this report. Information has been obtained by CRISIL from sources which it considers reliable. However, CRISIL does not guarantee the accuracy, adequacy or completeness of any information and is not responsible for any errors or omissions or for the results obtained from the use of such information. No part of this report may be published / reproduced in any form without CRISIL's prior written approval. CRISIL is not liable for investment decisions which may be based on the views expressed in this report. CRISIL Research operates independently of, and does not have access to information obtained by CRISIL's Rating Division, which may, in its regular operations, obtain information of a confidential nature that is not available to CRISIL Research.

SUMMARY ABOUT OUR COMPANY'S BUSINESS

Our Company is a full-scope 3PL (third-party logistics service provider), delivering end-to-end solutions in the logistics and supply chain domain to our customers. Our capabilities include supply chain consulting, logistics execution and project logistics. Our operations and consulting teams deliver logistics solutions to our clients by aligning the strategic and the operational perspectives.

We started as a freight forwarding company in the year 1999 and since then, consistently increased our capabilities and scope of services. As an external service provider our ambit covers critical services which are required to execute end – to – end global logistic needs. These include multimodal transportation, contract logistics, regulatory compliance, warehousing, value added services and project logistics.

We are able to address important areas in the business value chain and our Group Companies help in the translation of our understanding into solutions for an optimized and organized supply chain for our customers. The value we provide is in an optimal mix of solution design and service execution with our Group Companies in supply chain consulting (Aqua Management Consulting Group Private Limited), last mile project and specialized transport (Aqua Specialized Transport Private Limited) and supply chain IT (Harapa International Private Limited) which completes the bouquet of the end-to-end offerings to our customers. Project execution through these Group Companies helps us offer and deliver differentiated and customized services to our customers.

BRIEF DETAILS OF THE ISSUE

Equity Shares offered: Fresh Issue by our Company	[●] Equity Shares of face value of Rs.10 each aggregating upto Rs. 15,000 Lacs
Issue Price	Rs. [●] per Equity Share
Net Issue to the Public	[●] Equity Shares of face value of Rs.10 each aggregating upto Rs. 15,000 Lacs
Of which:	[●] Equity Shares of face value of Rs. 10 each constituting not more than 50% of the Net Issue to the Public
(A) Qualified Institutional Buyers portion (QIBs) **	(Allocation on a proportionate basis) Of the above [●] Equity Shares, [●] Equity Shares shall be available for allocation to Mutual Funds The balance [●] Equity Shares shall be available to all QIBs, including Mutual Funds
(B) Non-Institutional Portion	[●] Equity Shares of face value of Rs 10 each constituting not less than 15% of the Net Issue to the Public (Allocation on a proportionate basis)
(C) Retail Portion***	[●] Equity Shares of face value of Rs 10 each constituting not less than 35% of the Net Issue to the Public (Allocation on a proportionate basis)
Note: Under-subscription, if any, in any of the categories would be allowed to be met with spill over from the other categories, at the sole discretion of our Company and the BRLMs.	
Equity Shares outstanding prior to the Issue	1,36,25,270 Equity Shares of face value of Rs.10 each
Equity Shares outstanding after the Issue	[●] Equity Shares of face value of Rs.10 each
Use of Issue proceeds	<i>Please refer to the Section titled "Objects of the Issue" beginning on page 62 of the Red Herring Prospectus for additional information.</i>

****Our Company may consider participation by Anchor Investors for allotment upto [●] Equity Shares in accordance with applicable SEBI (ICDR) Regulations, 2009. The allocation to Anchor Investors shall be a portion of the Net Issue, being up to 30% of the portion available to QIBs, being [●] Equity Shares.**

*****Pursuant to the Retail Discount, the Retail Portion shall be reduced in such proportion that the number of Equity Shares issued to Retail Individual Bidders does not exceed 35% of the total number of Equity Shares issued pursuant to this Issue. The difference so arising shall be added to the Net QIB portion and Non Institutional portion such that 50%, 35% and 15% of the Equity Shares offered in this issue are allotted to QIBs, Retail Individual Bidders and Non Institutional Bidders respectively.**

Note: Under-subscription, if any, in any of the categories would be allowed to be met with spill over from the other categories, at the sole discretion of our Company and the BRLMs.

SUMMARY OF FINANCIAL INFORMATION

The following summary of financial data has been prepared in accordance with Indian GAAP, the Companies Act and the SEBI (ICDR) Regulations, 2009 and restated as described in the Auditor's Report of our statutory auditor's Anil Nair & Associates, Chartered Accountants dated January 05, 2010 in the section titled 'Financial Information'. You should read this financial data in conjunction with our financial statements for the 6 months period ended September 30, 2009 and each of the Financial Years 2005, 2006, 2007, 2008 and 2009 including the notes thereto and the reports thereon, which appears under the *Section titled "Financial Information" and Chapter titled "Management's Discussion and Analysis of Financial Condition and Results of Operations as reflected in the Financial Statements" beginning on pages 151 and 188 of the Red Herring Prospectus.*

Summary statement of Assets & Liabilities, as restated

SUMMARY STATEMENT OF ASSETS AND LIABILITIES, AS RESTATED							
(Rupees in Lacs)							
	Particulars	As at March 31,					As at Sept 30, 2009
		2005	2006	2007	2008	2009	
A	Fixed Assets						
	Gross Block	97.73	498.63	552.73	974.80	1,450.96	2,257.23
	Less: Depreciation	11.55	18.20	28.33	84.85	198.79	269.54
	Total Fixed Assets (A)	86.18	480.43	524.40	889.95	1,252.17	1,987.69
B	Investments (B)	0.88	1.38	1.38	1.38	246.43	523.66
C	Current Assets, Loans and Advances						
	Sundry Debtors	113.07	320.00	1,363.87	3,286.02	5,972.59	6,612.71
	Cash and Bank balances	23.28	28.50	54.52	829.53	1,149.47	674.05
	Loans and advances	52.93	45.32	491.64	740.11	2,397.16	2,425.46
	Total (C)	189.28	393.82	1,910.03	4,855.66	9,519.22	9,712.22
D	Liabilities and Provisions						
	Secured loans	51.42	67.63	734.26	745.77	3,972.78	3,324.89
	Unsecured loans	40.17	177.52	159.22	70.46	6.17	1.82
	Deferred tax liability	0.40	4.49	11.21	75.72	309.48	455.88
	Current liabilities	32.10	177.48	591.29	846.77	738.13	720.99
	Provision for Taxes	3.60	9.47	96.87	37.19	388.83	155.15
	Provision – Others	1.02	1.57	8.91	10.69	22.24	23.20
	Total (D)	128.71	438.16	1,601.76	1,786.60	5,437.63	4,681.92
E	NETWORTH (A+B+C-D)	147.63	437.46	834.05	3,960.39	5,580.19	7,541.64
	Represented by:						
1	Share Capital						
	Equity Share Capital	150.00	150.00	600.00	1,146.36	1,292.36	1,362.53
2	Share Application Money						
	Equity Share Capital	-	376.11	-	-	-	-
3	Reserves and Surplus						
	Profit & Loss Account:						
	Opening Balance	2.56	(2.37)	(88.65)	234.05	596.81	1,580.61
	Add : Surplus during the	(4.93)	(86.28)	281.03	562.76	983.80	836.46

	year						
		(2.37)	(88.65)	192.38	796.81	1,580.61	2,417.06
	Less : Capitalised for issue of bonus shares	-	-	-	(200.00)	-	-
	Add : Share Premium Account	-	-	41.67	2,217.22	2,707.22	3,762.05
4	Debit balance in profit and loss account	2.37	88.65	-	-	-	-
	NETWORTH (1+2+3+4)	147.63	437.46	834.05	3,960.39	5,580.19	7,541.64

SUMMARY STATEMENT OF PROFIT AND LOSS, AS RESTATED							
							(Rupees in Lacs)
	Particulars	For the Year Ended March 31					For half year ended Sep 30, 2009
		2005	2006	2007	2008	2009	
A	Income						
	Income from Operations	596.91	956.83	4,302.20	10,898.54	21,340.05	15,399.84
	Other Income	2.91	0.38	3.91	42.38	65.19	5.42
	INCOME (A)	599.82	957.21	4,306.11	10,940.92	21,405.24	15,405.26
B	Expenditure						
	Operating Cost	515.86	789.82	3,334.22	8,431.02	17,548.96	12,644.17
	Staff Cost	30.31	58.50	288.67	763.00	1,057.86	506.22
	Administrative & Other Expenses	32.51	63.12	199.50	428.33	498.40	374.95
	EXPENDITURE (B)	578.68	911.44	3,822.39	9,622.35	19,105.22	13,525.34
C	Profit Before Interest, Depreciation and Tax	21.14	45.77	483.72	1,318.57	2,300.02	1,879.92
	Depreciation	9.54	6.64	10.13	56.53	113.92	70.75
	Profit Before Interest and Tax	11.60	39.13	473.59	1,262.04	2,186.10	1,809.17
	Interest & Financial Charges	2.62	5.16	79.05	382.44	474.71	296.98
D	Profit after Interest and Before restatement	8.98	33.97	394.54	879.60	1,711.39	1,512.19
	Net impact of material restatement	10.47	110.00	10.44	(1.31)	131.09	144.75
E	Profit before Taxation as restated	(1.49)	(76.03)	384.10	880.91	1,580.30	1,367.45
	Provision for Taxation	3.32	-	90.00	221.64	320.14	384.59
	Fringe Benefit Tax	-	6.16	6.35	32.00	42.61	-
	Provision for Deferred Tax	0.12	4.09	6.72	64.51	233.75	146.40
	Add/Less Tax adjustment	-	-	-	-	-	-
F	Profit After Tax carried to Balance Sheet	(4.93)	(86.28)	281.03	562.76	983.80	836.46

GENERAL INFORMATION

Our Company was originally incorporated as Aqua Logistics Private Limited on September 20, 1999 under the Companies Act, 1956 *vide* Certificate of Incorporation bearing registration number 11 – 121803 issued by the Registrar of Companies, Mumbai. Our Company was converted into a public limited company *vide* fresh Certificate of Incorporation dated March 05, 2009 and subsequently the name of our Company was changed to “Aqua Logistics Limited”. Our Company has been allocated Corporate Identification Number U63090MH1999PLC121803.

Registered Office:

Aqua Logistics Limited

5th Floor, B – Wing,
Trade Star Building,
Andheri Kurla Road,
Andheri (East),
Mumbai – 400 059

Tel. No. : + 91 22 6777 0200/ 4090 3800

Fax No. : + 91 22 2835 3976

Contact Person: Mr. Bhupendra N. Shah, Company Secretary & Compliance Officer

Email: ipo@aqualogistics.com

Website: www.aqualogistics.com

For details of change in name and registered office, *please refer to the Chapter titled “History and Other Corporate Matters” beginning on page 123 of the Red Herring Prospectus.*

Address of the RoC

100, Everest Building,
Marine Drive,
Mumbai - 400 002
Maharashtra

Our Board of Directors:

The Board of Directors consists of the following:

Sr. No	Name	Designation	Nature of Directorship	DIN
1.	Mr. Rajesh G. Uchil	Chairman	Executive & Non Independent	00156744
2.	Mr. M. S. Sayad	Vice Chairman	Executive & Non Independent	00333668
3.	Mr. Harish G. Uchil	Managing Director and Chief Executive Officer	Executive & Non Independent	00156960
4.	Mr. V. S. Narayanan	Director	Non Executive & Independent	02631708
5.	Mr. B. S. Radhakrishnan	Director	Non Executive & Independent	01064817
6.	Mr. Ravi Sharma	Director	Non Executive & Independent	02543805

For detailed profile of our Directors, *please refer to the Chapter titled “Our Management” and “Our Promoters and their Background” beginning on pages 130 & 146 respectively of the Red Herring Prospectus.*

COMPANY SECRETARY AND COMPLIANCE OFFICER

Mr. Bhupendra N. Shah

Aqua Logistics Limited

5th Floor, B – Wing,

Trade Star Building,

Andheri Kurla Road,

Andheri (East),

Mumbai – 400 059,

Tel. No: + 91 22 6777 0200/ 4090 3800

Fax No: + 91 22 2835 3976

Email: bhupendra.shah@aqualogistics.com

Website: www.aqualogistics.com

Investors are advised to contact the Compliance Officer Mr. Bhupendra N. Shah and / or the Registrar to the Issue in case of any pre-Issue or post-Issue problems such as non-receipt of letters of Allocation, credit of Allotted Equity Shares in the respective beneficiary account, non-receipt of refund orders, non receipt of funds by electronic mode etc.

BANKERS TO OUR COMPANY

Bank of India

Andheri Corporate Banking Branch,

1st Floor, MDI Building,

28, S.V. Road,

Andheri (West),

Mumbai 400 058.

Tel. No: +91 22 2671 3730

Fax No: +91 22 2624 7655

Email: andhericbb@bankofindia.co.in

Website: www.bankofindia.com

Contact Person: Mr. Ramesh Chand Jain

Yes Bank Limited

Nehru Centre, Ground Floor,

Discovery of India,

Dr. Annie Besant Road,

Worli, Mumbai 400 018.

Tel. No: +91 22 6622 9000

Fax No: +91 22 6669 9177

Email: alok.kedia@yesbank.in

Website: www.yesbank.in

Contact Person: Mr. Alok Kedia

STATUTORY AUDITORS TO OUR COMPANY

Anil Nair & Associates

Chartered Accountants

Casablanca, 6, Casa Major Road,

Egmore, Chennai – 600 008.

Tel. No: +91 44 2819 3532 / 1227

Fax No: +91 44 28194651

Email: ana@anaindia.com

Contact Person: Mr. R. Mohan

ISSUE MANAGEMENT TEAM

BOOK RUNNING LEAD MANAGERS

Saffron Capital Advisors Private Limited

SEBI Registration No: INM000011211

204, Vishwananak, Gurunanakwadi,
Andheri Ghatkoper Link Road, Chakala
Andheri (East), Mumbai - 400 099.

Tel No: +91 22 4082 0905/0906

Fax No: +91 22 4082 0999

Website: www.saffronadvisor.com

Email: aqualogistics.ipo@saffronadvisor.com

Investor Grievance Id: investorgrievance@saffronadvisor.com

Contact Person: Mr. Saurabh Vijay / Ms. Apeksha A. Munwane

Centrum Capital Limited

SEBI Registration No: INM000010445

Centrum House, Vidya Nagari Marg,
CST Road, Kalina, Santacruz (East),
Mumbai- 400 098.

Tel No: +91 22 4215 9000

Fax No: +91 22 4215 9707

Website: www.centrum.co.in

Email: aqualogistics.ipo@centrum.co.in

Investor Grievance Id: igmbd@centrum.co.in

Contact Person: Ms. Hema Lalwani Wagle / Mr. Bhavyan Dalal

REGISTRARS TO THE ISSUE

Link Intime India Private Limited

SEBI Registration No. INR000003761

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

Tel. No: +91 22 2596 0320

Fax No: +91 22 2596 0329

Website: www.linkintime.co.in

Email: aqua-ipo@linkintime.co.in

Contact Person: Mr. Sachin Achar

LEGAL ADVISORS TO THE ISSUE

M/s. Crawford Bayley & Co.

Advocates & Solicitors
State Bank Buildings, 4th floor,
N. G. N. Vaidya Marg, Fort,
Mumbai - 400 023.

Tel. No: +91 22 2266 8000

Fax No: +91 22 2266 3978

Email: sanjay.asher@crawfordbayley.com

SYNDICATE MEMBERS

Saffron Global Markets Private Limited

A Wing, 1st Floor, Western Tower,
Western Express Highway,
Parsi Wada, Vile Parle (East)
Mumbai - 400 057.

Tel No: +91 22 4082 0907/4082 4901

Fax No: +91-22-4082 0999

Website: www.saffronadvisor.com

Email: aqualogistics.ipo@saffronadvisor.com

Contact Person: Mr. Neeraj Khandelwal

SEBI Registration No: INB231295230

Enam Securities Private Limited

Khatau Building,
2nd Floor, 44, Bank Street,
Off. Shaheed Bhagat Singh Road,
Fort, Mumbai – 400 001,

Tel.: +91-22- 2267 7901

Fax: +91-22- 2266 5613

Website: www.enam.com

Email: ajays@enam.com

Contact Person: Mr. Ajay Sheth

SEBI Registration No: INM000006856

BANKERS TO THE ISSUE & ESCROW COLLECTION BANK

HDFC Bank Limited

1201, Raheja Center,
Fress Press Journal Marg,
Nariman Point,
Mumbai 400021

Tel. No: +91 22 3023 3255

Fax No: +91 22 22049750

Website: www.hdfcbank.com

Email: rahul.sampat@hdfcbank.com

Contact Person: Mr. Rahul Sampat

ICICI Bank Limited

Capital Market Division
30, Mumbai Samachar Marg,
Fort, Mumbai 400 001

Tel. No: +91 22 22627600

Fax No: +91 22 22611138

Website: www.icicibank.com

Email: venkataraghavan.t@icicibank.com

Contact Person: Mr. Venkataraghavan T.

Indusind Bank Limited

IBL House,
CTS No 179G
MIDC Cross Road 'B'

Off Andheri Kurla Road,
Tel. No: +91 22 67728721
Fax No: +91 22 66238021
Website: www.indusind.com
Email: suresh.esaki@indusind.com
Contact Person: Mr. Suresh Esaki

Yes Bank Limited

2nd Floor, Tiecicon House,
 Dr. E Moses Road, Mahalakshmi,
 Mumbai 400 011.
Tel. No: +91 22 6622 9031
Fax No: +91 22 2497 4875
Email: dlbtiservices@yesbank.in
Website: www.yesbank.in
Contact Person: Mr. Mahesh Shirali

REFUND BANKER TO THE ISSUE

ICICI Bank Limited

Capital Market Division
 30, Mumbai Samachar Marg,
 Fort, Mumbai 400 001
Tel. No: +91 22 22627600
Fax No: +91 22 22611138
Website: www.icicibank.com
Email: venkataraghavan.t@icicibank.com
Contact Person: Mr. Venkataraghavan T.

SELF CERTIFIED SYNDICATE BANKS

The SCSBs as per updated list available on SEBI's website (www.sebi.gov.in). Investors are requested to refer the SEBI website for updated list of SCSBs and their designated branches.

STATEMENT OF INTER-SE ALLOCATION OF RESPONSIBILITIES BETWEEN BRLMS

Saffron Capital Advisors Private Limited and Centrum Capital Limited are BRLMs to the Issue and shall be responsible for the following activities:

Sr. No.	Activity	Responsibility	Coordination
1.	Capital structuring with the relative components and formalities such as composition of debt and equity, type of instruments, etc.	Saffron & Centrum	Saffron
2.	Conducting a Due diligence of our Company's operations / management / business plans / legal, etc. Drafting and designing the Draft Red Herring Prospectus/ Red Herring Prospectus/ Prospectus. Ensuring compliance with the SEBI (ICDR) Regulations, 2009 and other stipulated requirements and completion of prescribed formalities with the Stock Exchanges (pre-issue), RoC and SEBI.	Saffron & Centrum	Saffron
3.	Primary co-ordination with SEBI, RoC and Stock Exchanges up to bidding and coordinating interface with lawyers for agreements.	Saffron & Centrum	Saffron

4.	Appointment of the Registrar, Bankers to the issue and appointment of other intermediaries viz. printers and advertising agency	Saffron & Centrum	Centrum
5.	Primary coordination of drafting/proofing of the design of the Prospectus, bid forms including memorandum containing salient features of the Prospectus with the printers. Primary coordination of the drafting and approving the statutory advertisement.	Saffron & Centrum	Saffron
6.	Drafting and approving all publicity material other than statutory advertisement as mentioned in (4) above including corporate advertisement, brochure, etc.	Saffron & Centrum	Saffron
7.	Retail & HNI segment Marketing, which will cover inter alia: <ul style="list-style-type: none"> • Preparation of road show presentation. • Finalising centers for holding Brokers' conference • Finalising media, marketing and PR Strategy • Follow up on distribution of publicity and issue material including Bid-cum-Application Form, brochure and deciding on quantum of issue material • Finalising collection centers as per schedule III of SEBI (ICDR) Regulations, 2009 	Saffron & Centrum	Saffron
8.	Institutional Marketing, which will cover inter alia: <ul style="list-style-type: none"> ▪ Finalisation of list of investors. ▪ Finalisation of one to one meetings and allocation of institutions. ▪ Finalisation of presentation material 	Saffron & Centrum	Centrum
9.	Managing Book & co-ordination with stock Exchanges for bidding terminals, mock trading etc	Saffron & Centrum	Saffron
10.	Pricing and QIB allocation	Saffron & Centrum	Centrum
11.	Follow – up with the bankers to the issue to get quick estimates of collection and advising the issuer about closure of the issue, based on the correct figures.	Saffron & Centrum	Saffron
12.	The post-Issue activities for the Issue will involve essential follow up steps, which include finalizing basis of allotment / weeding out of multiple applications, the listing of instruments and dispatch of certificates/demat credits or refunds and dematerialized delivery of shares with the various agencies connected with the work such as the Registrars to the Issue and Bankers to the Issue, Self Certified Syndicate Banks, the bank handling refund business. The Lead Managers shall be responsible for ensuring that these agencies fulfill their functions and enable it to discharge this responsibility through suitable agreements with our Company.	Saffron & Centrum	Saffron

The selection of various agencies like the Bankers to the Issue, Escrow Collection Bank(s), Syndicate Members, Brokers, Advertising agencies etc. will be finalised by our Company in consultation with the BRLMs.

Even if many of these activities will be handled by other intermediaries, the BRLMs shall be responsible for ensuring that these agencies fulfill their functions and enable it to discharge this responsibility through suitable agreements with our Company.

CREDIT RATING

This being an issue of Equity Shares, there is no requirement of credit rating for the Issue.

IPO GRADING

Brickwork Ratings India Private Limited

SEBI Registration No. IN/CRA/005/2008

No. 39/2, II Floor

Near Dairy Circle

Bannerghatta Road

Bangalore – 560 029

Tel. No: +91 22 2831 1426, 2831 1439

Fax No: +91 22 2838 9144

Website: www.brickworkratings.com

Email: kn.suvarna@brickworkratings.com

Contact Person: Mr. K. N. Suvarna

This Issue has been graded by Brickwork Ratings India Private Limited and has been assigned a BWR IPO Grade 3/5 (pronounced “three on five”) indicating that the fundamentals of the issue are average relative to other listed equity securities in India, through its letter dated November 05, 2009. The IPO grading is assigned on a five point scale from 1 to 5 with an “IPO Grade 5” indicating strong fundamentals and an “IPO Grade 1” indicating poor fundamentals.

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

TRUSTEES

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

APPRAISAL AND MONITORING AGENCY

The proposed funds requirement is not appraised by any Bank/Financial Institution. As the net proceeds of the Issue will be less than Rs. 50,000 Lacs, under the SEBI (ICDR) Regulations, 2009 it is not required that a monitoring agency be appointed by our Company.

However, as per the Clause 49 of the Listing Agreement to be entered into with the Stock Exchanges upon listing of the Equity Shares and in accordance with the Corporate Governance requirements, the Audit Committee of our Company, would be monitoring the utilization of the Issue Proceeds.

WITHDRAWAL OF THE ISSUE

Our Company, in consultation with the BRLMs, reserves the right not to proceed with the Issue after the bidding and if so, the reason thereof shall be given as a public notice within two days of the closure of the Issue. The public notice shall be issued in the same newspapers where the pre-issue advertisement had appeared. The Stock Exchanges where the specified securities were proposed to be listed shall also be informed promptly.

If our Company withdraws the Issue after closure of bidding, we will be required to file a fresh draft offer document with the Securities and Exchange Board of India.

In the event of withdrawal of the Issue anytime after the Bid/Issue Opening Date, our Company will forthwith repay, without interest, all monies received from the applicants in pursuance of the Red Herring Prospectus. If such money is not repaid within 8 days after our Company become

liable to repay it, i.e. from the date of withdrawal, then our Company, and every Director of our Company who is an officer in default shall, on and from such expiry of 8 days, be liable to repay the money, with interest at the rate of 15% per annum on application money.

BOOK BUILDING PROCESS

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

- Our Company;
- BRLMs, in this case being Saffron Capital Advisors Private Limited and Centrum Capital Limited;
- Syndicate Member(s) who are intermediaries registered with SEBI or registered as brokers with the Stock Exchange(s) and eligible to act as underwriters. Syndicate members are appointed by the BRLMs;
- Registrar to the issue, in this case being Link Intime India Private Limited ,
- Banker(s) to the issue, Refund Bank(s), and
- Self Certified Syndicate Banks

Regulation 43(2) of the SEBI (ICDR) Regulations, 2009 has permitted an issue of securities to the public through the 100% Book Building Process, wherein not more than 50% of the Net Issue shall be available for allocation to QIBs on a proportionate basis out of which 5% shall be available for allocation on a proportionate basis to Mutual Funds only, and the remainder of the Qualified Institutional Buyers' portion shall be available for allocation on a proportionate basis to all Qualified Institutional Buyers, including Mutual Funds, subject to valid Bids being received at or above Issue Price. Further, not less than 15% of the Net Issue shall be available for allotment to Non Institutional Bidders and not less than 35% of the Net Issue shall be available for allotment to Retail Individual Bidders on a proportionate basis, subject to valid Bids being received at or above the Issue Price.

We will comply with the SEBI (ICDR) Regulations, 2009 for this Issue. In this regard, we have appointed Saffron Capital Advisors Private Limited and Centrum Capital Limited as the BRLMs to manage the Issue and procure subscriptions to the Issue.

The process of bidding through the ASBA process by ASBA Investors under the SEBI Circular dated December 30, 2009 is relatively new and may be subject to change from time to time which may either be clarificatory in nature or otherwise. ASBA Investors are advised to make their own judgment about investment through this process prior to submitting a ASBA Bid-cum-Application Form to SCSB.

The process of Book Building under the SEBI (ICDR) Regulations, 2009 is subject to change from time to time and Investors are advised to make their own judgment about investment through this process prior to making a Bid or Application in the Issue.

QIBs are not allowed to withdraw their Bid after the Bid/Issue Closing Date. In addition, QIBs are required to pay 10% Margin Amount upon submission of their Bid, provided however, QIBs that are Anchor Investors are required to pay 25% of their Bid Amount at the time of submission of the Bid and the remaining amount within two days of the Bid/Issue Closing Date. Allocation to QIBs will be on a proportionate basis. *For further details please refer paragraph titled "Maximum and Minimum Bid Size" beginning on page 229 under Chapter titled "Issue Procedure" beginning on page 226 of the Red Herring Prospectus.*

Resident Retail Individual Bidders have the option to submit their Bids under the "ASBA Process", which would entail blocking of funds in the investor's bank account rather than transfer of funds to

the respective Escrow Accounts. *For further details, please refer to the Chapter titled "Issue Procedure for ASBA Bidders" beginning on page 257 of the Red Herring Prospectus.*

Steps to be taken by the Bidders for bidding:

- 1) Check eligibility for making a Bid (*For details please refer to the paragraph titled "Who Can Bid" beginning on page 227 under Chapter titled "Issue Procedure" beginning on page 226 of the Red Herring Prospectus*);
- 2) Ensure that the Bidder has a demat account and the demat account details are correctly mentioned in the Bid-cum-Application Form including ASBA Form;
- 3) Ensure that the Bid-cum-Application Form including ASBA Forms is duly completed as per instructions given in the Red Herring Prospectus and in the Bid-cum-Application Form including ASBA Forms; and
- 4) Ensure that the Permanent Account Number is mentioned on Bid-cum-Application Form/ASBA Form. Bidders are specifically requested not to mention their General Index Register number instead of the Permanent Account Number as the Bid is liable to be rejected on this ground.
- 5) 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 ASBA Form is not rejected.

BID/ISSUE PROGRAM

Bid/Issue opens on: January 25, 2010	Bid/Issue closes on: January 28, 2010
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Our Company may consider participation by Anchor Investors for upto [●] Equity Shares in accordance with applicable SEBI (ICDR) Regulations, 2009. The Anchor Investor Bid/ Issue Period shall be one working day prior to the Bid/ Issue Opening Date.

Our Company will accept Bids from Anchor Investors only on the Anchor Investor Bidding Date, i.e. one working day prior to the Bid Opening Date. Bids by Anchor Investors may be submitted to the Syndicate. The number of Equity Shares allocated to each Anchor Investor and Anchor Investor Issue Price shall be made available in the public domain by the BRLMs before the Bid Opening Date.

Bids and any revision in Bids shall be accepted **only between 10.00 am and 3.00 pm** (Indian Standard Time) during the Bidding Period as mentioned above at the bidding centres mentioned on the Bid-cum-Application Form. Standardized cut-off time for uploading of bids on the bid/issue closing date is as under:

1. A standard cut-off time of 3.00 pm for acceptance of bids
2. A standard cut-off time of 4.00 pm for uploading of bids received from non retail applicants i.e. QIBs and HNIs.
3. A standard cut-off time of 5.00 pm for uploading of bids received from retail applicants, where the Bid Amount is up to Rs. 1,00,000 which may be extended up to such time as deemed fit by Stock Exchanges. Bids by 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-cum-Application 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 working day prior to the Bid/Issue Closing Date and, in any case, not later than the times mentioned above. All times mentioned in the Red Herring Prospectus are Indian Standard Time. Bidders are cautioned that due to clustering of last day applications, as is typically experienced in public offerings, some Bids may not get uploaded on the last day. Such Bids that cannot be uploaded will not be considered for allocation under the Issue. If such Bids are not uploaded, our Company, the BRLMs and the Syndicate Member shall not be responsible. On the Bid/Issue Closing Date, extension of time will be granted by the Stock Exchanges only for uploading the Bids received from Retail Individual Bidders after taking into account the total number of Bids received upto the closure of timings for acceptance of Bid-cum-Application Forms as stated herein and reported by the BRLMs to the Stock Exchanges within half an hour of such closure.

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

We reserve the right to revise the Price band during the Bidding Period in accordance with SEBI (ICDR) Regulations, 2009. The cap on the Price Band should not be more than 20% of the floor of the Price band. Subject to compliance with the immediately preceding sentence, the floor of the Price band can move up or down to the extent of 20%.

In case of revision in the Price Band, the Bidding/Issue Period will be extended for three additional days after revision of 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 the BSE and the NSE, by issuing a press release, and also by indicating the change on the web sites of the BRLMs and at the terminals of the Syndicate and to the SCSBs.

UNDERWRITING AGREEMENT

After the determination of the Issue Price but prior to filing of the Prospectus with the RoC, our Company will enter into an Underwriting Agreement with the Underwriters for the Equity Shares proposed to be issued in the Issue. Pursuant to the terms of the Underwriting Agreement, the BRLMs shall be responsible for bringing in the amount devolved in the event the Syndicate Members do not fulfill their underwriting obligations. Pursuant to the terms of the Underwriting Agreement dated [●], the obligations of the Underwriters are several and are subject to certain conditions to closing, as 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 completed prior to filing the Prospectus with RoC)

Name and Address of the Underwriters	Indicative Number of Equity shares to be Underwritten	Amount Underwritten (Rs. in Lacs)
Saffron Capital Advisors Private Limited SEBI Registration No: INM000011211 204, Vishwananak, Gurunanakwadi, Andheri Ghatkoper Link Road Chakala, Andheri (East), Mumbai - 400 099. Tel No: +91 22 4082 0905/0906	[●]	[●]

Fax No: +91 22 4082 0999
Website: www.saffronadvisor.com
Email: aqualogistics.ipo@saffronadvisor.com

Centrum Capital Limited SEBI Registration No: INM000010445 Centrum House, Vidya Nagari Marg, CST Road, Kalina, Santacruz (East), Mumbai- 400 098 Tel No: +91 22 4215 9000 Fax No: +91 22 4215 9707 Website: www.centrum.co.in Email: aqualogistics.ipo@centrum.co.in	[•]	[•]
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Enam Securities Private Limited Khatau Building, 2nd Floor, 44, Bank Street, Off. Shaheed Bhagat Singh Road, Fort, Mumbai – 400 001, Tel.: +91-22- 2267 7901 Fax: +91-22- 2266 5613 Website: www.enam.com Email: ajays@enam.com	[•]	[•]
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Saffron Global Markets Private Limited A Wing, 1st Floor, Western Tower, Western Express Highway, Parsi Wada, Vile Parle (East) Mumbai - 400 057. Tel No: +91 22 4082 0907/4082 4901 Fax No: +91-22-4082 0999 Website: www.saffronadvisor.com Email: aqualogistics.ipo@saffronadvisor.com	[•]	[•]
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Total	[•]	15,000
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The above-mentioned amount is indicative underwriting and would be finalized after determination of the Issue Price and actual allocation.

Our Board of Directors (based on a certificate given by the Underwriters), are of the opinion that the same 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.

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

CAPITAL STRUCTURE

The Share Capital of our Company as on the date of filing of the Red Herring Prospectus with SEBI is as set forth below:

Particulars	Nominal Value (Rs.)	Aggregate Value (Rs.)
A. AUTHORISED CAPITAL		
2,50,00,000 Equity Shares of Rs. 10 each	25,00,00,000	
B. ISSUED, SUBSCRIBED AND PAID-UP CAPITAL		
1,36,25,270 Equity Shares of Rs. 10 each	13,62,52,700	51,44,74,450
C. PRESENT ISSUE*		
[●] Equity Shares of Rs. 10 each at a premium of Rs. [●] per share	[●]	1,50,00,00,000
D. NET ISSUE TO THE PUBLIC*		
[●] Equity Shares of Rs. 10 each at a premium of Rs. [●] per share	[●]	1,50,00,00,000
E. PAID UP CAPITAL AFTER THE PRESENT ISSUE		
[●] Equity Shares of Rs. 10 each	[●]	2,01,44,74,450
F. SHARE PREMIUM ACCOUNT		
Prior to the issue		37,82,21,750
Post issue**		[●]

*Note: *Our Company may consider participation by Anchor Investors for allotment upto [●] Equity Shares in accordance with applicable SEBI (ICDR) Regulations, 2009. The allocation to Anchor Investors shall be a portion of the Net Issue, being up to 30% of the portion available to QIBs.*

***The Share Premium Account after the Issue will be determined after Book Building Process*

Notes to Capital Structure:

1. Details of Increase in Authorized Equity Share Capital

Sr. No	Particulars of Increase/Modification	Cumulative No. of Shares	Cumulative Authorised Capital (Rs.)	Date of Meeting	Whether AGM / EGM
1	Incorporation	50,000	5,00,000	--	--
2	Increase from 5 Lacs to 20 Lacs	2,00,000	20,00,000	February 04, 2000	EGM
3	Increase from 20 Lacs to 50 Lacs	5,00,000	50,00,000	August 01, 2000	EGM
4	Increase from 50 Lacs to 100 Lacs	10,00,000	1,00,00,000	November 03, 2003	EGM
5	Increase from 100 Lacs to 150 Lacs	15,00,000	1,50,00,000	December 05, 2003	EGM
6	Increase from 150 Lacs to 600 Lacs	60,00,000	6,00,00,000	December 01, 2006	EGM
7	Increase from 600 Lacs to 1,600 Lacs	1,60,00,000	16,00,00,000	October 22, 2007	EGM
8	Increase from 1,600 Lacs to 2,500 Lacs	2,50,00,000	25,00,00,000	February 11, 2009	EGM

2. Share Capital History: Our existing Equity Share Capital has been subscribed and allotted as under:

Date of Allotment/ Fully Paid up	Number of Equity Shares allotted	Face Value (Rs.)	Issue Price (Rs.)	Consideration	Remarks	Cumulative No. of Equity Shares	Cumulative Paid up Share Capital (Rs.)	Cumulative Share Premium (Rs.)
September 20, 1999	400	10	10	Cash	Subscribers to memorandum	400	4,000	Nil
October 31, 2000	4,99,600	10	10	Cash	Further Allotment to Promoters / Promoter Group and others	5,00,000	50,00,000	Nil
January 21, 2004	10,00,000	10	10	Cash	Further Allotment #	15,00,000	150,00,000	Nil
January 25, 2007	37,61,100	10	--	Other than Cash	Takeover of the Business of Rajesh G. Uchil & Co.	52,61,100	5,26,11,000	Nil
February 5, 2007	6,00,000	10	10	Cash	Further Allotment to Promoters	58,61,100	5,86,11,000	Nil
March 20, 2007	1,38,900	10	40	Cash	Further Allotment to Promoters	60,00,000	6,00,00,000	41,67,000
October 22, 2007	20,00,000	10	--	Other than cash	Bonus in the Ratio of 1:3 out of free reserves	80,00,000	8,00,00,000	Nil
October 25, 2007	10,00,000	10	10	Cash	Further Allotment to Promoters and others	90,00,000	9,00,00,000	Nil
November 10, 2007	10,00,000	10	100	Cash	Allotment to Carwin Mercantiles Private Limited	1,00,00,000	10,00,00,000	9,00,00,000
January 15, 2008	14,28,575	10	100	Cash	Allotment to Enam Shares & Securities Private Limited	1,14,28,575	11,42,85,750	21,85,71,750
January 30, 2008	35,000	10	100	Cash	Further Allotment to others	1,14,63,575	11,46,35,750	22,17,21,750
August 28, 2008	1,00,000	10	500	Cash	Allotment to HT Media Limited	1,15,63,575	1,156,35,750	27,07,21,750
December 22, 2008	13,60,000	10	10	Cash	Further Allotment Promoter Group, Employees and others	1,29,23,575	12,92,35,750	27,07,21,750

August 04, 2009	5,00,000	10	225	Cash	Allotment to Subhkam Ventures (I) Private Limited	1,34,23,575	13,42,35,750	37,82,21,750
August 04, 2009	1,33,204	10	--	Other than Cash	Allotment to HT Media Limited##	1,35,56,779	13,55,67,790	37,82,21,750
August 04, 2009	68,491	10	--	Cash	Allotment to Enam Shares & Securities Private Limited###	1,36,25,270	13,62,52,700	37,82,21,750

#These shares were allotted to Mr. Rajesh G. Uchil jointly with Mr. Gopalkrishna G. Uchil and Mr. Harish G. Uchil on behalf of Rajesh G. Uchil & Co., a partnership concern.

##Equity Shares were allotted pursuant to the terms and conditions as enumerated in the Share Subscription Agreement dated August 28, 2008 entered into by and between our Company and HT Media Limited.

###Allotment of Equity Shares to Enam Shares & Securities Private Limited was pursuant to the Term Sheet dated January 07, 2008 between our Company and Enam Shares & Securities Private Limited.

3. Equity Shares issued for consideration other than cash

Except as stated in Note 2 above and reiterated in the below mentioned table, our Company has not issued any Equity Shares for consideration other than cash.

Date of Allotment	Persons to whom Allotted	Number of Equity Shares allotted	Face Value (Rs)	Reasons	Whether benefits have accrued to the issuer
January 25, 2007	Mr. Rajesh G. Uchil	12,53,700	10	Takeover of the Business of Rajesh G. Uchil & Co.	Yes
January 25, 2007	Mr. Harish G. Uchil	12,53,700	10	Takeover of the Business of Rajesh G. Uchil & Co.	Yes
January 25, 2007	Mr. Gopalkishna G. Uchil	12,53,700	10	Takeover of the Business of Rajesh G. Uchil & Co.	Yes
October 22, 2007	Mr. Rajesh G. Uchil	6,59,967	10	Bonus in the Ratio of 1:3 out of free reserves	No
October 22, 2007	Mr. Harish G. Uchil	4,60,000	10	Bonus in the Ratio of 1:3 out of free reserves	No
October 22, 2007	Mr. Gopalkishna G. Uchil	4,60,000	10	Bonus in the Ratio of 1:3 out of free reserves	No
October 22, 2007	Mr. M.S. Sayad	3,45,000	10	Bonus in the Ratio of 1:3 out of free reserves	No
October 22, 2007	Mr. Deven Verma	8,333	10	Bonus in the Ratio of 1:3 out of free reserves	No
October 22, 2007	Trikon Electronics	66,667	10	Bonus in the Ratio of 1:3 out of free reserves	No

	Private Limited				
October 22, 2007	Dr. Alka Mandke	33	10	Bonus in the Ratio of 1:3 out of free reserves	No
August 04, 2009	HT Media Limited	1,33,204	10	As per Share Subscription Agreement dated August 28, 2009 entered between our Company and HT Media Limited.	No
August 04, 2009	Enam Shares & Securites Private Limited	68,491	10	Pursuant to term sheet between our Company and Enam Shares & Securities Private Limited	No

4. Till date no Equity Shares have been allotted pursuant to any scheme approved under section 391-394 of the Companies Act, 1956.
5. Our Company has not re-valued its assets since inception and has not issued any shares out of the revaluation reserves.
6. Our Company does not have any Employee Stock Option Scheme /Employee Stock Purchase Plan for our employees and we do not intend to allot any shares to our employees under Employee Stock Option Scheme / Employee Stock Purchase Plan from the proposed issue. As and when, options are granted to our employees under the Employee Stock Option Scheme, our Company shall comply with the SEBI (Employee Stock Option Scheme and Employees Stock Purchase Plan) Guidelines 1999.
7. Except as stated below, our Company has not made any issue of Equity Shares during preceding one year.

Date of Issue	Name of the Persons	No. of Shares	Issue Price (Rs.)	Whether Part of Promoter Group
August 04, 2009#	Subhkam Ventures (I) Private Limited	5,00,000	225	No
August 04, 2009##	HT Media Limited	1,33,204	Nil	No
August 04, 2009###	Enam Shares & Securities Private Limited	68,491	Nil	No

#To augment long term resources for our Company.

##Equity Shares were allotted pursuant to the terms and conditions as enumerated in the Share Subscription Agreement dated August 28, 2008 entered into by and between our Company and HT Media Limited.

###Allotment of Equity Shares to Enam Shares & Securities Private Limited was pursuant to the Term Sheet dated January 07, 2008 between our Company and Enam Shares & Securities Private Limited.

8. We presently do not have any proposal or intention to alter our capital structure by way of split or consolidation of the denomination of Equity Shares or issue of specified securities on a preferential basis or issue of bonus or rights or further public issue of Equity Shares or Qualified Institutions Placement within a period of six months from the date of opening of this Issue, However, if we go in for acquisitions or joint ventures, we may consider raising additional capital

to fund such activity or use Equity Shares as currency for acquisition or participation in such joint ventures.

9. Promoters' Contribution and Lock-in details in respect of Promoters, whose names figure in the Red Herring Prospectus as Promoters in the paragraph on 'Promoters and their Background' are as under:

Capital built up of the Promoters is detailed below:

Name of Promoter	Date of Allotment / Transfer and made fully paid	Nature of Allotment (Bonus, Rights etc.)	No. of Shares	Face Value	Issue / Transfer Price	Consideration
Mr. Rajesh G. Uchil	September 20, 1999	Subscriber to Memorandum	100	10	10	Cash
	October 31, 2000	Further Allotment	74,900	10	10	Cash
	March 31, 2006	Transfer (Purchase)	3,33,334	10	10	Cash
	March 31, 2006	Transfer	(100)	10	10	Cash
	January 25, 2007	Further Allotment	12,53,700	10	Nil	Other than cash
	February 5, 2007	Further Allotment	2,50,000	10	10	Cash
	March 20, 2007	Further Allotment	1,05,000	10	40	Cash
	March 31, 2007	Transfer	(37,034)	10	10	Cash
	October 22, 2007	Bonus	6,59,967	10	Nil	Other than cash
	October 25, 2007	Transfer (Purchase)	133	10	10	Cash
	October 25, 2007	Transfer	(7,46,666)	10	10	Cash
	October 25, 2007	Further Allotment	2,13,333	10	10	Cash
	October 22, 2008	Transfer	(13,333)			
	October 22, 2008	Transfer	(2,00,000)	10	10	Cash
	December 22, 2008	Transfer (Purchase)	1,00,000	10	10	Cash
	August 4, 2009	Transfer	(42,700)	10	10	Cash
	Total (A)		19,50,634			
Mr. M. S. Sayad	February 5, 2007	Further Allotment	1,50,000	10	10	Cash
	March 31, 2007	Transfer (Purchase)	8,85,000	10	10	Cash
	October 22, 2007	Bonus	3,45,000	10		--
	October 25, 2007	Transfer (Purchase)	40,000	10	10	Cash
	October 25, 2007	Further Allotment	1,60,000	10	10	Cash
	October 22, 2008	Transfer	(10,000)	10	10	Cash

Name of Promoter	Date of Allotment / Transfer and made fully paid	Nature of Allotment (Bonus, Rights etc.)	No. of Shares	Face Value	Issue / Transfer Price	Consideration
	December 22, 2008	Transfer (Purchase)	1,00,000	10	10	Cash
	August 4, 2009	Transfer	(2,29,200)	10	10	Cash
	Total (B)		14,40,800			
Mr. Harish G. Uchil	September 20, 1999	Subscriber to Memorandum	100	10	10	Cash
	October 31, 2000	Further Allotment	74,900	10	10	Cash
	March 31, 2006	Transfer (Purchase)	3,33,333	10	10	Cash
	January 25, 2007	Further Allotment	12,53,700	10	Nil	Other than cash
	February 5, 2007	Further Allotment	2,00,000	10	10	Cash
	March 20, 2007	Further Allotment	33,900	10	40	Cash
	March 31, 2007	Transfer	(5,15,933)	10	10	Cash
	October 22, 2007	Bonus	4,60,000	10		--
	October 25, 2007	Transfer (Purchase)	53,333	10	10	Cash
	October 25, 2007	Further Allotment	2,13,334	10	10	Cash
	October 22, 2008	Transfer	(13,333)	10	10	Cash
	August 4, 2009	Transfer	(36,800)	10	10	Cash
	Total (C)		20,56,534			
Mr. Gopalkrishna G. Uchil	September 20, 1999	Subscriber to Memorandum	100	10	10	Cash
	October 31, 2000	Further Allotment	1,24,900	10	10	Cash
	March 31, 2006	Transfer (Purchase)	3,33,333	10	10	
	January 25, 2007	Further Allotment	12,53,700	10	Nil	Other than cash
	March 31, 2007	Transfer	(3,32,033)	10	10	Cash
	October 22, 2007	Bonus	4,60,000	10	10	Cash
	October 25, 2007	Transfer (Purchase)	53,333	10	10	Cash
	October 25, 2007	Further Allotment	2,13,333	10	10	Cash
	October 22, 2008	Transfer	(13,334)	10	10	Cash
	August 4, 2009	Transfer	(18,000)	10	10	Cash

Name of Promoter	Date of Allotment / Transfer and made fully paid	Nature of Allotment (Bonus, Rights etc.)	No. of Shares	Face Value	Issue / Transfer Price	Consideration
	Total (D)		20,75,332			
	Total (A)+(B)+(C)+(D)		75,23,300			

Our Promoters, Mr. Rajesh G. Uchil, Mr. M.S. Sayad and Mr. Harish G. Uchil have pledged 2,00,000 Equity Shares representing [•]% of our post-Issue capital in favour of Global Trade Finance Limited (GTF), an NBFC, in consideration of dues of our Company as sanctioned by GTF.

Particulars of pledged security	
Name of the Promoters	No. of shares
Mr. Rajesh G. Uchil	65,000
Mr. M. S. Sayad	70,000
Mr. Harish G. Uchil	65,000
Total	2,00,000

As per the documentation executed between our Promoters with such NBFC, if the outstanding due from our Company is not paid to the NBFC on demand or in the event of our Company becoming bankrupt or executing a deed of composition with creditors or our Company's business is being wound up, then the NBFC may at any time thereafter without any further notice to our Promoters and/or our Company sell the pledged shares and securities or any of them either by public sale or by private treaty or through brokers and appropriate the proceeds thereof.

10. During the past six months, there are no transactions in our Equity Shares, which have been purchased/(sold) by our Promoters, their relatives and associates, persons in Promoter Group (as defined under sub-clause (zb) sub-regulation (1) Regulation 2 of the SEBI (ICDR) Regulations, 2009) or the Directors of the Company, except as mentioned below:

Name	No. of shares	Date of Transaction	Price Per Share (Rs.)	Transferor/
				Transferee
Mr. Rajesh G Uchil	(8,350)	August 4, 2009	10	Mr. R Parthasarthy
	(15,000)	August 4, 2009	10	Mrs. Prema Shashikant Moghe
	(18,500)	August 4, 2009	10	Mr. Ketan Gada
	(850)	August 4, 2009	10	Mr. Tushar Agarwal
Mr. M.S. Sayad	(1,00,000)	August 4, 2009	10	Mrs. Nisha Sayad
	(50,000)	August 4, 2009	10	Ms. Nigah Sayad
	(50,000)	August 4, 2009	10	Ms. Soha Sayad
	(8,350)	August 4, 2009	10	Mr. R Parthasarthy
	(10,000)	August 4, 2009	10	Mr. Usman Fayaz
	(10,000)	August 4, 2009	10	Mrs. Sumita Satyanarayana
	(850)	August 4, 2009	10	Ms. Pushpa Karnavat
Mr. Harish G. Uchil	(8,300)	August 4, 2009	10	Mr. R Parthasarthy
	(2,000)	August 4, 2009	10	Ms. Ankita Lakhotia

Name	No. of shares	Date of Transaction	Price Per Share (Rs.)	Transferor/
				Transferee
	(8,000)	August 4, 2009	10	Mrs. Prema Shashikant Moghe
	(10,000)	August 4, 2009	10	Mr. Mohit Kapoor
	(8,500)	August 4, 2009	10	Mr. Sudhir Shetty
Mr. Gopalkrishna G Uchil	(6,500)	August 4, 2009	10	Mr. Ketan Gada
	(1,500)	August 4, 2009	10	Mr. Sudhir Shetty
	(10,000)	August 4, 2009	10	Mr. Nitin Joshi
Mrs. Nisha Sayad	1,00,000	August 4, 2009	10	Mr. M. S. Sayad
Ms. Nigah Sayad	50,000	August 4, 2009	10	Mr. M. S. Sayad
Ms. Soha Sayad	50,000	August 4, 2009	10	Mr. M. S. Sayad

11. None of our Promoters, Promoter Group Entities, Directors or the relatives thereof have financed the purchase of the Equity Shares of our Company by any other person or entity during the period of six months immediately preceding the date of filing the Red Herring Prospectus with SEBI.

12. The Equity Shares which are eligible for being locked in for three years as per SEBI (ICDR) Regulations, 2009.

Name of Promoter	Date of Allotment / Transfer and made fully paid	Nature of Allotment (Bonus, Rights etc.)	No. of Shares	Face Value	Issue / Transfer Price	Consideration	% of Post Issue Capital	Lock in Period (Years)*
Mr. Rajesh Uchil	October 30, 2000	Further Allotment	74,900	10	10	Cash		
	March 31, 2006	Transfer (Purchase)	3,33,334	10	10	Cash		
	February 5, 2007	Further Allotment	2,50,000	10	10	Cash		
	March 20, 2007	Further Allotment	1,05,000	10	40	Cash		
	October 22, 2007	Bonus on eligible Equity Shares	2,54,411	10		Other than cash		
	October 25, 2007	Transfer (Purchase)	133	10	10	Cash		
	October 25, 2007	Further Allotment	2,13,333	10	10	Cash		
	Total (A)		12,31,111					
Mr. M. S. Sayad	February 5, 2007	Further Allotment	1,50,000	10	10	Cash		
	March 31, 2007	Transfer (Purchase)	8,85,000	10	10	Cash		
	October 22, 2007	Bonus on eligible Equity	45,800	10		--		

		Shares						
	October 25, 2007	Transfer (Purchase)	40,000	10	10	Cash		
	October 25, 2007	Further Allotment	1,50,000	10	10	Cash		
	Total (B)		12,70,800					
Mr. Harish Uchil	September 20, 1999	Subscribers to Memorandum	100	10	10	Cash		
	October 30, 2000	Further Allotment	74,900	10	10	Cash		
	March 31, 2006	Transfer (Purchase)	3,33,333	10	10	Cash		
	February 5, 2007	Further Allotment	2,00,000	10	10	Cash		
	March 20, 2007	Further Allotment	33,900	10	40	Cash		
	October 22, 2007	Bonus on eligible Equity Shares	2,14,077	10		--		
	October 25, 2007	Transfer (Purchase)	53,333	10	10	Cash		
	October 25, 2007	Further Allotment	2,13,334	10	10	Cash		
	Total (C)		11,22,977					
Mr. Gopalkrishna Uchil	September 20, 1999	Subscriber s to Memorandum	100	10	10	Cash		
	October 30, 2000	Further Allotment	1,24,900	10	10	Cash		
	March 31, 2006	Transfer (Purchase)	3,33,333	10	10	Cash		
	October 22, 2007	Bonus on eligible Equity Shares	1,52,777	10	10			
	October 25, 2007	Transfer (Purchase)	53,333	10	10	Cash		
	October 25, 2007	Further Allotment	2,13,333	10	10	Cash		
	Total (D)		8,77,776					
	Total (A)+(B)+(C)+(D)		45,02,664					

* 20% of the Post-Issue Paid-up Equity Share Capital, as determined after the book-building process, would be locked-in for a period of three years from the date of allotment and the balance Pre-Issue Paid-up Equity Share Capital would be locked-in for a period of one year from the date of allotment. The lock-in period shall be reckoned from the date of allotment of Equity Shares in the present Issue. These securities will not be disposed / sold / transferred by the Promoters

during the period starting from the date of filing the Red Herring Prospectus with SEBI till the date of commencement of lock in period as stated in the Red Herring Prospectus.

Note: All the Equity Shares which are being locked in for three years are eligible for computation of Promoters' contribution and lock in as per SEBI (ICDR) Regulations, 2009.

13. We confirm that the minimum Promoters' contribution of 20% of the post-Issue Capital, which is subject to lock-in for three years does not consist of :

- (a) Equity Shares acquired within three years before the filing of the Draft Red Herring Prospectus with SEBI for consideration other than cash and revaluation of assets or capitalisation of intangible assets or resulting from a bonus issued by utilization of revaluation reserves or unrealized profits of our Company or from bonus issue against Equity Shares which are ineligible for minimum Promoter's contribution.
- (b) Securities acquired by our Promoters, during the preceding one year, at a price lower than the price at which Equity Shares are being offered to the public in the Issue.
- (c) Private placement made by solicitation of subscription from unrelated persons either directly or through any intermediary.
- (d) Equity Shares issued to our Promoters on conversion of partnership firms into limited company.
- (e) Promoters' contribution has been brought in to the extent of not less than the specified minimum lot and from persons defined as Promoters under SEBI (ICDR) Regulations, 2009.
- (f) Equity Shares for which specific written consent has not been obtained from the respective shareholders for inclusion of their subscription in the minimum Promoter's contribution subject to lock-in.
- (g) Pledged Equity Shares held by our Promoters.

14. Lock-in of Equity Shares allotted to Anchor Investors

In terms of SEBI ICDR Regulations, Equity Shares allotted to Anchor Investors, in 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.

- 15. The specific written consent has been obtained from the Promoters for inclusion of such number of their existing shares to ensure minimum Promoter's contribution subject to lock-in to the extent of 20% of Post-Issue Paid-up Equity Share Capital.
- 16. The entire pre-issue Equity Share Capital of our Company other than the minimum Promoter's contribution, which is locked-in for a period of three years, shall be locked-in for a period of one year from the date of allotment in the present Public Issue.
- 17. Our Company, our Promoter, our Directors and the BRLMs to this Issue have not entered into any buy-back, standby or similar arrangements with any person for purchase of our Equity Shares issued by our Company through the Red Herring Prospectus.
- 18. An over-subscription to the extent of 10% of the net offer to public can be retained for the purpose of rounding off to the nearest integer during finalizing the allotment, subject to minimum allotment being equal to 25 Equity Shares, which is the minimum bid lot in this Issue.

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

19. Since the entire money of Rs. [●] per share (Rs. 10 face value + Rs. [●] premium) is being called on application, all the successful applicants will be issued fully paid-up Equity Shares only.

20. The Pre-Issue & Post-Issue shareholding pattern of our Promoter & Promoter Group is as under:

Sr. No.	Particulars	Pre-Issue		Post-Issue	
		No. of Shares	% Holding	No. of Shares	% Holding
a.	Promoter	75,23,300	55.22%	75,23,300	[●]
	Mr. Rajesh G. Uchil	19,50,634	14.32%	19,50,634	[●]
	Mr. M. S. Sayad	14,40,800	10.57%	14,40,800	[●]
	Mr. Harish G. Uchil	20,56,534	15.09%	20,56,534	[●]
	Mr. Gopalkrishna G. Uchil	20,75,332	15.23%	20,75,332	[●]
b.	Immediate Relatives of the Promoter	11,50,000	8.44%	11,50,000	[●]
	Mrs. Priti Rajesh Uchil	3,50,000	2.57%	3,50,000	[●]
	Mr. Kartik Uchil	50,000	0.37%	50,000	[●]
	Ms. Tanisha Uchil	50,000	0.37%	50,000	[●]
	Mrs. Payal Harish Uchil	2,50,000	1.83%	2,50,000	[●]
	Mrs. Nisha Sayad	3,50,000	2.57%	3,50,000	[●]
	Ms. Nigah Sayad	50,000	0.37%	50,000	[●]
	Ms. Soha Sayad	50,000	0.37%	50,000	[●]
c.	Companies in which 10% or more of the share capital is held by the Promoters / an immediate relative of the Promoter / a firm or HUF in which the Promoter or any one or more of their immediate relatives is a member	2,66,667	1.96%	2,66,667	[●]
	Trikon Electronics Private Limited	2,66,667	1.96%	2,66,667	[●]
d.	Companies in which Company mentioned in c. above holds 10% or more of the share capital	--	--	--	--
e.	HUF or firm in which the aggregate share of the Promoter and his immediate relatives is equal to or more than 10% of the total	--	--	--	--
f.	All persons whose shareholding is aggregated for the purpose of disclosing in the prospectus as "Shareholding of the Promoter Group".	--	--	--	--
	Total Promoter and Promoter Group Holding	89,39,967	65.61%	89,39,967	[●]

21. Shareholding Pattern of our Company before and after the Issue is as under:

Category	Pre-Issue		Post-Issue*	
	No. of Shares	% Holding	No. of Shares	% Holding
Promoters	75,23,300	55.22%	75,23,300	[●]
Promoter Group	14,16,667	10.40%	14,16,667	[●]
Employees	1,77,000	1.30%	1,77,000	[●]
Public	45,08,303	33.09%	[●]	[●]
Total	1,36,25,270	100.00%	[●]	100.00%

*The final Post Issue Shareholding pattern will be determined after the Book-Building Process.

22. The Equity Shares which are subject to lock-in shall carry the inscription 'non-transferable' and the non-transferability details shall be informed to the depositories. The details of lock-in shall also be provided to the Stock Exchanges, where the shares are to be listed, before the listing of the securities.
23. The Equity Shares held by persons other than Promoters may be transferred to any other person holding shares prior to the Issue, subject to continuation of lock-in with transferees for the remaining period and compliance with the SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 1997, as applicable.
24. The Equity Shares to be held by the Promoter under lock-in period shall not be sold/hypothecated/transferred during the lock-in period. However, the Equity Shares held by Promoter, which are locked in, may be transferred to and among Promoter Group or to a new Promoter(s) or persons in control of our Company, subject to the continuation of lock-in with the transferees for the remaining period and compliance with the SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 1997 as applicable.
25. As on the date of filing of the Red Herring Prospectus with SEBI, there are no outstanding warrants, options or rights to convert debentures, loans or other financial instruments into our Equity Shares.
26. Equity Shares held by Promoters and locked-in may be pledged with any scheduled commercial bank or public financial institution as collateral security for loan granted by such bank or institution, subject to the following:
- if the specified securities are locked-in for 3 years in terms of clause (a) of regulation 36 of SEBI (ICDR) Regulations, 2009, the loan has been granted by such bank or institution for the purpose of financing one or more of the objects of the issue and pledge of specified securities is one of the terms of sanction of the loan;
 - if the specified securities are locked-in for one year in terms of clause (b) of regulation 36 of SEBI (ICDR) Regulations, 2009 and the pledge of specified securities is one of the terms of sanction of the loan.
27. In case of over-subscription in all categories, not more than 50% of the Net Issue to the Public shall be available for allocation on a proportionate basis to Qualified Institutional Buyers (including specific allocation of 5% within the category of QIBs for Indian Mutual Funds). Further a not less than 15% of the Net Issue to the Public shall be available for allocation on a proportionate basis to Non-Institutional Bidders and not less than 35% of the Issue shall be available for allocation on a proportionate basis to Retail Individual Bidders, subject to valid Bids being received at or above the Issue Price.

28. Under subscription, if any, in the Qualified Institutional Buyers Portion, Non-institutional Portion and Retail Portion shall be allowed to be met with spill over from the other categories, at the sole discretion of our Company and BRLMs. However, if the aggregate demand by Mutual Funds is less than 5% of QIB Portion, the balance share available for allocation in the Mutual Fund Portion will first be added to the QIB Portion and be allocated proportionately to QIB Bidders.

29. As on date of filing of the Red Herring Prospectus with SEBI, the entire Issued Share Capital of our Company is fully paid-up.

30. Particulars of top ten shareholding is as follows:

a. As on the date of filing the Red Herring Prospectus

Sr. No.	Name of the Shareholders	No. of Shares	% of then Issued Capital
1	Mr. Gopalkrishna G. Uchil	20,75,332	15.23%
2	Mr. Harish G. Uchil	20,56,534	15.09%
3	Mr. Rajesh G. Uchil	19,50,634	14.32%
4	Enam Shares & Securities Pvt. Ltd.	14,97,066	10.99%
5	Mr. M. S. Sayad	14,40,800	10.57%
6	Carwin Mercantiles Pvt. Ltd.	5,55,000	4.07%
7	Subhkam Ventures (I) Pvt. Ltd.	5,00,000	3.67%
8	Supersonic Trading Co. Pvt. Ltd.	4,35,000	3.19%
9	Blend Financial Services Ltd.	4,00,000	2.94%
10 (a)	Mrs. Priti Rajesh Uchil	3,50,000	2.57%
10 (b)	Mrs. Nisha Sayad	3,50,000	2.57%
Total		1,16,10,366	85.21%

b. 10 days prior to the date of filing the Red Herring Prospectus

Sr. No.	Name of the Shareholders	No. of Shares	% of then Issued Capital
1	Mr. Gopalkrishna G. Uchil	20,75,332	15.23%
2	Mr. Harish G. Uchil	20,56,534	15.09%
3	Mr. Rajesh G. Uchil	19,50,634	14.32%
4	Enam Shares & Securities Pvt. Ltd.	14,97,066	10.99%
5	Mr. M. S. Sayad	14,40,800	10.57%
6	Carwin Mercantiles Pvt. Ltd.	5,55,000	4.07%
7	Subhkam Ventures (I) Pvt. Ltd.	5,00,000	3.67%
8	Supersonic Trading Co. Pvt. Ltd.	4,35,000	3.19%
9	Blend Financial Services Ltd.	4,00,000	2.94%
10 (a)	Mrs. Priti Rajesh Uchil	3,50,000	2.57%
10 (b)	Mrs. Nisha Sayad	3,50,000	2.57%
Total		1,16,10,366	85.21%

- c. 2 years prior to the date of filing the Red Herring Prospectus

Sr. No	Name of shareholder	No. of Shares	% of then Issued Capital
1	Mr. Rajesh G. Uchil	21,06,667	21.07%
2	Mr. Harish G. Uchil	21,06,667	21.07%
3	Mr. Gopalkrishna G. Uchil	21,06,666	21.07%
4	Mr. M. S. Sayad	15,80,000	15.80%
5	Carwin Mercantiles Private Limited	10,00,000	10.00%
6	Supersonic Trading Company Private Limited	4,35,000	4.35%
7	Trikon Electronics Private Limited	2,66,667	2.66%
8	Datla Hari Verma	2,00,000	2.00%
9	Topone Properties Private Limited	1,65,000	1.65%
10	Mr. Deven S. Verma	33,333	0.33%
Total		1,00,00,000	100.00%

31. Our Company has not raised any bridge loan against the proceeds of this Issue.
32. There would be no further issue of capital whether by way of issue of bonus shares, preferential allotment, rights issue or in any other manner during the period commencing from submission of the Red Herring Prospectus with SEBI until the Equity Shares issued through the Prospectus are listed or application moneys refunded on account of failure of Issue.
33. Our Company undertakes that at any given time, there shall be only one denomination for the Equity shares of our Company and our Company shall comply with such accounting and disclosure norms as specified by SEBI from time to time.
34. A Bidder cannot make a Bid for more than the number of Equity Shares being issued through this Issue, subject to the maximum limit of investment prescribed under relevant laws applicable to each category of investor.
35. No payment, direct or indirect in the nature of discount, commission, allowance or otherwise shall be made either by us or our Promoters to the persons who receive allotments, if any, in this issue.
36. We have 82 shareholders as on the date of filing of the Red Herring Prospectus.

SECTION V- OBJECTS OF THE ISSUE

OBJECTS OF THE ISSUE

The present Issue is being made to raise the funds for the following purposes:

1. Purchase of Specialized Equipments
2. Expansion and Establishment of offices
3. To finance the funds required for proposed acquisitions
4. Additional Working Capital Requirements
5. Public Issue expenses
6. General Corporate Purposes

The other Objects of the Issue also include creating a public trading market for the Equity Shares of our Company by listing them on BSE and NSE. We believe that the listing of our Equity Shares will enhance our visibility and brand name and enable us to avail of future growth opportunities.

The main object clause of Memorandum of Association of our Company enables us to undertake the existing activities and the activities for which the funds are being raised by us through the present Issue. Further, we confirm that the activities which we have been carrying out till date are in accordance with the object clause of our Memorandum of Association.

Cost of Project & Means of Finance

The cost of project and means of finance as estimated by our management are given below:

Cost of Project

		(Rs. In Lacs)
Sr. No.	Particulars	Amount
1.	Purchase of Specialized Equipments	3,051.89
2.	Expansion and Establishment of Offices	1,710.61
3.	Proposed Acquisitions	3,500.00
4.	Additional Working Capital Requirement	4,500.00
5.	Public Issue Expenses	1,200.00
6.	General Corporate Purposes	1,037.50
	Total	15,000.00

Means of Finance

		(Rs. In Lacs)
Sr. No.	Particulars	Amount
1.	Proceeds from Initial Public Offer	15,000.00
	Total	15,000.00

In case the IPO does not go as planned, our Company will make alternative arrangements like availing of fresh loans from bank(s) and/or utilizing internal accruals. In case of excess funds remaining after deployment as per the Objects of the Issue, the same will be utilized for General Corporate Purposes. *For further details please refer to the Paragraph titled "General Corporate Purposes" beginning on page 68 under Chapter titled "Objects of the Issue" beginning on page 62 of the Red Herring Prospectus.*

The fund requirement and deployment are based on internal management estimates and have not been appraised by any bank or financial institution or any independent organization. Our plans are subject to a number of variables, including possible cost overruns; receipt of critical governmental approvals; and changes in management's views of the desirability of current plans, among others.

In case of any variations in the actual utilization of funds earmarked for the above activities, increased fund deployment for a particular activity may be met with by surplus funds, if any available in any other project and/or our Company's internal accrual, and/ or the term loans/working capital loans that may be availed from the Banks/ Financial Institutions.

Appraisal

Our Company has not got its proposed requirements of funds as detailed in this chapter appraised by any bank or financial institution.

Brief Details about the Project

1. Purchase of Specialized Equipments

We intend to purchase specialized equipments that are needed by our Company for executing heavy and over dimension project cargo. Whilst we endeavour to be an asset light organisation, certain contracts for large projects in verticals like Power, Heavy Engineering etc. require us to own critical equipments for us to be eligible to bid for these contracts. In this context, we intend to build a critical equipment bank for us to bid for and execute these contracts.

A detailed break up of the equipment required under each aforementioned head, along with the details of the quotation invited for the same are given.

(Rs. in Lacs)								
Sr. No.	Particulars	Cost Per Unit	Qty. (Nos.)	Cost	Taxes, Insurance and other costs	Total Cost	Supplier	Quotation Date
1.	Hydraulic Modular Trailer – 6 axle	49.50	8	396.00	46.40	442.40	Tratec Engineers Pvt. Ltd.	August 12, 2009
2.	Hydraulic Modular Trailer – 4 axle	33.00	8	264.00	46.40	310.40	Tratec Engineers Pvt. Ltd.	August 12, 2009
3.	Hydraulic Modular Trailer – 2 axle	16.50	10	165.00	58.00	223.00	Tratec Engineers Pvt. Ltd.	August 12, 2009
4.	CraneHY10SB – 12 MT	9.00	1	9.00	0.98	9.98	Escorts Construction Equipment Limited	August 13, 2009
5.	CraneHY12 – 12 MT	9.83	1	9.83	0.98	10.81	Escorts Construction Equipment Limited	August 13, 2009
6.	Trailers (Ashok Leyland)	19.20	10	192.00	19.50	211.50	Automotive Manufacturers Pvt. Ltd.	August 12, 2009
7.	Trailers - 125 Ton (Ashok Leyland)	14.00	8	112.00		112.00	Yash Trailers	August 12, 2009
8.	Bolero	6.37	5	31.85		31.85	NBS International Ltd.	August 14, 2009

9.	Volvo FH 520 Tractor	66.62	4	266.48	8.00	274.48	VE Commercial Vehicles Ltd.	August 11, 2009
10.	Volvo FM 400	50.79	4	203.16	7.60	210.76	VE Commercial Vehicles Ltd.	August 11, 2009
11.	Tata Model - LPT 1109	8.47	3	25.41		25.41	Unitech Automobiles Private Limited	August 20, 2009
12.	Tata Model - LPT 407	6.40	3	19.20		19.20	Unitech Automobiles Private Limited	August 20, 2009
13.	Barge – 55 x 10 x 3 m Self Propelled Cargo Barge	435.00	1	435.00		435.00	Enviroscientific Dredging & Water Projects Private Ltd.	August 20, 2009
14.	Barge – 60 x 15 x 2.6 m Self Propelled Cargo Barge	325.00	1	325.00		325.00	Enviroscientific Dredging & Water Projects Private Ltd.	August 20, 2009
15.	Tug	387.90	1	387.90		387.90	Valley Systems Engineers Private Limited	August 25, 2009
16.	Tools & Tackles	22.20		22.20	--	22.20	Neelyog Engineers	August 19, 2009
	Total					3,051.89		

Note: The actual suppliers of the equipments and the prices may differ after considering the conditions prevailing while placing the orders.

2. Expansion and Establishments of Offices

We intend to establish 4 more offices in India and one office in Middle East (Dubai). The total cost estimated for setting up of these offices is Rs. 1,710.61 Lacs.

Rationale for setting up our office in Dubai: The trade capital of the Middle East, Dubai is one of the major sea ports in the world. The Persian Gulf is the gateway to the East and the West, ideally positioned to facilitate trade and commerce across the globe. Apart from its attractions as a regional office location, Dubai also offers incoming companies excellent facilities for establishing manufacturing and distribution operations. In the Jebel Ali Free Zone and the new Airport Free Zone, overseas companies are permitted to set up wholly-owned ventures and can enjoy an array of incentives, including exemption from import duties, in addition to the favourable investment conditions which prevail in Dubai.

We intend to establish our presence in Dubai to cater to the middle-east/Gulf market. Dubai serves as an important trade-link to Europe as well. An office establishment shall help us to explore business opportunities in the region and allow us to establish relationship with transport agents as well.

Cost of setting up office in Dubai:

Particulars	Total Cost in AED	Total Cost (Rs. In Lacs)
Initial Setup Costs		
Economic and Municipal Fees	11,000	1.45

Investor Visa Cost	12,370	1.63
Employment Visa	1,50,000	19.80
PC & Laptops	80,000	10.56
Furniture / Fittings	35,000	4.62
Major Operating Costs (considered for 6 months)		
Staff Cost (Including MD, Project Manager, Business Development Team, HR, Finance, operations etc for 6 Months)	24,96,000	329.47
Business Planning & Organizational Setup Costs	8,50,000	112.20
Rents, Rates and Taxes	24,00,000	316.80
Communication Expenses	24,000	3.17
Other Office Setup Expenses	30,000	3.96
Travel & Stay	3,00,000	39.60
Internal Travel and Business Operation Expenses	3,50,000	46.20
Miscellaneous	30,000	3.96
Total	67,38,370	893.42

Conversion Rate: Rs. 13.20 per AED (United Arab Emirates Dirham)

Setting up offices in India: With a view to expand our presence in East India, we intend to set-up regional office and port office at Kolkata. The set-up in Kolkata port and Kolkata city shall enable us to identify new clients in the region and offer our services to them. The Kolkata offices shall also serve as a regional hub to conduct business in eastern and north-eastern regions of India. We also intend to establish separate offices in Delhi and Mumbai to add rail freight as additional mode of transportation.

Cost of setting up offices in India:

(Rs. in Lacs)

Particulars	Kolkata Port	Kolkata City	Delhi (For Rail Freight Operations)	Mumbai (For Rail Freight Operations)	Total
Area in Sq ft	1200	3000	2000	2250	
Rent per Sq ft/month (Rs.)	50	100	125	140	
Rent for 6 months	3.60	18.00	15.00	18.90	55.50
Deposit for 1 year	7.20	36.00	30.00	37.80	111.00
Furnishing, Furniture & Fixtures#	24.00	60.00	40.00	45.00	169.00
Overhead Expenses	60.00	60.00	60.00	60.00	240.00
Office Equipments	7.43	13.53	10.42	10.31	41.69
Vehicles	50.00	50.00	50.00	50.00	200.00
Total	152.23	237.53	205.42	222.01	817.19

#the expenditure on furniture and fixtures have been certified by Sudhir Shetty, Design Consultant vide estimate dated September 19, 2009.

3. Proposed Acquisition

Our Company intends to raise funds for proposed acquisition(s) and is targeting company(ies) in South East Asia. The acquisition will be by way of acquiring the equity of the target or in any other manner as may be deemed feasible. These initiatives shall be governed by medium to long term goals and other business objectives. Accordingly, we intend to earmark and use a portion of the

Issue Proceeds for strategic investments and acquisitions. However, we have not yet identified any targets for acquisition.

Our business is global in nature and as of today we use partners in other countries for fulfilling our business requirements. Going forward, we believe that acquisition will allow us to increase our geographical presence, spread our reach in other parts of the world and give us the strength to compete with top multinational companies in our business domain. Further, businesses in developed markets are under enormous pressure to lower their operational costs due to general business downturn, low margins and high people costs. This gives an opportunity to move certain processes to India, which have low operational costs vis-à-vis developed countries.

We intend to carry on our inorganic growth plan to venture into newer geographies in order to increase our client base. We intend to acquire companies/businesses which are complimentary to the domains in which we operate. Primarily, we would target acquisition of companies /businesses/products in the transportation/logistic segment providing niche expertise to worldwide businesses. We aim to expand our geography by synergizing with such entities and enhance our position as a player, enhance our capabilities and address gaps in the industry and to ensure that the business is conducted with a view to expand the business and control the risks and enhance the reputation and image of our Company.

Benefits expected through Acquisitions:

- Enhancing our geographical reach and expand the business globally.
- To use the respective business skills, know-how, experience and expertise of both the parties to manage and conduct the business.
- Localized knowledge of employees of the foreign target company which will be useful in tapping opportunities those countries.
- Outsourcing of certain operations to India and improve profitability of the target company.
- Opens up a market for our supply chain consultancy services.

The broad practices which we intend to follow for proposed acquisition are as under:

- (a) Identifying the target company
- (b) Letter of Intent
- (c) Entering into a Non-Disclosure Agreement with the target company
- (d) A preliminary analysis: Our Company goes through the information pertaining to the target company, which is confidential and it includes its financials and information about its clientele.
- (e) Broader terms of valuation are agreed upon subject to due-diligence. On the basis of this our Company will enter into a Memorandum of Understanding (MOU) with the target company and then starts the formal due-diligence, which may need hiring specialists and outside agency.
- (f) On satisfactory conclusion of due diligence our Company will enter into definitive 'purchase agreement' with the target company and the legal formalities are complied.

Our Company has earmarked an amount of upto Rs. 3,500 Lacs to be utilised for proposed acquisition of a third party logistics (3PL) company in South East Asia. We intend to acquire a controlling/majority stake in a foreign company to enhance our geographical reach in South East Asia. Further, it will also be cost effective, since we can outsource certain operations of target company to India and improve our profitability. In India we intend to have our own set-up to serve our customers in an efficient manner. Towards this cause we are establishing our presence in East India (Kolkata) and enhancing our presence in Delhi and Mumbai by opening new offices to cater to rail freight operations.

The company had studied the logistics market in South East Asia and shall invest in the target companies which will be identified on the basis of following criteria:

- i) End to end 3PL Company having freight forwarding and multimodal transport capabilities.
- ii) Having multi office presence in South East Asia having presence in China.
- iii) Having an estimated turnover in the range of Rs. 125 – Rs. 175 Crores.
- iv) Having an estimated Enterprise Value of Rs. 70 to Rs. 80 Crores

Based on the above considerations, there are acquisition opportunities available where we can acquire a controlling/majority stake for Rs. 3,500 Lacs. Our Company would follow the above modalities for any acquisitions out of the Issue Proceeds and have envisaged a requirement of upto Rs. 3,500 Lacs for the proposed acquisitions.

Further, in this regard we have signed an Expression of Interest (EOI) with a Hong Kong based logistics company. The company has 39 associate offices worldwide and services major logistic gateways in Shenzhen, Guangzhou, Shanghai, Tianjin, Ningbo, Kunming, Singapore, Ho Chi Minh City, New York, Los Angeles and Chicago. The services offered by the company include, Airfreight, Sea freight, Rail freight, Courier Services, Insurance services and Shipping forms. Further details have been sought by us to take the matter forward.

We are yet to identify the target company for acquisition and are scouting for potential target companies based on the criteria mentioned above. Further, our Company is not assured of any dividends/returns arising out of the investments in the Equity Shares of the entity(s) proposed to be acquired.

4. Additional Working Capital Requirements

We have existing banking relationships with sanctioned working capital limits as provided in the “Annexure 13- Secured Loans” beginning on page 170 under Chapter titled “Auditors’ Report and Financial Information of our Company” beginning on page 151 of the Red Herring Prospectus. These limits and our internal accruals are adequate to meet our existing requirements. However, our Company will utilize a part of the Issue Proceeds to fund additional future working capital requirements.

Since our company operates in the service industry, the debtors and creditors form the major component of the working capital requirements. Based on our past experience, we have estimated and disclosed the number of days for debtors collection period and creditors payment period as the basis for estimation. Considering the existing growth rate and the proposed expansion, the total working capital needs of our Company, as assessed based on the internal working of our Company is expected to reach Rs. 10,363.86 Lacs by FY 2010 out of which we propose to fund Rs. 4,500.00 Lacs through this Public Issue, details of which are mentioned hereunder:

(Rs. in Lacs)				
Particulars	No. of Days	Working Capital Requirement FY 2009 (Actual)	No. of Days	Working Capital Requirement FY 2010 (Estimated)
Current Assets				
Sundry Debtors	102.16	5972.59	90	10,523.46
Other Current Assets		2397.16		2,873.26
Total Current Assets		8369.75		13,396.72
Current Liabilities				
Sundry Creditors	13.68	657.65	17	1,623.08
Other Liabilities		80.47		97.00

Provisions		411.07		1,312.78
Total Current Liabilities		1149.19		3,032.86
Working Capital Gap		7220.56		10,363.86
Less: Existing Bank Borrowings		3,000.00		3,000.00
Net Working Capital Requirement		4,220.56		7,363.86
Proposed Working Capital to be funded from IPO				4,500.00
Funding through Own Funds & Additional Bank Borrowings		4,220.56		
Funding Proposed through Bank Borrowings				2,863.86

Company being in the service industry installed capacity and capacity utilisation is not applicable to the Company. Break up of expected current assets into raw materials, finished goods, work in progress is not applicable. The debtors collection period for FY 2009 was 102.16 days which has been estimated at 90 days for FY 2010. The creditors' payment period for FY 2009 was 13.68 days which has been estimated at 17 days for FY 2010.

5. Public Issue Expenses

The expenses for this Issue include Issue management fees, IPO grading expenses, selling commissions, underwriting commission, printing and distribution expenses, fee payable to other intermediaries, statutory advertisement expenses and listing fees payable to the Stock Exchanges, amongst others. The estimated Issue expenses are as under:

(Rs. in Lacs)				
Activity	Expenses (Rs. in Lacs)	% of Issue Size	% of Issue expenses	
Lead management, Syndicate fees, underwriting and selling commission	750.00	5.00%	62.50%	
Advertisement and marketing expenses	140.00	0.93%	11.67%	
Printing and stationery (including expenses on transportation of the material)	150.00	1.00%	12.50%	
Others (Filing Fees with SEBI, BSE and NSE, Registrar's fees, legal fees, IPO Grading, listing fees, travelling and other miscellaneous expenses etc.)	160.00	1.07%	13.33%	
Total	1,200.00	8.00%	100.00%	

6. General Corporate Purposes

Our Company intends to deploy the balance Issue proceeds aggregating upto Rs. 1,037.50 Lacs, towards the general corporate purposes, including but not restricted to strategic initiatives, entering into strategic alliances, partnerships, joint ventures etc. and meeting exigencies & contingencies for the project, which our Company in the ordinary course of business may not foresee, or any other purposes as approved by our Board of Directors.

Our management, in response to the dynamic nature of the industry, will have the discretion to revise its business plan from time to time and consequently our funding requirement and deployment of funds may also change. This may also include rescheduling the proposed utilization of Issue Proceeds and increasing or decreasing expenditure for a particular object vis-à-vis the utilization of Issue Proceeds. Our management, in accordance with the policies of our Board, will have flexibility in utilizing the proceeds earmarked for general corporate purposes.

Schedule of Implementation

Sr. No.	Particulars	Month of Commencement	Month of Completion
1.	Purchase of Specialized Equipments		
	- Placement of Order	January 2010	March 2010
	- Delivery	March 2010	June 2010
2.	Expansion and Establishment of Offices	January 2010	December 2010
3.	Proposed Acquisitions	January 2010	June 2010

Deployment of Funds in the Project

We have incurred the following expenditure on the project till January 06, 2010. The same has been certified by our statutory auditors M/s. Anil Nair & Associates, Chartered Accountants *vide* their certificate dated January 06, 2010.

(Rs. in Lacs)		
Sr. No.	Particulars	Amount
1.	Public Issue Expenses	58.87
	Total	58.87

The above mentioned deployment has been financed out of the Internal Accruals. Since the objects of the issue stated are to be funded from the IPO, the amount spent till date on the objects, certified by the statutory auditors, shall be recouped from the public issue proceeds.

Details of balance fund deployment

(Rs. in Lacs)					
Sr. No.	Particulars	Expenses incurred as on January 06, 2010	FY 2010	FY 2011	Total
1	Purchase of Specialized Equipments	-	3,051.89	-	3,051.89
2	Expansion and Establishments of Offices	-	400.00	1,310.61	1,710.61
3	Proposed Acquisitions	-	500.00	3,000.00	3,500.00
4	Additional Working Capital Requirements	-	4,500.00	-	4,500.00
5	Public Issue Expenses	58.87	1,141.13	-	1,200.00
6	General Corporate Purposes	-	1,037.50	-	1,037.50
	Total	58.87	10,630.52	4,310.61	15,000.00

Interim Use of Funds

The management, in accordance with the approval of the Board of Directors, will have the flexibility in deploying the Issue Proceeds received by us. Pending utilization for the purposes described above, we intend to invest the funds in high quality interest/dividend bearing liquid instruments including money market mutual funds and deposits with banks for the necessary duration or for reducing overdraft.

Monitoring of Issue proceeds

Our Audit Committee will also monitor the utilization of the Issue Proceeds. We will disclose the utilization of the Issue proceeds under separate head in our balance sheet for the Financial Year 2010 and 2011.

Further, on an annual basis, our Company shall prepare a statement of funds utilized for purposes other than those stated in the Red Herring Prospectus and place it before the Audit Committee. The said disclosure shall be made till such time that the full money raised through the Issue has been fully spent. The statement shall be certified by the Statutory Auditors. Further, our Company will furnish to the Stock Exchanges on a quarterly basis, a statement indicating material deviations, if any, in the use of Issue Proceeds from the Objects stated in the Red Herring Prospectus. Pursuant to Clause 49 of the listing agreement, our Company shall on a quarterly basis disclose to the Audit Committee the uses and application of the Issue Proceeds. We will disclose the utilization of the Issue Proceeds under a separate head in our balance sheet till such time the Issue Proceeds have been utilized, clearly specifying the purpose for which such proceeds have been utilized. We will also, in our balance sheet till such time the Issue Proceeds have been utilized, provide details, if any, in relation to all such Issue Proceeds that have not been utilized thereby also indicating investments, if any, of such unutilized Issue Proceeds.

No part of the Issue Proceeds of this issue will be paid as consideration to our Promoters, Directors, key managerial employees or Group Concerns/Companies promoted by our Promoters.

BASIC TERMS OF THE ISSUE

Terms of the Issue

The Equity Shares being offered are subject to the provisions of the Companies Act, SEBI (ICDR) Regulations, 2009, our Memorandum and Articles of Association, the terms of the Red Herring Prospectus, the Red Herring Prospectus, the Prospectus, Bid-cum-Application Form, ASBA Form, the Revision Form, the Confirmation of Allocation Note and other terms and conditions as may be incorporated in the allotment advices and other documents/certificates that may be executed in respect of the Issue. The Equity Shares shall also be subject to laws as applicable, guidelines, notifications and regulations relating to the issue of capital and listing and trading of securities issued from time to time by SEBI, the Government of India, the Stock Exchanges, the RBI, RoC and/or other authorities, as in force on the date of the Issue and to the extent applicable.

Terms of Payment

Applications should be for a minimum of 25 Equity Shares and in multiples of 25 Equity Shares thereafter. The entire price of the Equity Shares of Rs. [●] per share (Rs. 10 face value + Rs. [●] premium) is payable on application. In case of allotment of lesser number of Equity Shares than the number applied, the excess amount paid on application shall be refunded by us to the applicants.

Ranking of Equity Shares

The Equity Shares being offered through the Issue shall be subject to the provisions of the Companies Act, the Memorandum and Articles of Association of our Company and shall rank *pari passu* in all respects with the existing Equity Shares including in respect of the rights to receive dividend. The Allottees, in receipt of Allotment of Equity Shares under the Issue, will be entitled to dividend, voting rights or any other corporate benefits, if any, declared by our Company after the date of Allotment.

Face Value and Issue Price per Share

The Equity Shares having a face value of Rs. 10 each are being offered in terms of the Red Herring Prospectus at a price of Rs. [●] per Equity Share. At any given point of time there shall be only one denomination of the Equity Shares of our Company, subject to applicable laws.

Price Band: Rs. 220 to Rs. 230 per Equity Share of Face Value of Rs. 10 each. The Floor Price is 22 times of the Face Value and the Cap Price is 23 times of the Face Value.

Market Lot and Trading Lot

In terms of Section 68B of the Companies Act, the Equity Shares shall be allotted only in dematerialized form. In terms of existing SEBI (ICDR) Regulations, 2009, the trading in the Equity Shares shall only be in dematerialized form for all investors.

Since trading of the Equity Shares will be in dematerialized mode, the tradable lot is one Equity Share. Allocation and allotment of Equity Shares through this Offer will be done only in electronic form in multiples of 1 Equity Share subject to a minimum allotment of 25 Equity Shares to the successful bidders.

Minimum Subscription

If our Company do not receive the minimum subscription of 90% of the Issue to the Public including devolvement of the Underwriters within 60 days from the Bid Closing Date, our Company shall forthwith refund the entire subscription amount received. If there is a delay beyond 8 days after our Company become liable to pay the amount, we shall pay interest prescribed under Section 73 of the Companies Act 1956.

BASIS FOR ISSUE PRICE

Investors should read the following summary along with the Sections titled “Risk Factors”, “About Us” and “Financial Information” beginning on pages 12, 82 & 151 respectively of the Red Herring Prospectus. The trading price of the Equity Shares of our Company could decline due to these risks and you may lose all or part of your investments.

The Issue Price will be determined by our Company in consultation with the BRLMs on the basis of assessment of market demand for the Equity Shares offered by way of Book Building.

Qualitative Factors:

- **Asset light business model**

Our Company is structured on a unique business model with service centric approach. We are an asset light company which gives us the advantage during the selection of our vendors. This helps us save time, increase efficiency and ensures promptness in delivery.

- **Professional management team**

Our operations are led by our Chairman, Vice-Chairman, Managing Director and experienced management group that functions well as a team and has the expertise and vision to continue to expand our business. We have a dedicated and experienced management teams who are in charge of operation, quality management and delivery to each of our customers. Our experience together with our consistent and successful track record of timely delivery and customer satisfaction provides us a competitive edge. Our experience in varied sectors has helped us concentrate on devising and delivering sector specific solutions thereby increasing our visibility across various sectors.

- **International Network**

We have tapped markets across the countries by establishing a strong and symbiotic relationship with international 3PL companies. These agents complement and enhance our capabilities to manage movements across geographies.

- **Domain knowledge**

We have shaped our Company in a vertically focused way. This vertical focus has allowed us to build domain knowledge of specific logistics requirements in a variety of sectors such as Power, Heavy Engineering, Pharmaceutical, Telecom, Retail and Sports & Events. This domain knowledge combined with our capabilities of end-to-end logistics management enables us to offer customised solutions in these verticals.

- **Our Associate Companies**

We are able to address important areas in the business value chain and our associate companies help in the translation of our understanding into solutions for an optimized and organized supply chain for our customers. The value we provide is in an optimal mix of solution design and service execution with our Group Companies in supply chain consulting (through Aqua Management Consulting Group Private Limited), last mile project execution and specialized transport (through Aqua Specialized Transport Private Limited) and supply chain IT (Harapa International Private Limited) which complete the bouquet of end-to-end offerings to our customers. Project execution through these Group Companies help us offer and deliver customised services to our customers.

Quantitative Factors

Information presented in this section is derived from our Company's restated, financial statements.

1. Adjusted Earnings Per Share

Particulars	EPS (Rs.)	Weights
2006 - 2007	12.42	1
2007 - 2008	7.01	2
2008 - 2009	8.27	3
Weighted Average EPS	8.54	

For the six months period ending September 30, 2009 (non annualised);Rs. 6.36.

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

Particulars	P/E at the lower end of the Price Band (Rs. 220)	P/E at the higher end of the Price Band (Rs. 230)
a. Based on 2008-09 EPS of Rs. 8.27	26.60	27.81
b. Based on weighted average EPS of Rs. 8.54	25.76	26.93

Industry P/E*	
▪ Highest - Arshiya International Limited	89.30
▪ Lowest - Aegis Logistics	10.20
▪ Average	49.75

Source: Capital Market, VolumeXXIV/22, December 28, 2009 – January 10, 2010

* There is no separate grouping for players in the logistics industry. Since logistic companies are covered under Miscellaneous Industry Segment in the above source, we have therefore computed the above ratios, based on the data of logistics companies only. The data computed is not based on the entire Miscellaneous Industry Segment.

3. Return on Net Worth

Particulars	RONW (%)	Weights
2006 - 2007	33.69	1
2007- 2008	14.21	2
2008 - 2009	17.63	3
Weighted Average RONW	19.17	

For the six months period ending September 30, 2009 (non annualised);11.09%.

4. Minimum Return on Net Worth needed after the Issue to maintain pre-Issue EPS of Rs. 8.27 is

- a) At the higher end of the Price Band 7.39%
- b) At the lower end of the Price Band 7.50%

5. Net Asset Value (Rs.)

Particulars	At the lower end of the Price Band (Rs. 220)	At the higher end of the Price Band (Rs. 230)
As on March 31, 2009	43.18	43.18
As on September 30, 2009	55.35	55.35
After Issue	110.26	111.89
Issue Price	[●]	

6. Comparison of Accounting Ratios with Peer Group Companies

Particulars	Sales (Rs. cr)	EPS (Rs.)	P/E Ratio	RONW (%)	NAV (Rs.)	Face Value
Arshiya International Limited	256.4	3.0	89.3	3.9	82.9	2
Allcargo Global Logistics Limited	516.8	6.6	26.6	21.9	56.7	2
Gateway Distriparks Limited	203.6	8.0	17.1	14.6	58.8	10
Sical Logistics Limited	472.5	3.0	19.7	5.1	49.6	10
Transport Corporation	1,298.0	4.20	15.6	10.90	37.40	2
Aqua Logistics Limited	213.4	8.27	[●]	17.63	43.18	10

Source: Capital Market, VolumeXXIV/22, December 28, 2009 – January 10, 2010

7. The face value of our Equity Shares is Rs.10 per share and the Issue Price of Rs. [●] is [●] times of the face value of our Equity Shares. The final price would be determined on the basis of the demand from the investors.

The BRLMs believes that the Issue Price of Rs. [●] per Equity Shares is justified in view of the above qualitative and quantitative parameters. The investors may also want to peruse the Risk Factors beginning on page 12 and our financials as set out in the "Auditors Report and Financial Information of our Company" beginning on page 151 in the Red Herring Prospectus to have a more informed view about the investment proposition.

STATEMENT OF TAX BENEFITS

**The Board of Directors
Aqua Logistics Limited**

No 3 V Floor, B Wing
Trade Star Buildings
Andheri Kurla Road
Andheri East
Mumbai

Dear Sirs,

Sub: Statement of Special Tax Benefits

We hereby confirm that the enclosed statement, prepared by the Company, states the possible tax benefits available to Aqua Logistics Limited ('the Company') and its shareholders under the current tax laws presently in force in India. Several of those benefits are dependent on the company or its shareholders fulfilling the conditions prescribed under the relevant provisions of the relevant tax laws. Hence, the ability of the company or its shareholders to derive the tax benefits is dependent upon fulfilling such conditions, which based on the business imperatives, the company may or may not choose to fulfil.

The benefits discussed in the enclosed statement are not exhaustive and the preparation of the content stated is the responsibility of the company's management. We are informed that this statement is only intended to provide general information to the investor and hence is neither designed nor intended to be a substitute for professional tax advice. In view of the individual nature of the tax consequences and the changing tax loss each investor is advised to consult his/her own tax consultant with respect to the specific tax implications arising out of their participation in the issue.

Our confirmation is based on the information, explanations and representations obtained from the company and on the basis of our understanding of the business activities and operations of the company and interpretation of the current tax laws in force in India.

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

- a. The company or its shareholder will continue to obtain the benefits in future: or
- b. The conditions prescribed for availing the benefits, where applicable have been/ would be met.

**For Anil Nair & Associates
Chartered Accountants**

R Mohan

Partner

Membership No: 23022

Date: 10.09.2009

I. SPECIALSPECIFIC TAX BENEFITS

A. Under the Income Tax Act, 1961 (“the I.T. Act”)

Benefits available to the Company

- Under section 35AD of the Income Tax Act, 1961 and subject to fulfilment of conditions specified therein, the company is entitled to a deduction in respect of the whole of any expenditure of capital nature incurred, wholly are exclusively towards setting up of cold chain facility or a chain facility for storage or transportation of agricultural and forest produce, products of horticulture, floriculture and apiculture and processed food items under scientifically controlled conditions including refrigeration and other facilities necessary for preservation of such produce.

II GENERAL TAX BENEFITS

A. Benefits available to the company under the Income Tax Act, 1961 (“The I.T. Act”)

- Under section 10(34) of the I.T. Act, dividend income (whether interim or final) referred to in section 115O of the I.T Act, received by the Company, is exempt from tax in the hands of Company.
- By virtue of section 10(35) of the I.T. Act, the following income shall be exempt, in the hands of the Company:
 - a. Income received in respect of the units of a Mutual Fund specified under clause (23D) of section 10; or
 - b. Income received in respect of units from the Administrator of the specified undertaking; or
 - c. Income received in respect of units from the specified company:

However, this exemption does not apply to any income arising from transfer of units of the Administrator of the specified undertaking or of the specified company or of a mutual fund, as the case may be.

For this purpose (i) “Administrator” means the Administrator as referred to in section 2(a) of the Unit Trust of India (Transfer of Undertaking and Repeal) Act, 2002 and (ii) “Specified company” means a company as referred to in section 2(h) of the said Act.

- Under section 32 of the I.T. Act, the Company is entitled to claim depreciation, subject to the conditions specified therein, at the prescribed rates on its specified assets used for its business.
- Under section 35D the Company is entitled to amortise such certain preliminary expenditure including expenditure in connection with the issue, for public subscription, of shares of the company, being under writing commission, brokerage and charges for drafting, typing, printing, advertisement, etc., of the prospectus..
- By virtue of Section 115JAA of the IT Act, Tax Credit of MAT paid shall be allowed in future year in which tax becomes payable on the total income computed in accordance with the provisions other than section 115JB. Carry forward of such Tax Credit shall not be allowed beyond the seven assessment year immediately succeeding the assessment year in which tax credit becomes allowable.

B. To the Members of the Company

B1. Under the Income Tax Act, 1961

1. All Members

- By virtue of Section 10(38) of the Income Tax Act, 1961, income arising from transfer of a long term capital asset, being an equity share in the Company is exempt from tax, if the transaction of such sale has been entered into on or after the date on which Chapter VII of the Finance (No.2) Act, 2004 comes into force and such transaction is chargeable to the Securities Transaction Tax under that Chapter. However, the long-term capital gain of a share holder being a company shall be subject to income tax computed on book profit under section 115JB of the Income Tax Act, 1961.
- By virtue of Section 111A inserted by Finance (No.2) Act, 2004, Short term capital gain on transfer of equity share of the Company shall be chargeable to tax @ 15%, if the transaction of such sale has been entered into on or after the date on which Chapter VII of the Finance (No. 2) Act, 2004 comes into force and such transaction is chargeable to Securities Transaction Tax under that Chapter.
- By virtue of Section 88E of the Income Tax Act, 1961 and subject to certain conditions rebate of tax paid on securities transaction is allowable as deduction from the amount of income tax.

2. Resident Members

- By virtue of Section 10(34) of the IT Act, income earned by way of dividend income from a domestic company referred to in Section 115-0 of the IT Act, is exempt from tax in the hands of the shareholders.
- Under Section 54EC of the Income Tax Act, 1961 and subject to the conditions and to the extent specified therein, long term capital gains arising on the transfer of shares of the Company will be exempt from capital gains tax if the capital gains are invested upto Rs. 50 lakhs within a period of 6 months from the date of transfer in the bonds issued by
 - National Highways Authority of India constituted under section 3 of National Highways Authority of India Act, 1988;
 - Rural Electrification Corporation Limited, a Company formed and registered under the Companies Act, 1956;

If only part of the capital gain 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.

- Under Section 54F of the Income Tax Act, 1961 and subject to the conditions and to the extent specified therein, long term capital gains arising to an individual or Hindu Undivided Family (HUF) on transfer of shares of the Company will be exempt from capital gain tax, if the net consideration from such shares are used for purchase of residential house property within a period of one year before or two years 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 part of the capital gain is so reinvested, the exemption shall be proportionately reduced. The amount so exempted shall be chargeable to tax subsequently, if the new asset are transferred or converted within three years from the date of their acquisition.
- Under Section 112 of the Income Tax Act, 1961 and other relevant provisions of the Act, long term capital gains arising on transfer of shares in the Company, if shares are held for a period

exceeding 12 months shall be taxed at a rate of 20% (plus applicable surcharge and education cess) after indexation as provided in the second proviso to Section 48 or at 10% (plus applicable surcharge and education cess) (without indexation), at the option of the Shareholders.

3. Non Resident Indians/Members (other than FIIs and Foreign Venture Capital Investors)

- By virtue of Section 10(34) of the IT Act, income earned by way of dividend income from a domestic company referred to in Section 115-0 of the IT Act, is exempt from tax in the hands of the recipients.

Tax on Investment Income and Long Term Capital Gain

- A non resident Indian (i.e. an individual being a citizen of India or person of Indian Origin) has an option to be governed by the provisions of Chapter XIIA of the Income Tax Act, 1961 viz. "Special Provisions Relating to Incomes of Non-Residents".
- Under Section 115E of the Income Tax Act, 1961, where shares in the Company are subscribed for in convertible Foreign Exchange by a Non Resident Indian, capital gains arising to the non resident on transfer of shares held for period exceeding 12 months shall be concessionaly taxed at the flat rate of 10% (plus applicable surcharge and education cess) without indexation benefit but with protection against foreign exchange fluctuation. Capital gain on transfer of Foreign Exchange Assets, not to be charged in certain cases.
- Under provisions of Section 115F of the Income Tax Act, 1961, long term capital gains 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 or in any savings certificates referred to in clause 4B of Section 10 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 or any such savings certificates are transferred or converted within three years from the date of their acquisition.

Return of Income not to be filed in certain cases

- Under provisions of Section 115G of the Income Tax Act, 1961, it shall not be necessary for a Non-Resident Indian to furnish his return of Income if his only source of income is investment income or long term capital gains or both arising out of assets acquired, purchased or subscribed in convertible foreign exchange and tax deductible has been deducted at source there from.

Other Provisions

- Under Section 115-I of the Income Tax Act, 1961, a Non-Resident Indian may elect not to be governed by the provisions of Chapter XII-A for any Assessment Year by furnishing his Return of Income under Section 139 of the Income Tax 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 instead the other provisions of the Act shall apply.
- Under the first proviso to Section 48 of the Income Tax Act, 1961, 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.

- Under Section 54EC of the Income Tax Act, 1961 and subject to the conditions and to the extent specified therein, long term capital gains arising on the transfer of shares of the Company will be exempt from capital gains tax if the capital gains are invested upto Rs. 50 lakhs within a period of 6 months from the date of transfer in the bonds issued by
 - National Highways Authority of India constituted under section 3 of National Highways Authority of India Act, 1988;
 - Rural Electrification Corporation Limited, a Company formed and registered under the Companies Act, 1956; If only part of the capital gain 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.
 - If only part of the capital gain is so reinvested, the exemption shall be proportionately reduced. The amount so exempted shall be chargeable to tax subsequently, if the new asset are transferred or converted within three years from the date of their acquisition.
- Under Section 54F of the Income Tax Act. 1961 and subject to the condition and to the extent specified therein, long term capital gains arising to an individual or Hindu Undivided Family (HUF) on transfer of shares of the Company will be exempt from Capital gains tax subject to other conditions, if the net consideration from such shares are used for purchase of residential house property within a period of one year before and 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 part of the capital gain is so reinvested, the exemption shall be proportionately reduced. The amount so exempted shall be chargeable to tax subsequently, if the new asset are transferred or converted within three years from the date of their acquisition.

- Under Section 112 of the Income Tax Act, 1961 and other relevant provisions of the Act, long term capital gains arising on transfer of shares in the Company, if shares are held for a period exceeding 12 months shall be taxed at a rate of 20% (plus applicable surcharge and Education Cess) after indexation as provided in the second proviso to Section 48; indexation not available if investments made in foreign currency as per the first proviso to section 48 stated above) or at 10% (plus applicable surcharge and Education Cess) (without indexation), at the option of assessee.

4. Mutual Funds

- In terms of Section 10 (23D) of the Income Tax Act, 1961, mutual funds registered under the Securities and Exchange Board of India Act 1992 and such other mutual funds set up by public sector banks or public financial institutions authorized by the Reserve Bank of India and subject to the conditions specified therein, are eligible for exemption from income tax on their entire income, including income from investment in the shares of the company.

5. Foreign Institutional Investors (FIIs)

- By virtue of Section 10(34) of the IT Act, income earned by way of dividend from another domestic company referred to in Section 115-0 of the IT Act, is exempt from tax in the hands of the institutional investor.
- The income by way of short term or long term capital gains realized by FIIs on sale of shares in the Company would be taxed at the following rates as per Section 115AD of the Income Tax Act, 1961.
 - Short term capital gains - 30% (plus applicable surcharge and Education Cess)

- Short term capital gains covered U/s 111A- 15% (plus applicable surcharge and Education Cess).
 - Long term capital gains - 10% (without cost indexation) plus applicable surcharge and Education Cess (shares held in a company would be considered as a long term capital asset provided they are held for a period exceeding 12 months).
- Under Section 54EC of the Income Tax Act, 1961 and subject to the conditions and to the extent specified therein, long term capital gains arising on the transfer of shares of the Company will be exempt from capital gains tax if the capital gain are invested within a period of 6 months after the date of such transfer for a period of 3 years in the bonds issued by
 - National Highways Authority of India constituted under section 3 of National Highways Authority of India Act, 1988;
 - Rural Electrification Corporation Limited, registered under the Companies Act, 1956;
 - If only part of the capital gain is so reinvested, the exemption shall be proportionately reduced. The amount so exempted shall be chargeable to tax subsequently, if the new asset are transferred or converted within three years from the date of their acquisition.

6. Venture Capital Companies / Funds

- In terms of Section 10 (23FB) of the Income Tax Act, 1961, all Venture Capital Companies Funds set up to raise funds for investment and registered with Securities and Exchange Board of India, subject to the conditions specified, are eligible for exemption from income tax on all their income, including income from dividend.

B2. Under the Wealth Tax Act, 1957

Shares of the Company held by the shareholder will not be treated as an asset within the meaning of Section 2 (ea) of Wealth Tax Act, 1957, hence Wealth Tax Act will not be applicable.

Notes:

1. All the above benefits are as per the current tax law as amended by the Finance Act, 2009 and will be available only to the sole/ first named holder in case the shares are held by joint holders.
2. In respect of non residents, taxability of capital gains mentioned above shall be further subject to any benefits available under the Double Taxation Avoidance Agreements, if any, between India and the country in which the non-resident has fiscal domicile.
3. In view of the individual nature of tax consequences, each investor is advised to consult his/her own tax advisor, with respect to specific tax consequences of his/her participation in the issue.
4. The above statement of possible direct and indirect taxes benefits sets out the provisions of law in a summary manner only and is not a complete analysis or listing of all potential tax consequences of the purchase, ownership and disposal of Equity Shares.

SECTION VI - ABOUT US

INDUSTRY OVERVIEW

Disclaimer: Pursuant to the requirements of the SEBI (ICDR) Regulations, 2009, the discussion on the business of Our Company in the Red Herring Prospectus consists of disclosures pertaining to industry grouping and classification. The industry grouping and classification is based on our Company's own understanding and perception and such understanding and perception could be substantially different or at variance from the views and understanding of third parties. Our Company acknowledges that certain products described in the Red Herring Prospectus could be trademarks, brand names and/ or generic names of products owned by third parties and the reference to such trademarks, brand names and/or generic names in the Red Herring Prospectus is only for the purpose of describing the products. The industry data has been collated from various industry and/or research publications and from information available from the World Wide Web.

The information in this Chapter is derived from various government/Industry Association publications, CRISIL Research – Indian Logistics Industry Outlook 2009-10 to 2013-14 (Crisil Research, Report on Logistics, September 2009) and other sources. Neither we, nor any other person connected with the issue has verified this information. Industry sources and publications generally state that the information contained therein has been obtained from sources generally believed to be reliable, but their accuracy, completeness and underlying assumptions are not guaranteed and their reliability cannot be assured and accordingly, investment decisions should not be based on such information.

Logistics is defined as managing the flow of raw materials, in-process inventory, finished goods from point of origin to point of consumption. In layman's terms, it is all that goes into ensuring that goods reach the right place at the right time. While almost all industrial activity is supported by logistics, it has traditionally been perceived as a cost centre and has not been viewed as strategic tool which can lead to efficient business operations.

India is an integral part of the global village and its reach has augmented exponentially over the last few years, with Indian companies setting up bases abroad and multinational firms entrenching themselves in India. With the huge diversity in Indian topography and with business transcending geographies, the supply chain network – the backbone of growth, has become multi-modal and infrastructure dependent.

The Indian logistics industry is characterized by its high degree of fragmentation. Country's diverse geographical and socio-economic features, huge retail network and infrastructure limitations enable most of the logistics service providers in the country to provide the entire gamut of logistics services. The organized logistics sector is estimated to comprise only 6% of the industry. In the road freight transport (trucking) segment, market share of organized players is estimated to be 20%. The transportation service is dominated by small trucking companies and individual truckers. While, a major portion of the freight forwarding segment is made of small customs brokers and clearing & forwarding agents.

This has created a large number of market participants across the value chain, with no focus on quality of service and delivery schedules. These market participants tend to offer only disintegrated services with little value addition to the entire process and hence, companies going forward will be looking to outsource their supply chain to gain better efficiency and seamless services. Distribution and marketing costs are huge in the Indian consumer market and manufacturing companies, to be more cost effective, will rely on logistics service providers with established network and a pan India presence. This, we believe, will help organized players nullify the impact of unorganized players' price advantage.

The estimated overall Indian Logistics spend is at Rs. 2.7 trillion in the year 2008 – 2009, which includes only primary transport modes and infrastructure, equivalent to around 8.2% of the GDP and if the secondary movement (from the hub to various depots) is also included, this shoots up to 10.70 % which is significantly higher than those of developed nations where it averages 5-7 % of the GDP.

Automotive, IT hardware and FMCG have emerged as the major users of 3PL services. Multi-modal services help in providing turnkey solutions to clients. The growth that India is likely to witness in the near future will only help in expanding the logistics sector. Higher logistics spend as percentage of GDP can be attributed to the overall inefficiency in logistics operations, multiple tax structures, inadequate infrastructure and unorganised nature of the industry in India.

(Source: Crisil Research, Report on Logistics, September 2009)

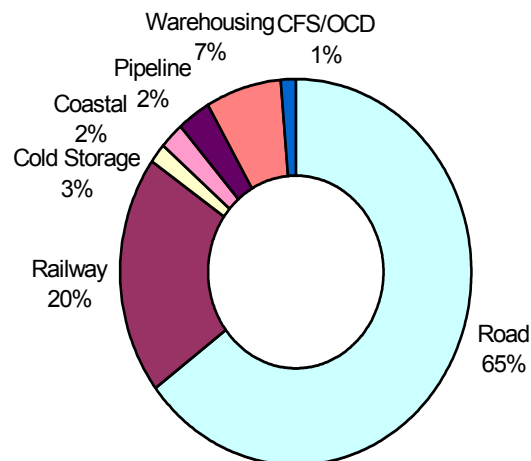
Components of Logistics Industry

	2008 – 2009 (E) (Rs. In Bn)	2013 -2104 (P) (Rs. In Bn)	CAGR (2008-09 – 2013-14) (%)
Total Logistics Industry	2762.2	4642.1	10.9
Road	1789.2	3150.1	12.0
Rail	547.2	814.3	8.3
Coastal	46.4	69.3	8.3
Pipeline	67.3	110.6	10.5
Cold Storage	82.7	136.2	10.5
Warehousing	193.7	299.7	9.1
CFS/ICD	35.6	61.9	11.7

E=Estimated; P=Projected

(Source: CRISIL Research, Report on Logistics, September 2009)

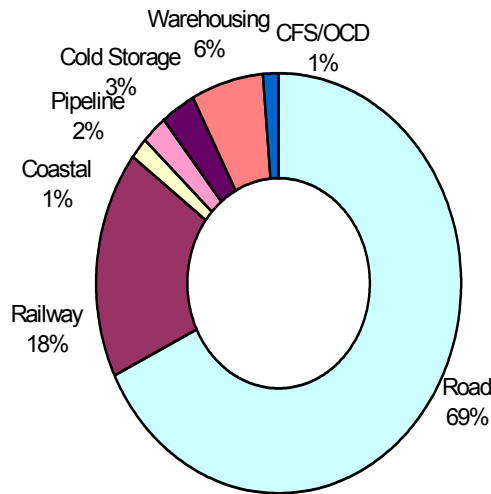
Logistic Industry (2008-09E)



E: Estimated

Source: Crisil Research

Logistics Industry (2013-14P)



P: Projected

Source: Crisil Research

(Source: CRISIL Research, Report on Logistics, September 2009)

CRISIL Research, Report on Logistics, September 2009 expects revenues of the logistics industry to grow strongly over the next 5 years from an estimated Rs. 2,762 billion in 2008-2009 to around Rs. 4,642 billion in 2013-14. This 10.9% CAGR in revenues would be driven by the following:

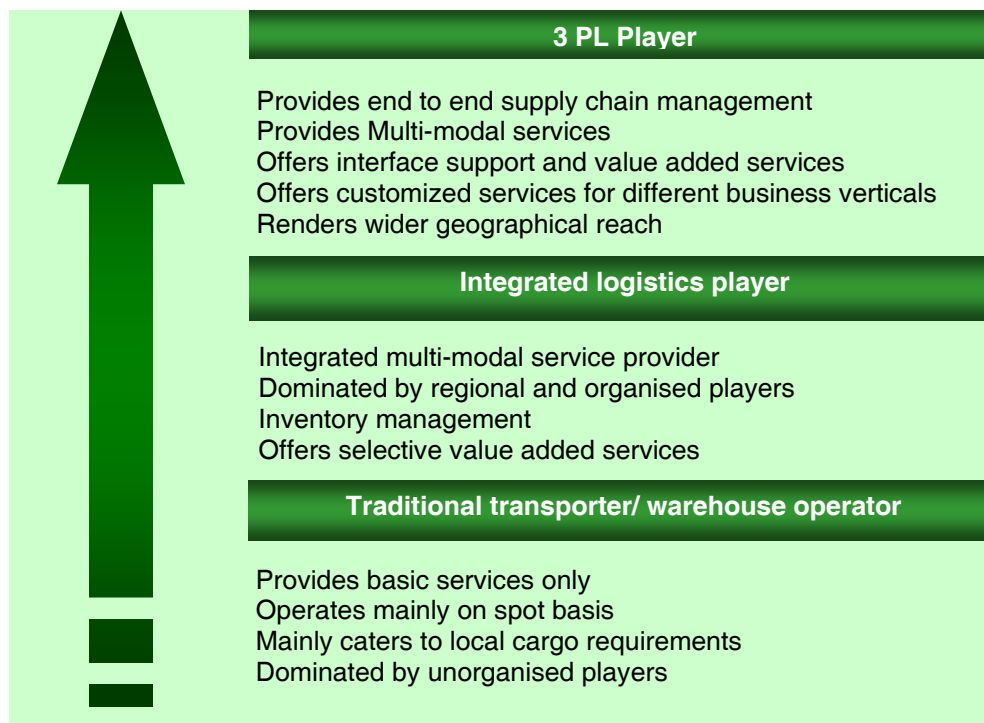
- Strong growth in the economic fundamentals – GDP, IIP, and Export Import; albeit after a near term blip
- Growth in logistics spends, as firms compete to reach their target consumers faster and within a limited cost framework
- Government's efforts to render a favourable regulatory environment, which would facilitate creation of hub and spoke model across the infrastructure segments.

Transport modes (road, rail, coastal and pipeline), which constitute around 89 % of the overall logistics market, are expected to grow at a healthy rate in the next few years. The total value of transport modes, which is estimated to be around Rs. 2450 bn in 2008 -2009 is expected to grow at CAGR of 11.1% to reach Rs. 4,144 bn by 2013 -14.

THIRD PARTY LOGISTICS IN INDIA

The Logistics industry in India is undergoing a change to a system wherein a dedicated player handles majority of a company's logistics operations. These players are referred to as 3PL players who typically specialize in integrated transportation and warehousing services that can be customized to meet the company's needs. The need for controlling logistics costs and increasing need to focus on core competencies are driving more and more companies to look for such 3 PL players.

Comparative analysis across Logistics Models



(Source: CRISIL Research, Report on Logistics, September 2009)

Traditional transporters provide basic logistics services, mainly work on a spot basis and usually cater to local/regional cargo requirements. On the other hand, integrated logistics players offer value-added services across transport modes and infrastructure segments. Most of these integrated players are region-specific and cannot be classified as national players.

A 3PL player is one step ahead of the integrated logistics player in terms of services provided. Although integrated players offer inventory management services, 3PL players manage the overall logistics functioning, be it inventory management, supply chain optimization or value-added services such as interface with vendors and distributors, etc.

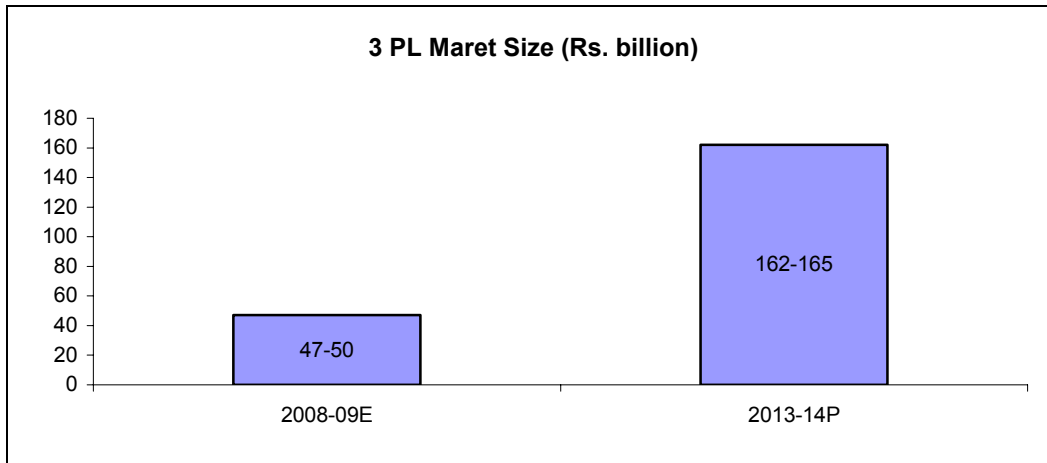
The inability of companies to manage complex supply chains is leading to increasing dependence on 3PL players. By outsourcing logistics activities, companies can not only concentrate on their core business operations, but can also achieve cost-efficiency and improve delivery performance.

Growth and future of 3PL Market in India

CRISIL Research has estimated the 3PL market in India at Rs 47-50 billion in 2008-09, which is expected to grow at a CAGR of 27% to Rs 162-165 billion by 2013-14. 3PL penetration has been the highest in sectors such as cars and organized retail. The segment is also gaining importance in other sectors such as IT hardware and FMCG.

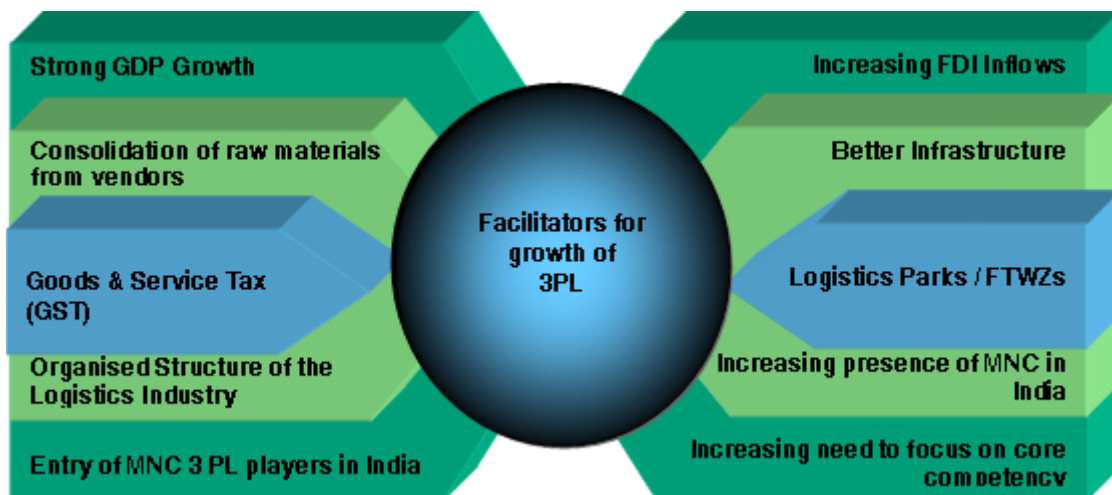
The share of 3PL in the overall logistics market is expected to increase from around 1.5 - 2.0% in 2008-09 to around 3.5 – 4 % by 2013-14. The benefits would accrue in the form of:

- Reduction in warehousing space requirement
- Improvement in efficiency due to better inventory management
- Reduction in transportation cost due to higher capacity utilisation



(Source: CRISIL Research, Report on Logistics, September 2009)

Growth Drivers for 3PL Industry in India

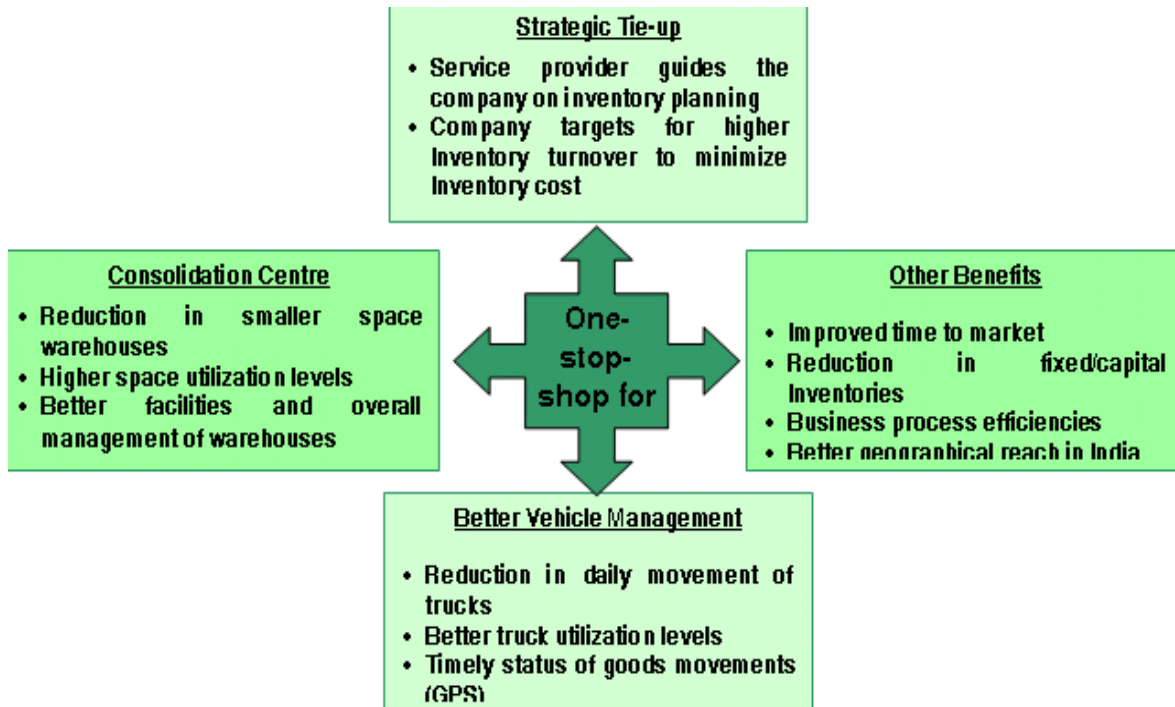


(Source: Crisil Research, Report on Logistics, September, 2009)

During 2000-2001 and 2007-2008, India's GDP has grown at an average of more than 8 % annually. However, the prevailing global financial turmoil is likely to suppress this growth rate; consequently, India's growth rate is expected to grow by 6-7% over the next few years. Nevertheless, the country's long term prospects remain intact, as growth fundamentals are expected to be favourable in the long run.

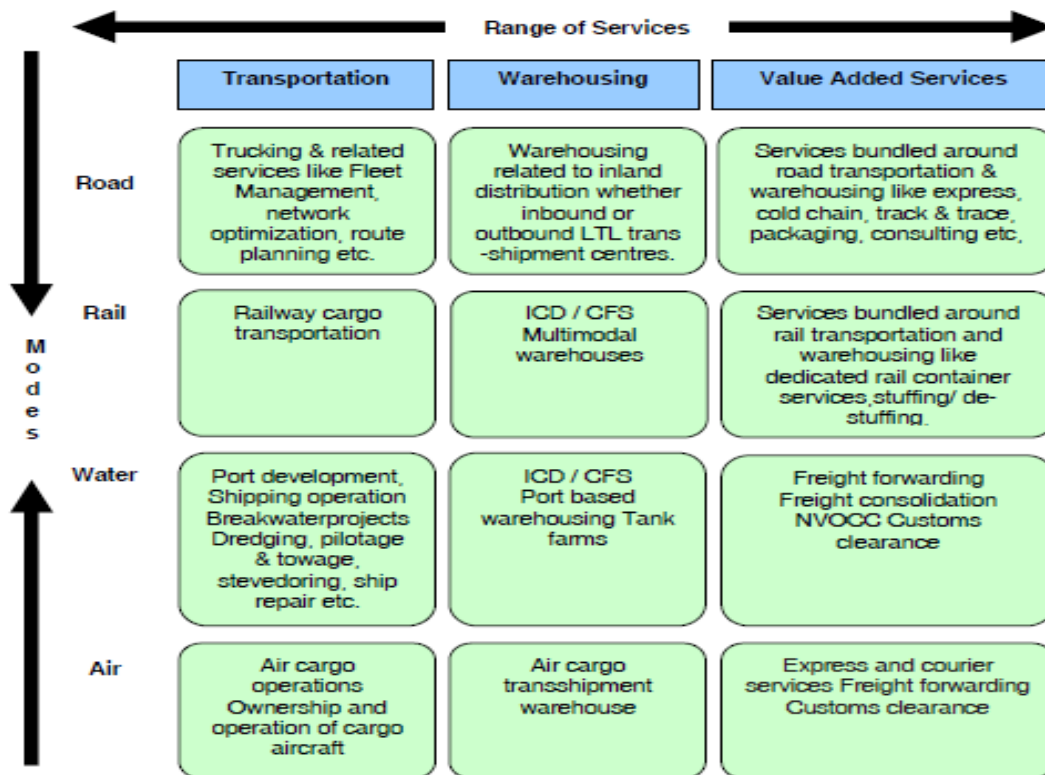
Healthy revenue growth and increased international operations have heightened the need for smooth logistics operations. Further, companies increasingly want to focus on their core competencies, and want to outsource logistics operations to a dedicated player. Both these factors are expected to steer the growth of the 3PL market in India.

Advantages of 3PL



(Source: Crisil Research, Report on Logistics, September, 2009)

The logistics value chain consists of three key links or segments – (A) **Transportation**, (B) **Warehousing** and (C) **Value Added Services**. Value added services arise from leveraging core transportation and warehousing assets and hence may differ significantly by the mode of logistics.

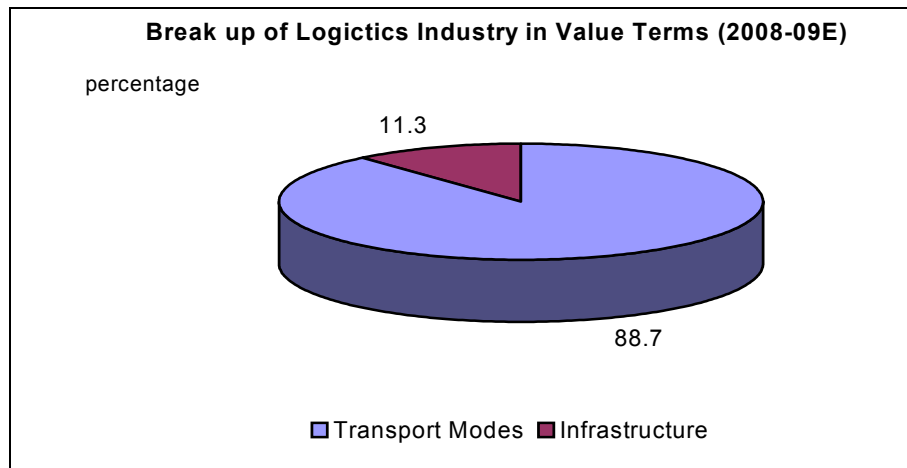


(A) Transportation

Modes, which essentially comprise 1) Road, 2) Rail, 3) Sea and 4) Airways, account for the largest component of any company's logistics costs. Accordingly, transport modes constitute around 88.7 % of the logistics industry in India, in value terms as compared to Infrastructure mode (warehousing, CFS/ICDs, cold storage etc).

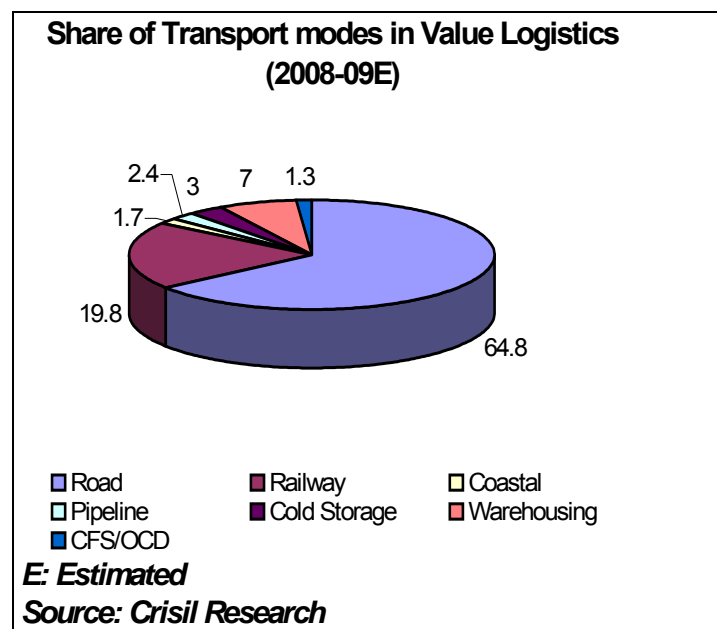
CRISIL Research estimates the total size of the transport industry (comprising all four modes) to be Rs. 2,450.1 billion; of this road transport accounts for Rs. 1,789.2 billion. The transportation industry is expected to grow at a CAGR of 11.1% to reach Rs. 4,144.3 billion by 2013-14.

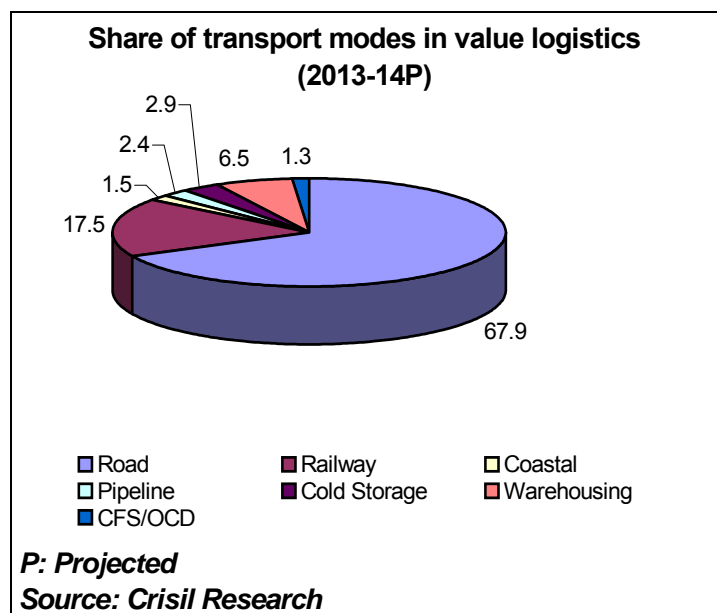
Break-up of logistics industry in value terms (2008-09 E)



(Source: Crisil Research, Report on Logistics, September, 2009)

Modes of Transport in Value Terms





(Source: Crisil Research, Report on Logistics, September, 2009)

A.1. Road Freight

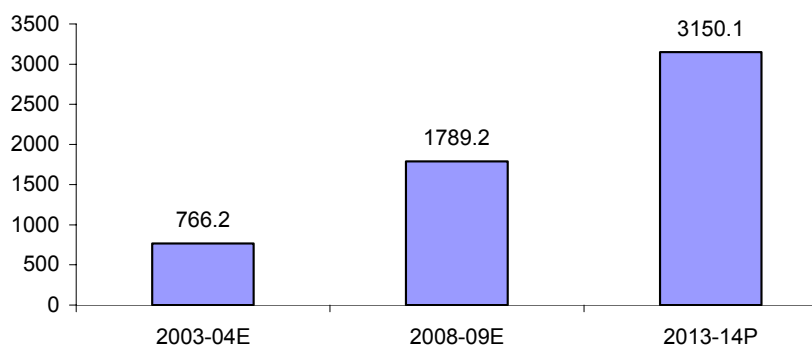
Road transport constitutes a significant share of freight movement as it is a competitive option even at higher prices due to flexibility, frequency and point-to-point delivery. Road transport is the biggest segment in the logistics sector and it accounted for nearly 73% of the freight movement in 2008–2009. The aggregate length of roads in India is at about 3.34 mn kms, consisting of National Highways, Expressways, State Highways, Major District Roads, Other District Roads and Village Roads. Roads are the most common mode of transportation in the country, accounting for about 86 % of passenger traffic and 73% of freight movement.

Although National Highways constitute only about 2% of the road network, it carries 40% of the total road traffic. The State roads and the major districts roads account for 18% of the road length they still carry on 40% of the balance traffic. The sector is characterized by high level of competition and low profit margins. Cost is the main differentiation factor in this segment, since users are more cost sensitive than time sensitive. manpower spends amount to only about 4% of sales as against the overall sector average of 8-10%. Road transportation has traditionally been extremely fragmented - almost 75% of the trucking 'companies' are single truck operators, almost 90 % of trucking companies have a turnover of less than INR 10 million and majority of the truck owners own less than five trucks. Also the manpower spends amount to only about 4 % of sales as against the overall sector average of 8-10 %.

(Source: Annual Report Department of Road Transport & Highways, 2008-09 and Crisil Research, Report on Logistics, September, 2009)

CRISIL Research estimates the road transport industry (primary freight movement through road) to grow at a CAGR of 6.6.% to reach 1,542 BTKM in 2013-14, which translates into Rs. 3,150.1 billion, in value terms, representing a 5-year CAGR of 12.0 %.

Value of Primary road transport industry (Rs. billion)



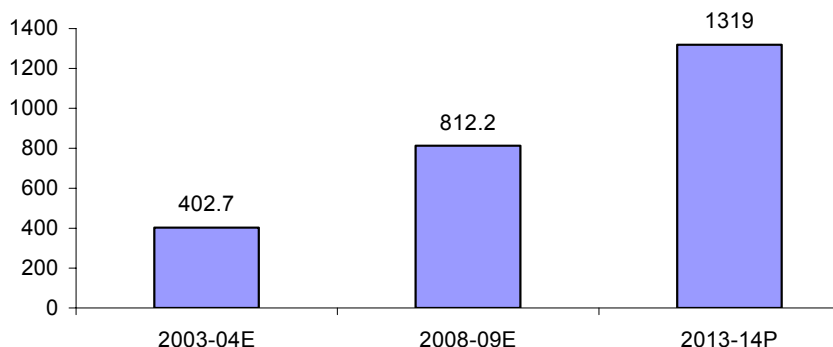
E: Estimated, P: Projected

Sources: Crisil Research

(Source: Crisil Research, Report on Logistics, September, 2009)

CRISIL Research, Report on Logistics, September, 2009, has defined redistribution demand as the secondary movement of goods from primary warehouses to regional locations (<300 km) and last mile distribution (<50 km). Secondary movement (transportation of goods from regional and smaller warehouses to stores located within a distance of 300 km) is estimated to account for around 45 % of the total primary road freight demand in value terms in 2008-09. CRISIL Research estimates the value of the secondary road transport industry to grow at a CAGR of 10.2% to reach Rs. 1,319.0 billion by the end of 2013-14 from Rs. 812.2 billion in 2008-09.

Value of Secondary road transport industry (Rs. billions)



E: Estimated, P: Projected

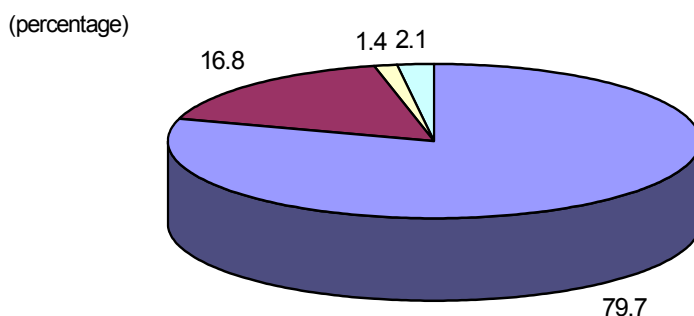
Sources: Crisil Research

(Source: Crisil Research, Report on Logistics, September, 2009)

After including both primary and secondary freight movement, the value of road transport industry increases to Rs. 2,601.4 billion, thereby increasing the Indian logistics industry's size to Rs. 3,574.4 billion in 2008-09. Accordingly the sector's share in the country's GDP stands at 10.7%. Therefore the share of road transport would increase to 79.7 % amongst transport modes and 72.8 % in the total logistics industry, in value terms.

(Source: Crisil Research, Report on Logistics, September, 2009)

Break up of transport modes in value terms (2008-09E)

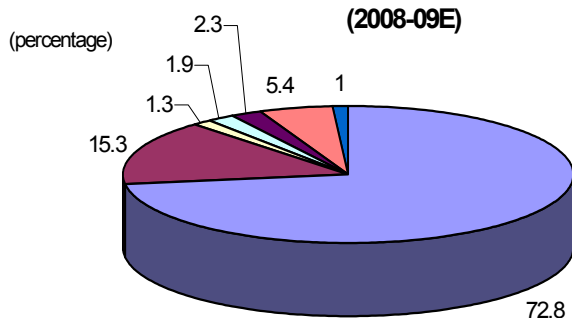


■ Road ■ Railway ■ Coastal ■ Pipeline

E: Estimated

Source: Crisil Research

Break up of Transport Modes in logistics industry (2008-09E)



■ Road ■ Railway ■ Coastal ■ Pipeline ■ Cold Storage ■ Warehousing ■ CFS/ICD

E: Estimated

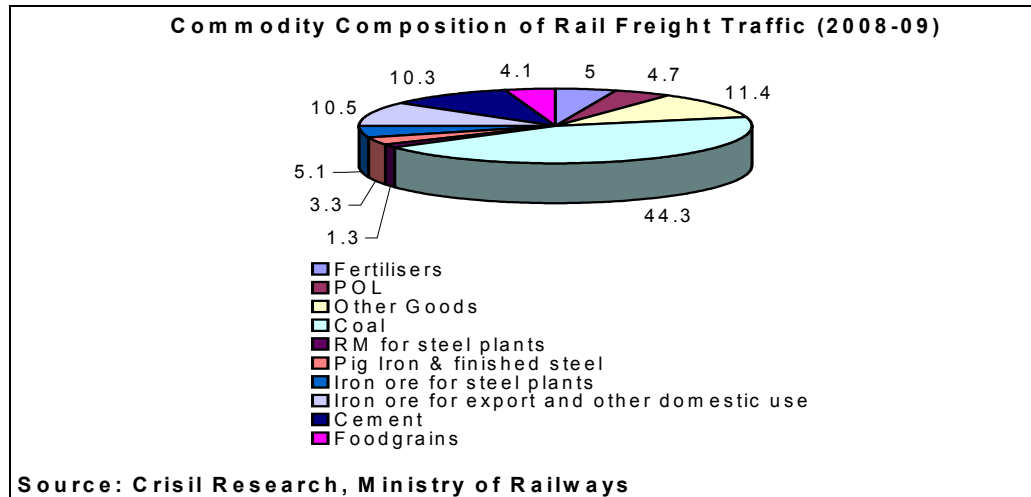
Source: Crisil Research

*Note: The above graphs include both primary and secondary road freight movement
(Source: Crisil Research, Report on Logistics, September, 2009)*

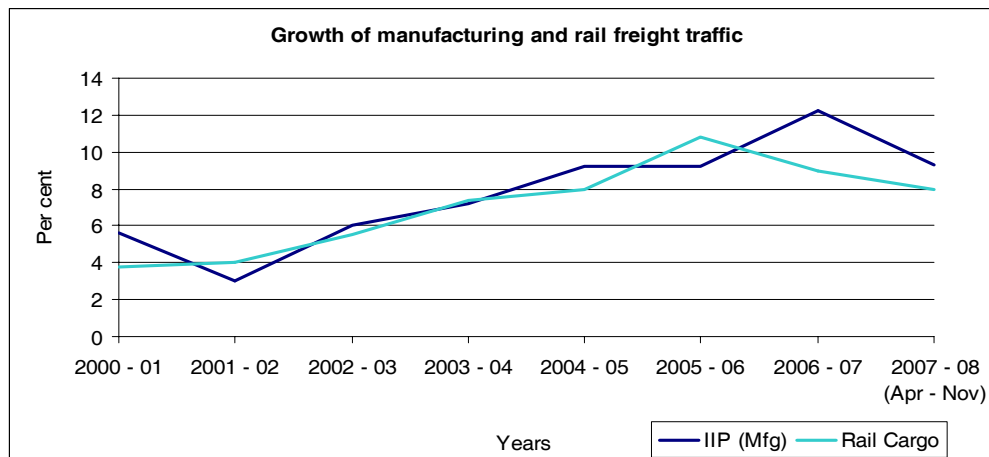
A.2. Rail Freight

The Indian Railways is the world's second largest rail network under a single management and has been contributing to the industrial and economic development of the country for more than 150 years. It is also the world's fourth largest freight carrier and contributes to the development of India's industrial and economic landscape for over 150 years. The Railways account for about 2.30% of the GDP and employs about 1.5 million people directly. With the second largest network in the world, Indian Railways run over 63,273 km, of which 28.6% is electrified with a fleet of 8,330 locomotive units, 53,555 coaches and 2,04,034 wagons as on March, 2008. The freight segment accounts for about 70% of the revenue. Within the freight segment, bulk traffic accounts for nearly 84% of revenue earning freight traffic (in physical terms), of which about 43% comes from coal. The direct correlation between the rail cargo and industrial productivity is depicted in the below-mentioned graph.

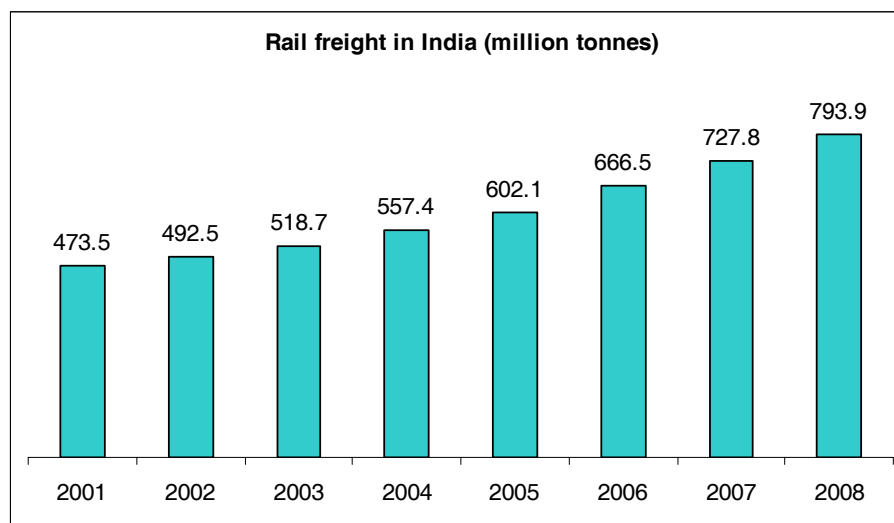
(Source: Crisil Research, Report on Logistics, September, 2009 and Indian Economic Survey, 2007 – 2008)



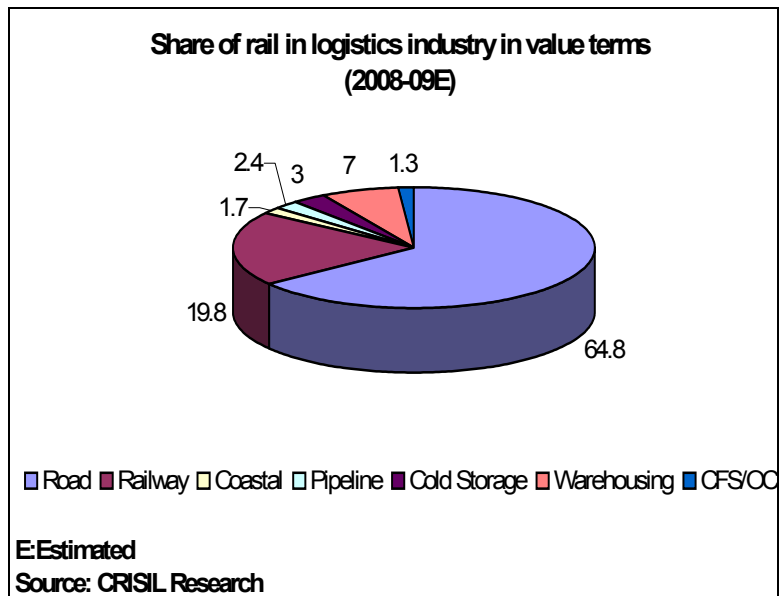
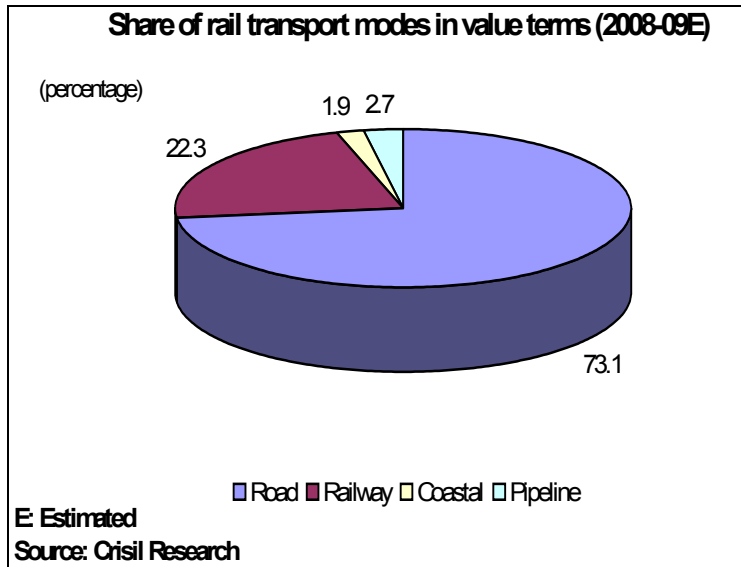
(Source: Crisil Research, Report on Logistics, September, 2009)

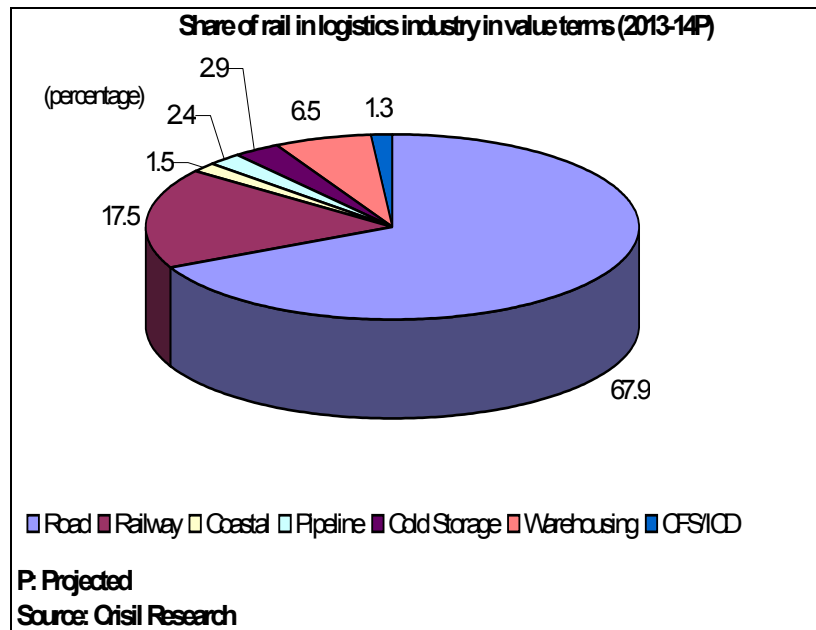
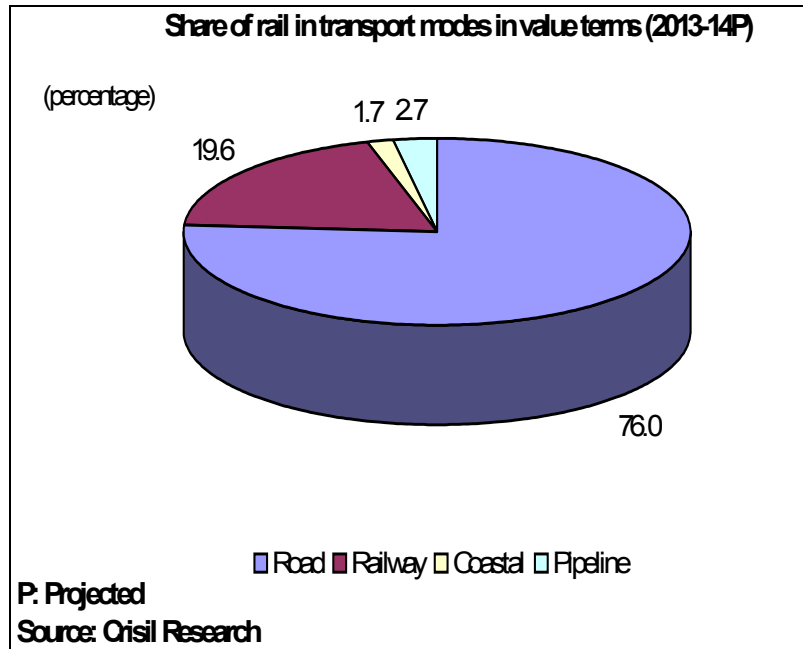


(Source: Indian Economic Survey 2007 – 2008)



(Source: Indian Economic Survey 2007 – 2008)



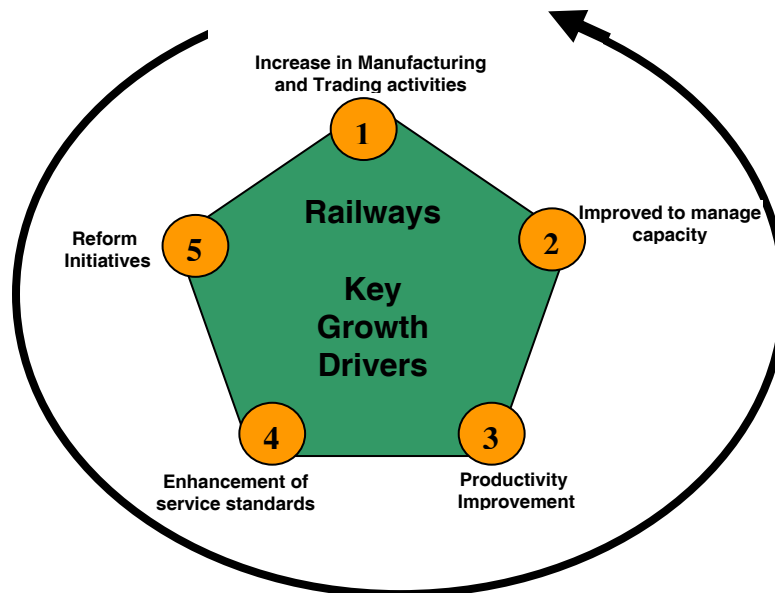


(Source: Crisil Research, Report on Logistics, September, 2009)

According to CRISIL Research estimates, Indian Railways accounted for 19.8 % of the total logistics industry in value terms and 22.3% of the transport modes segment in value terms, translating to a total value of Rs. 547.2 billion in 2008-09. It is expected that the share of railways will decrease to 17.5 % of the logistics industry and 19.6 % of the transport modes respectively in value terms. In value terms, railways are expected to grow at a CAGR of 8.3 % to touch Rs. 814.3 billion by end of 2013-14.

Economic growth to drive rail movement in India

Key Growth drivers for railways



(Source: Crisil Research, Report on Logistics, September, 2009)

The railways has proposed a 2,700-kilometre-long railway line project at an investment of more than Rs. 28,000 crore which consist of 1,232-km-long Eastern Corridor (from Ludhiana to Sonnagar) in Phase-I and 1,469-km-long Western Corridor from Jawaharlal Nehru Port area (Mumbai to Dadri/Tughlakabad) in Phase-II. Two Dedicated Freight Corridors (DFCs) - the eastern corridor connecting Ludhiana with Kolkata and the western corridor connecting Mumbai with New Delhi - are to be constructed at a combined cost of US\$ 7.15 billion. The Eastern Corridor would be extended to the proposed Deep Sea Water Port near Kolkata as and when the traffic builds up. Both Eastern and Western Corridors will be made suitable for running of longer and heavier trains of 25-tonne axle load with maximum moving dimensions, which are comparable to world standards. Bridges and fixed structures, which have long life, would have to be laid on this route for 30-tonne axle load. The loops provided on the DFC will need to accommodate double trains (1,500 metres). Logistics Parks are also proposed to be developed on DFC. An SPV called Dedicated Freight Corridor Corporation of India Limited (DFCCIL) has also been formed to implement the project.

(Source: www.ibef.org)

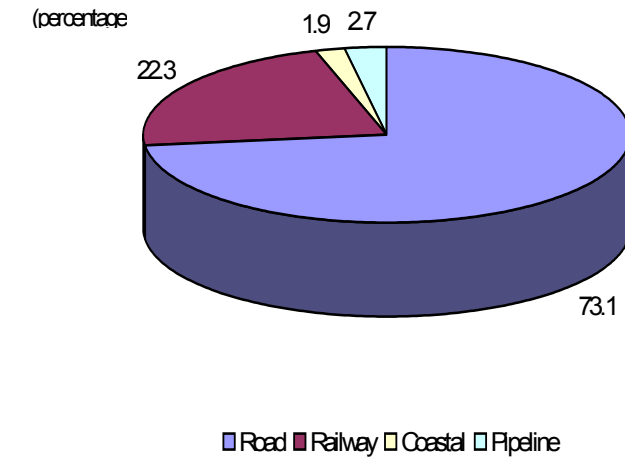
A.3. Sea freight

Costal shipping, the most economical mode of transport, accounts for a very small proportion of the Indian logistics industry. Costal shipping involves seaborne movement of goods within the country. India has a long coastline of approximately 7,517 km, dotted with 12 major ports and 187 minor ports that facilitate the movement of goods through sea.

Despite being an economical and energy efficient mode of transportation, the use of coastal shipping is limited to a few industries. As of 2008-09, costal shipping accounted for only 2% of the total logistics industry. CRISIL Research estimates the value of costal shipping industry at Rs. 46.4 billion and expects it to grow at a CAGR of 8.3 % over the next 5 years to reach Rs. 69.3 billion in 2013-14.

(Source: Crisil Research, Report on Logistics, September, 2009)

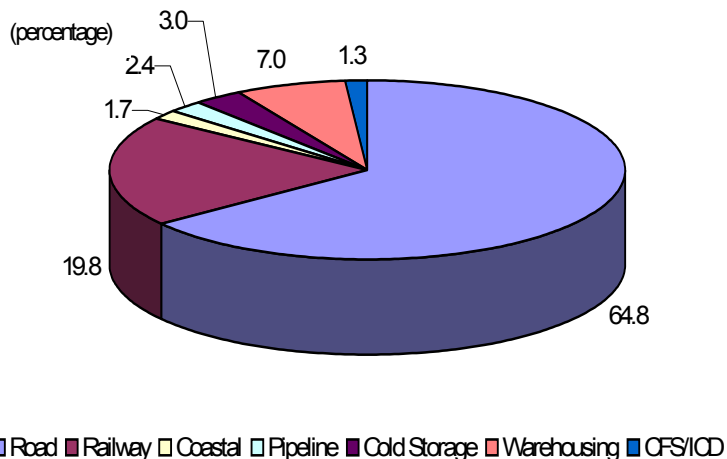
Share of coastal in transport modes in value terms (2008-09E)



E: Estimated

Source: Crisil Research

Share of coastal in logistics industry in value terms(2008-09E)



E: Estimated

Source: Crisil Research

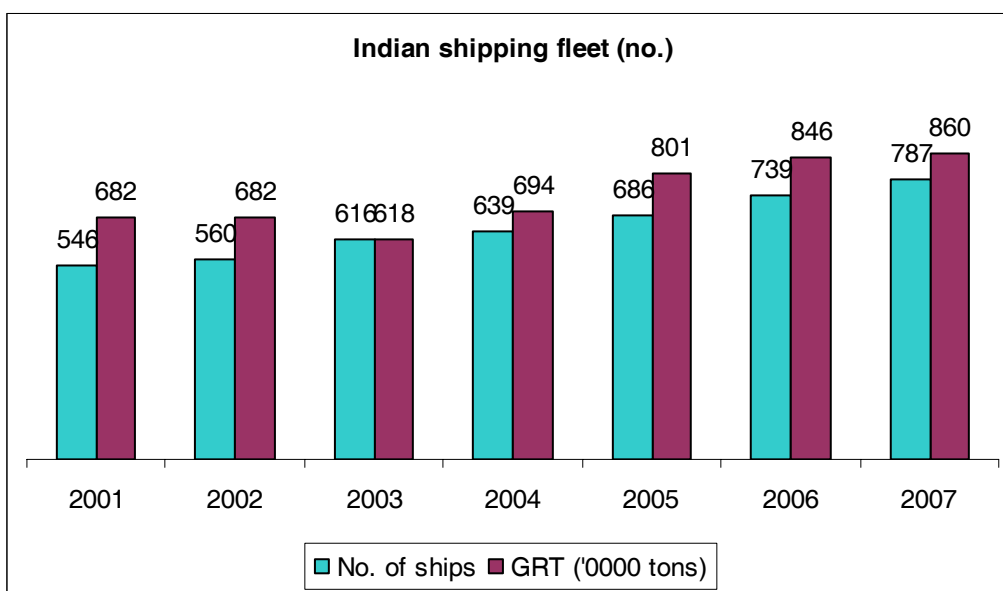
The natural advantage of a vast coastline requires India to use sea transport for the bulk of cargo transport. Following the policy of liberalization, the Indian Shipping Industry, major ports as also national highways and water transport have been thrown open to the private sector.

Sea traffic in India carries 95 % of India's exports by volume and nearly 70 % in value terms. Traffic at major ports in India has also witnessed robust growth owing to growth in export-import trade. The improvement in performance of ports and privatization has also played a crucial role in the development of this sector. Major ports in India handle over 70 % of total port traffic and these ports are governed by a port trust appointed by the Central government and tariffs are regulated by the tariff authority of major ports. In FY07, major ports handled 464mn tonnes and minor ports handled around 165 mn tonnes recording CAGR of 10 % and 11% respectively over FY02-07.

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

Cargo throughput at the 12 major ports has been rising by a compound annual growth rate of 9.5 % over the past three years. Container throughput at India's 12 major ports has increased by 19.03% for the fiscal year 2008. The 12 major ports handled 6.60 million TEUs (Twenty-Foot equivalent Units) in the 12 months till March 2008. Navi Mumbai's JNPT (Nhava Sheva) handled 4.06 million TEUs, which was above 61 % of the overall throughput. The container traffic at JNPT port increased by 23 %, making it India's largest and busiest port. India's overall container traffic posted a year-on-year growth of 19 % during the 2007–08, with the throughput touching 6.7 million TEU at its ports.

(Source: India Economic Survey 2007 – 2008; www.ibef.org; Logistics-Key Differentiator for Success-2007-6th edition)



Source: Ministry of Shipping (Annual Report 2007-08)

Indian Ports: Container Traffic Outlook

(mn TEUs)	2007	2012E	CAGR (%)
Total Capacity	8.4	21.2	20%
- Major Ports	6.6	17.7	22%
- Minor Ports	1.8	3.5	15%
Total Traffic	6.2	13.5	17%
- Major Ports	5.4	11.0	15%
- Minor Ports	0.7	2.5	29%

(Source: Indian Ports Association, <http://www.ipa.nic.in/>)

By 2012, the Indian government targets increasing the cargo handling capacity of major ports by two folds to reach 1.5 billion metric tonnes (MT). Traffic at the ports has been growing at a brisk pace and therefore, increasing cargo handling capacities of the ports is crucial to India. The Indian government has set up the National Maritime Development Plan (NMDP) to improve facilities at India's 12 major ports and it plans an expenditure of around US\$ 12.4 billion through public-private partnerships.

A.4. Air freight

According to the World Air Cargo Forecast – 2006 - 2007 report, the market from India and its neighbouring countries constituted approximately 3.9% of the world's air cargo traffic in tonnage and 4.2% in tonne-kilometres in 2005. Total international air cargo flows moving into, within, and out of the region now exceed 1.4 million tonnes annually. As per the study, India is the leading international freight market in the subcontinent, which also comprises Afghanistan, Bangladesh, Bhutan, the Maldives, Nepal, Pakistan and Sri Lanka.

Apart from being the largest international air trade hub, India has the potential to develop as a large domestic air freight market as well. As per the report, the country's domestic market was estimated to total 2.65 lakh tonnes in the year 2005. Since 1995, the domestic market has expanded at an average annual growth rate of 12.5 %. Among the factors that would foster growth in India's domestic air cargo would be its vast geographic expanse, large population and potential for consolidation in its current fragmented transport sector, especially trucking industry.

Textile and garments are the prime commodities traded through air from the subcontinent. Other nascent yet increasing air export categories from the region include pharmaceuticals and automobile parts. The Indian subcontinent's imports are led by small packages, capital equipment and technology goods. With the substantial growth of business process outsourcing in India since 2000, demand for the air importation of computers and telecommunication equipment has gone up tremendously.

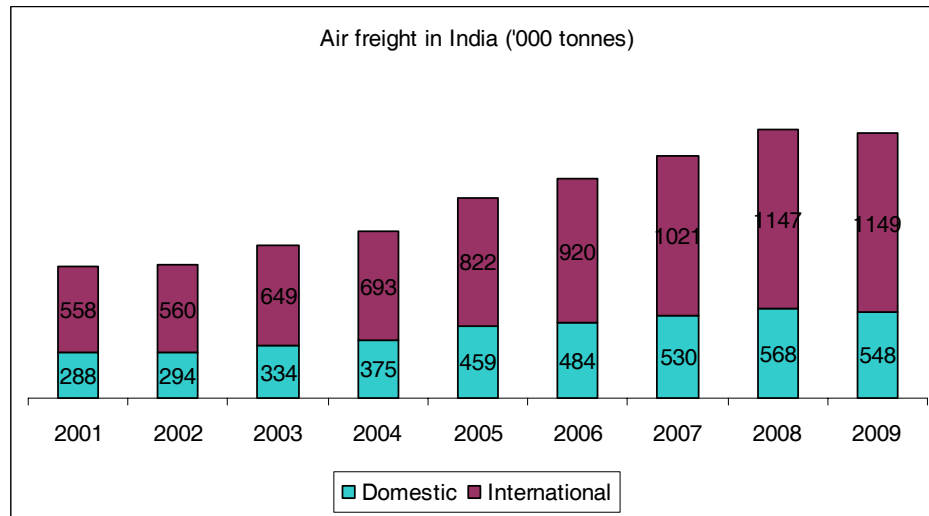
(Source: The Hindu Business Line, dated Monday, Jan 28, 2008)

Positive influences on the air-freight market include: growth in world trade and the opening up of new markets; a reduction in air freight rates as a result of competition between airlines; the requirement to move component parts around the world faster and more reliably; and changes in manufacturing processes that require the widespread adoption of just-in-time (JIT) working practices. Furthermore, the service provided by air freight operators has become such an integral part of the efficient operation of today's economy that it is less vulnerable than some other markets to the effects of recession.

Several sub-sectors are considered to be relatively immune to economic downturn, such as the transport of luxury items purchased by consumers in upper income groups, emergency medical supplies and emergency spares. Air freight operators also benefit from growth in passenger travel, since it increases the amount of cargo capacity available as a by-product in the belly holds of passenger aircraft. Consequently, a worldwide network of cargo services has been created that offers high service frequencies.

(Source: <http://www.prlog.org/10013150-air-freight-market-report.html>)

While cargo carried by air in India weighs less than 1% of the total cargo exported, it accounts for nearly 30% of the total value of exports. Better cargo handling facilities lead to enhanced levels of importation, especially of capital goods and high-value items. To achieve the same special attention needs to be given to the speedy handling of cargo and reducing its dwell time which is currently very high as compared to internationally achieved norms.



(B) Warehousing

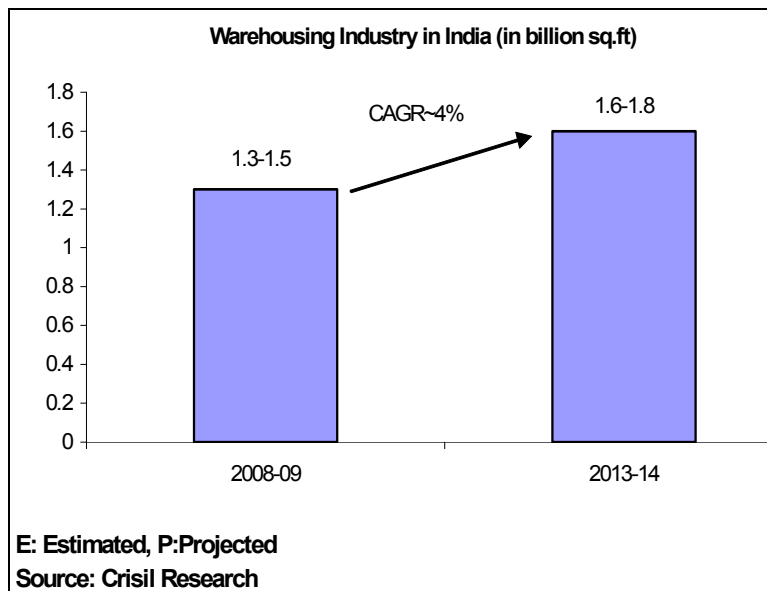
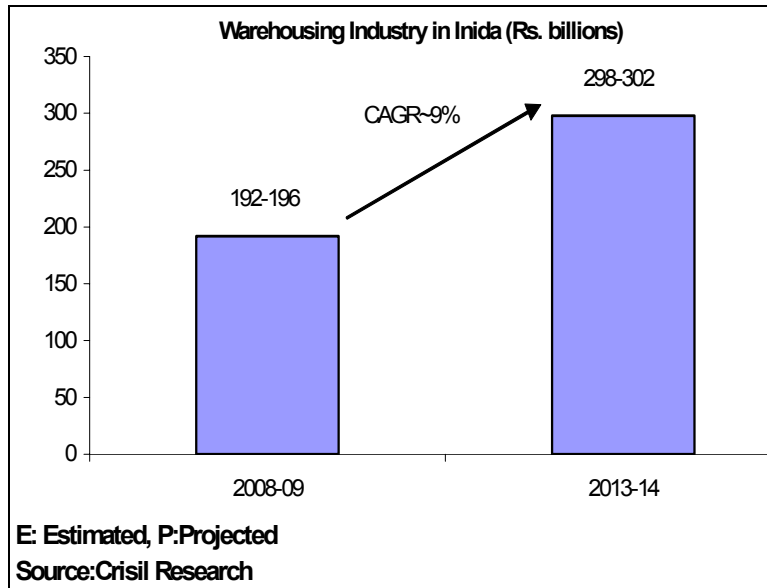
Warehousing traditionally means storage of materials and goods, but with changing times and specific requirements, it encompasses a wide range of systems from material handling equipment, racking systems, manpower, security, hardware & software programmes. Warehousing refers to activities involving storage of goods and merchandise in order to protect their value quality and quantity. It is an integral part of the logistics value chain and constitutes the node which allows for collection, storage and dissemination of goods within the supply chain.

The warehousing industry is a crucial component of the logistics value chain. Warehousing is typically used for stockpiling for managing demand-supply gaps over a long period. Besides this Container Freight Stations (CFS) and Inland Container Depots (ICD) are extensively used as a halt for the shipment before it gets exported and also for storing imported shipment before it gets customs clearance. Warehouses are also being used as customer service centres as it ensures quick availability of spare parts.

Growth in domestic and export-import trade and increasing penetration of organised players across industries is likely to steer the growth of organised warehousing in India. Other key developments such as simplified tax structure, FTWZ and logistics parks are expected to give further impetus to this sector.

Warehousing activities account for 6 - 7% of the total Indian logistics industry. Warehousing industry in India is expected to grow from Rs. 192-196 billion in 2008-09 to Rs. 298-302 billion in 2013-14, registering a CAGR of around 9 %. Warehousing space in India is likely to increase at a CAGR of 4.0 % from 1.3-1.5 billion sq ft in 2008-09 to 1.6-1.8 billion sq ft in 2013-14.

(Source: Crisil Research, Report on Logistics, September, 2009)

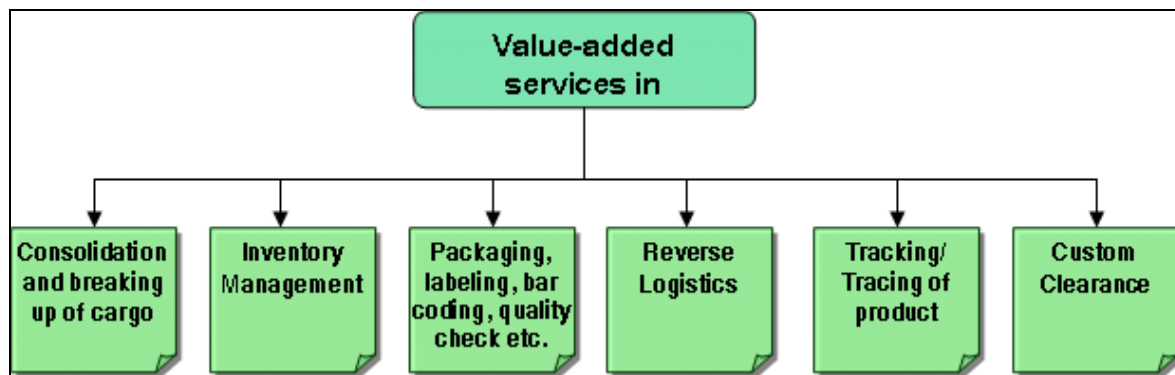


(Source: Crisil Research, Report on Logistics, September, 2009)

Warehouse and Cold Chains are segments of the logistics sector that have emerged as critical components of supply chain networks in India. The rapid evolution of organized retail in India along with the emergence of a large food processing sector has made it essential to have a modern and well developed warehousing and cold chain infrastructure for storage and transportation of perishable goods. India is the world's largest producer of fruits, the second largest producer of vegetables after China, and ranks among the leading producers of milk, pulses and a range of cereal crops. Around 25 to 30 % of the fruits and vegetables, however, suffer from spoilage and wastage due to improper handling practices and inadequate storage infrastructure. This has further led to an increase in the importance of warehouses and cold chains in India.

(Source: <http://www.reuters.com/article/pressRelease/idUS117985+26-Jun-2008+BW20080626>)

Value propositions of Warehousing



(Source: Crisil Research, Report on Logistics, September, 2009)

Various functions of Warehousing

- **Stock piling:** A warehouse is often used as a stock piling location to manage demand supply gaps over a longer term.
- **Product mixing:** A warehouse may be used as a place where material from different factories of an Organisation is mixed and dispatched to a common set of distributors.
- **Value Addition:** Increasingly, warehouses are also being used to do higher end tasks associated with production till now. These include MRP tagging, promotion building, repackaging, quality checking etc.
- **Distribution:** The goods are dispatched to the dealers/distributors from the warehouse. The warehouse thus performs functions like invoicing and order processing.
- **Customer Service:** Warehouses are being used as the customer services and repair centres. This ensures quick availability of spare parts and offers low turnaround time.

The warehousing segment is perhaps where growth potential exists. This segment has traditionally been extremely fragmented, small scale and scattered geographically. A key reason for this has been India's indirect tax-structure, with tax paid on cross border (state border) sales not being fully set off against local tax liabilities. As a result, most players resorted to setting up small warehouses across different states, rather than large centralized set-ups.

Globally, warehousing is increasingly becoming a critical component of the supply chain with growing awareness about its importance as a key physical infrastructure facility, and as an effective tool for achieving logistic efficiencies. Due to entry of organised logistic players, the scenario has been undergoing a shift in India as well. Moreover, the traditional mindset that warehouses are only meant for storage has changed in favour of a set-up with inventory management with greater emphasis on customisation and value added services. These services have enabled companies to achieve efficiencies in terms of reduction in pilferage, increase in inventory turnover, elimination of small and inefficient warehouses, etc, which in turn has reduced their warehousing and inventory carrying costs.

(C) Value added services

Value added services are an integral part of the logistics supply chain in the highly competitive environment, with a presence in transportation and warehousing stages. During transportation, the services include tracking the exact position of the shipment for the benefit of the customer.

Value added services provided in the warehouses are more extensive. They include MRP tagging, repackaging, quality checking and bundling with promotion items. Special care for

perishable products, hazardous products and products that require specific conditions for transportation and warehousing are also key components of the value added service.

Besides the core transportation and warehousing services, the business of logistics is evolving to encompass services that either enhance the effectiveness of existing transportation or warehousing services or cater to associated value chain elements. All such services that do not directly involve transportation and warehousing also classify as value added and emerging services.

Competitive dynamics and other issues - Key Challenges faced by the Indian Logistics Sector

1. Logistics has historically been a high-cost, low-margin business. The problem of organized players is compounded by unfair competition with unorganized players, who can get away without paying taxes and following operating norms stipulated in the Motor Vehicles Act such as quality of drivers and vehicles, volume and weight restrictions, etc.
2. Economies of scale are absent in the Indian logistics industry. Even the organized sector that contributes slightly more than 1% of the logistics cost, is highly fragmented. Existence of the differential sales tax structure have brought in diseconomies of scale. Though VAT (Value Added Tax) has been implemented since April 1, 2005, failure in implementation of a uniform VAT structure across different states has let the problem persist even today.
3. Apart from the non-uniform tax structure, Indian LSPs have to pay numerous other taxes, octroi, and face multiple check posts and harassment from authorities. High costs of operation and delays involved in compliance with varying documentation requirements of different states make the business unattractive. It is assumed that on an average, a vehicle on Indian roads loses 24-48 hours in complying with paperwork and formalities at different check posts en route to a destination and also precious fuel is spent waiting at check posts.
4. There is lack of trust and awareness among Indian shippers with regard to outsourcing logistics. The volume of outsourcing by Indian shippers is presently very low (~ 10%) compared to the same for the developed countries (> 50%, sometimes as high as 80 %). The unwillingness to outsource logistics on part of Indian shippers may be attributed to scepticism about the possible benefits, perceived risk, and losing control, of sensitive organizational information, and vested interests in keeping logistics activities in-house.
5. Indian shippers expect LSPs to own quality assets, provide more value-added services and act as an integrated service provider, and institute world-class information systems for more visibility and real-time tracking of shipments. However, they are unwilling to match the same with increased billings; even pay little attention to timely payments that leave LSPs short of adequate working capital.
6. Indian freight forwarders face stiff competition from multi-national freight forwarders for international freight movement. MNCs, because of their size and operations in many countries, are able to offer low freight rates and extend credit for long periods. Indian freight forwarders, on the other hand, because of their smaller size and lack of access to cheap capital, are not able to match the same.
7. Poor physical and communications infrastructure is another deterrent to attracting investments in the logistics sector. Road transportation accounts for more than 60% of inland transportation of goods, and highways that constitute 1.4 % of the total road network, carry 40 % of the freight movement by roadways. Slow movement of cargo due to bad road conditions, multiple check posts and documentation requirements, congestion at seaports due to inadequate infrastructure, bureaucracy, red-tapism and delay in government

clearances, coupled with unreliable power supply and slow banking transactions, make it difficult for exporters to meet the deadlines for their international customers. To expedite shipments, they have to book as airfreight, rather than sea freight, which adds to the costs of shipments making them uncompetitive in international markets.

8. Low penetration of IT and lack of proper communications infrastructure also result in delays, and lack of visibility and real-time tracking ability. Unavailability and absence of a seamless flow of information among the constituents of LSPs creates a lot of uncertainty, unnecessary paperwork and delays, and lack of transparency in terms of cost structures and service delivery.
9. Shippers would like LSPs to offer more value-added services and a single-stop solution to all their logistical problems. The inability of service providers to go beyond basic services and provide value-added services such as small repair work, kitting/de-kitting, packaging/labelling, order processing, distribution, customer support, etc. has not been able to motivate shippers to go for outsourcing in a big way.
10. There is lack of skilled and knowledgeable manpower in the logistics sector. Management graduates do not consider logistics as a prime job. To improve the status of the industry, service providers have to move beyond the level of brokers and truckers to attract and retain talent.

Future Industry Prospects

Since the organized sector accounts for merely 1 % of the annual logistics cost, there is immense potential for growth of the sector. The major opportunities are highlighted below.

1. Many large Indian corporates have been attracted by the potential of this sector and have established logistics divisions. They have started providing in-house logistics services, and soon sensing the growth of the market, have started providing services to other corporates as well.
2. Large express cargo and courier companies have also started logistics operations. These companies enjoy the advantage of already having a large asset base and an all-India distribution network.
3. Since logistics service can be provided without assets, there is growing interest among entrepreneurs to venture into this business.
4. Indian shippers are gradually becoming more aware of the benefits of logistics outsourcing. They are now realizing that customer service and delivery performance are equally important as cost to remain competitive in this global economy.
5. The Indian economy which is growing at over 9 % for the last couple of years (compared to the world GDP growth rate of 3 %), implies more output and more demand for specialized logistics services.
6. The Indian government has focused on infrastructure development. Examples include the golden quadrilateral project, east-west and north-south corridors (connecting four major metros), Free Trade and Warehousing Zones (FTWZ) in line with Special Economic Zones (SEZ) with 100 % Foreign Direct Investment (FDI) limit and public-private partnerships (PPP) in infrastructure development. It is expected that infrastructure development would boost investments in the logistics sector.
7. The government has initiated the process of phasing out CST and introducing GST.

8. In India, 100 % FDI is allowed in logistics whereas in China, until recently, foreign investment was not allowed in domestic logistics. Almost all large global logistics companies have their presence in India, mainly involved in freight forwarding. For domestic transportation and warehousing, they have tie-ups with Indian companies. As the Indian logistics scenario looks promising, these MNCs are expected to play a bigger role, probably forming wholly-owned subsidiaries or taking the acquisition route. The latter may be the preferred route of investment since the target company is readily acquired with its asset base and distribution network, and the need for building everything from scratch can thus be avoided. The benefits for the acquired company include the patronage of an MNC and access to the MNC's global network.

The logistics industry in India is evolving rapidly and it is the interplay of infrastructure, technology and new types of service providers that will define whether the industry is able to help its customers reduce their logistics costs and provide effective services. Changing government policies on taxation and regulation of service providers are going to play an important role in this process. Coordination across various government agencies requires approval from multiple ministries and is a road block for multi modal transport in India. At the firm level, the logistics focus is moving towards reducing cycle times in order to add value to their customers. Consequently, better tools and strategies are being sought by firms in order to enhance their decision making.

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BUSINESS OVERVIEW

Our Company is a full-scope 3 PL (third-party logistics service provider), delivering end-to-end solutions in the logistics and supply chain domain to our customers. Our capabilities include supply chain consulting, logistics execution and project logistics. Our operations and consulting teams, deliver logistics solutions, to our client's by aligning the strategic and the operational perspectives.

We started as a freight forwarding company in the year 1999 and have, since then, consistently increased our capabilities and scope of our services. As an external service provider our ambit of services covers critical services which are required to execute end-to- end logistic needs. These include Multimodal Transportation, Contract Logistics, Regulatory Compliance, Warehousing, Value Added Services and Project Logistics.

Our Company is headquartered in Mumbai and has presence in major locations such as New Delhi, Chennai, Bangalore, Ludhiana, Baroda, Cochin and Pune. Our international logistics operations are supported by a network of 3PL partners and vendors that enables us to service client requirements across India and abroad as well. We deliver international logistic services by using air, sea and surface, as modes of transportation. Our regulatory compliance services include customs and industry-specific regulations. We have a Multi-Modal Transport Operator's License, an IATA Accreditation and a Custom House Agent's License for servicing our customers' requirements.

Our customers' logistics requirements need co-ordination of specialized services provided by multiple vendors. Further, transactions of global nature, involve compliance with multi-national legal and regulatory requirements. Keeping in mind these global logistics needs of our customers, we provide integrated and end-to-end solutions to our customers.

Over and above our execution capabilities, we have built vertical focus in our Company, by leveraging the domain expertise which has been nurtured over the years. We have been able to deliver specific logistics requirements in a various industry verticals such as Power, Heavy Engineering, Pharmaceutical, Telecom, Retail, Sports and Events. This domain knowledge combined with our capabilities of end-to-end logistics management enables us to design and execute customised solutions for our clients and enables us to approach and acquire new clients in the same vertical thereby increasing our visibility in the industry at large.

Our contract logistics solutions are designed by the combination of our consulting and logistics services, such as order management, shipment management, customs management, warehouse and inventory management, sales order management and reverse logistics. These solutions are designed to manage inbound and outbound logistics activities in in-plant and outsourced facilities of customers, thereby allowing customers to concentrate on their core competencies.

Our project and heavy-lift logistics solutions involve movements of odd and oversized cargo. This specialized activity consists of technical transportation planning including feasibility studies through route surveys and transportation equipment planning and executing safe and timely movements of large equipments into the interiors of India across difficult geographical terrain. The last-mile execution in India is done by Aqua Specialized Transport Private Limited, an associate company.

In order to facilitate the delivery of end-to-end solutions to our customers, we have built an ecosystem of capabilities which extend beyond logistics service execution and covers supply chain consulting. We serve as a lead logistics provider and through Aqua Management Consulting Group Private Limited, an Associate Company deliver consulting services in the arena of supply chain strategy, planning and improvement and cost optimization solutions.

In order to make the supply chain strategy work, IT services and systems implementation constitute a critical component of the delivery of end – to – end service to our clients. The capability to deliver supply chain related IT Solutions has been built in Harapa International Private Limited, an associate company.

Our Company constantly scans the environment for such opportunities, where we can broaden our service offerings in the logistics and supply-chain domain. We have entered into a Memorandum of Understanding dated December 22, 2009 with Enkorr Powergen Limited (“Enkorr”), whereby Enkorr has agreed to retain us as a single “end to end project execution service provider” for the entire range of advisory consultancy and execution for the 3 x 4000 MW UMPP Coal based thermal power plants, one each in Tamil Nadu, Andhra Pradesh and Gujarat.

SERVICES OFFERED

We are an asset-light, technology enabled third party logistics service provider. We believe this allows us to be flexible and seek alternatives that are customised to the specific needs of our clients. We also believe that the asset light 3PL business model is highly scalable and rapidly expandable across geographies.

As a global logistics and supply chain partner, the scope of our services includes the following:

Multimodal Transportation

Contract Logistics

Project Logistics

MULTIMODAL TRANSPORTATION	
Air	<ul style="list-style-type: none"> ▪ IATA Approved ▪ Carrier management, Route optimization, Time-definite and door to door delivery of cargo
Ocean	<ul style="list-style-type: none"> ▪ Multiple carrier options, real time visibility and control, optimized routing plans
Inland Transportation	<ul style="list-style-type: none"> ▪ Transportation and Distribution services through third-party asset providers ▪ Planning and processing of in and outbound cargo and provides monitoring services for cargo in transit
Regulatory Services	<ul style="list-style-type: none"> ▪ Custom brokerage at Indian ports to facilitate quicker clearance from custom authorities ▪ Faster processing, smoother information flow, single point contact for all customs

CONTRACT LOGISTICS	
	<ul style="list-style-type: none"> ▪ Handles contract based logistics services that involve outsourcing of more than one logistics service ▪ Contract logistics is handled by customer solution group (CSG) that involves combined expertise from logistics, consulting and IT background ▪ As contract logistics involves bouquet of services, the segment generates higher margins and customer retention
Warehousing	<ul style="list-style-type: none"> ▪ Manage and operate warehousing space across the country, use of bar coding, packaging solutions, integrated return management system, inventory control & warehousing management system to ensure real time availability of information
Containerization	<ul style="list-style-type: none"> ▪ Provides containerization services
Reverse Logistics	<ul style="list-style-type: none"> ▪ Provides reverse logistics services which includes flow of surplus material or equipment back through the supply chain after meeting

	customer demand, or for repair or rework
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PROJECT LOGISTICS	
<ul style="list-style-type: none"> ▪ Handles projects of odd and oversized cargo movement with specialized transport vehicles ▪ Services provided include route surveys, safety measures for the consignments during transit, timely delivery to destination, vessel chartering, cargo insurance and protection of cargo from climatic conditions 	
We offer project and heavy-lift logistics services to diverse industries such as power, petrochemicals, and Heavy Engineering	

Our Company has a 360 degree approach for its logistics and supply chain solutions and services. Other than the breadth of services offered in supply chain, our Company specializes in supply chain solutions to various industry verticals like Telecom, Power, Retail, Pharmaceutical, Heavy Engineering, Sports & Events. The few services offered by our Company are as follows:

International Trade Services	Comprehensive set of services and global partner network that enable smooth freight movement of any size, class or value between any two points on the world map. Our services include: <ul style="list-style-type: none"> • Freight Forwarding (Air and Ocean) • Custom Clearance/Brokering • Consolidation Services • Documentation Services • Specialty Material Handling (hazardous, temp-controlled, food grade etc) • Insurance cover processing • Origin/destination port storage and warehousing • Domestic transportation from destination port
Inventory Management	Our capabilities include providing following services to our clients: <ul style="list-style-type: none"> • Demand forecasting and planning for inventory, drive replenishments, purchase order processing and development of required the applications and performance measurement of all processes. • Inventory level setting at all stock points based on statistical analysis of demand and supply chain data. • Real-time (near) inventory monitoring of actual stocks against set norms. • Stock replenishment services, including transportation of stock to required locations from vendors/Direct Customers.
Distribution Logistics	Complete distribution logistics services aiming to fulfill all kinds of requirements – shipment planning, warehousing, stocking, visibility, delivery and documentation. Flexible solutions at improved efficiency for both primary and secondary transportation. <ul style="list-style-type: none"> • Vendor to Direct Customer and Direct Customer to store transportation. • Warehousing facilities and processing services.
IT Solutions	Our Company has entered into a resource sharing agreement with our associate company, Harapa International Private Limited. Through this association, our clients have the option of accessing IT-enabled solutions and 'Aqua Enable', an On-site and Off-shore Software Application used in International Supply Chain Management.

Location/Network:

Our Company has relationships with different logistics service providers across the globe.

Our Company is headquartered in Mumbai and has presence in major locations such as Mumbai, New Delhi, Chennai, Bangalore, Ludhiana, Baroda, Cochin and Pune. Our Company has entered into service relationships with agents depending on the various services that equip our company in providing end to end solution to its clients. The agents could be freight forwarders, consolidators or other 3PL service providers.

Our Competitive Strengths

We believe that the following are our primary competitive strengths:

1. *Asset light business model*

Our Company is structured on a unique business model with service centric approach. We are an asset light company, which gives us the advantage during the selection of our vendors. This helps us save time, increase efficiency and ensures timely delivery.

2. *Professional management team*

Our operations are led by our Chairman, Vice-Chairman, Managing Director and experienced management group that functions well as a team and has the expertise and vision to continue to expand our business. We have a dedicated and experienced management teams who are in charge of operation, quality management and delivery to each of our customers. Our experience together with our consistent and successful track record of timely delivery and customer satisfaction provides us a competitive edge. Our experience in varied sectors has helped us concentrate on devising and delivering sector specific solutions thereby increasing our visibility across various sectors.

3. *Process and technology*

We use process and technology to continuously improve our business operations and customer service. This enables us to execute logistics requirements of our clients seamlessly. We have been certified ISO 9001: 2000 for Quality Management System by Zenith Quality Assessors – the Certification Body. We also have a resource sharing agreement with our associate company Harapa International Private Limited through which our clients have access to software product 'Aqua Enable', a tool that helps tackle the complexities of demand, distance, diversity and documentation by integrating the entire supply chain. It also provides a host of advanced IT enabled web-based applications.

4. *Spectrum of services*

We cover within our ambit a plethora of services which are cost effective and saves time of our customers. We have been able to build upon our capabilities and have emerged as an end-to-end logistics company. Furthermore it has enabled us to successfully provide a combination of services depending upon the needs of our customers. The spectrum of the services provided by us gives our customers the comfort of outsourcing a substantial quantum of their logistics management to us.

5. *Early mover advantage*

We have evolved from being a base logistics 'execution' service provider to a 'full-scope' 3PL service provider by building internal capabilities in the areas of supply chain management,

transportation and distribution, project and heavy-lift transportation and supply chain information technology. This gives us an advantage over our competitors who plan to get into any of the above sub-segments of the above supply chain services as we have developed the expertise by then.

6. *Our associate companies*

We are able to address important areas in the business value chain along with our associate companies, which help in the translation of our understanding into solutions for an optimized and organized supply chain for our customers. The value we provide is in an optimal mix of solution design and service execution with our Group Companies in supply chain consulting (through Aqua Management Consulting Group Private Limited), last mile project execution and specialized transport (through Aqua Specialized Transport Private Limited) and supply chain IT (Harapa International Private Limited) which complete the bouquet of end-to-end offerings to our customers. Project execution through these Group Companies help us offer and deliver customised services to our customers.

7. *International Network*

We have tapped markets across the countries by establishing a strong and symbiotic relationship with international 3PL companies. These agents complement and enhance our capabilities to manage movements across geographies.

8. *Carrier Relationships*

Airlines, shipping companies, transporters and other vendors are crucial to our business. Our strong relationships with most leading carriers enable us to negotiate favourable commercial terms and operational advantageous for our clients.

9. *Domain knowledge*

We have shaped our company in a vertically focused way. This vertical focus has allowed us to build domain knowledge of specific logistics requirements in a variety of sectors such as Power, Heavy Engineering, Pharmaceutical, Telecom, Retail and Sports & Events. This domain knowledge combined with our capabilities of end-to-end logistics management enables us to offer customised solutions in these verticals.

10. *Marketing & Sales Capabilities*

Our marketing and sales strength rests on our execution capabilities and knowledge. Our marketing and sales team comprise of professionals with experience in various industry verticals and varied domain knowledge. We can drive advisory cum executorial sales with such an experienced team, rather than be limited to just transactional sales.

Further, we have built a strategic Customer Solutions Group (CSG) within our Company to look into high volume customer cases involving multiple disciplines within logistics. The CSG drives collaborations between multiple competencies within and outside our ecosystem to do integrated design of customer solutions. Thus, the CSG can deliver solutions in a customer-centric manner.

Plant & Machinery

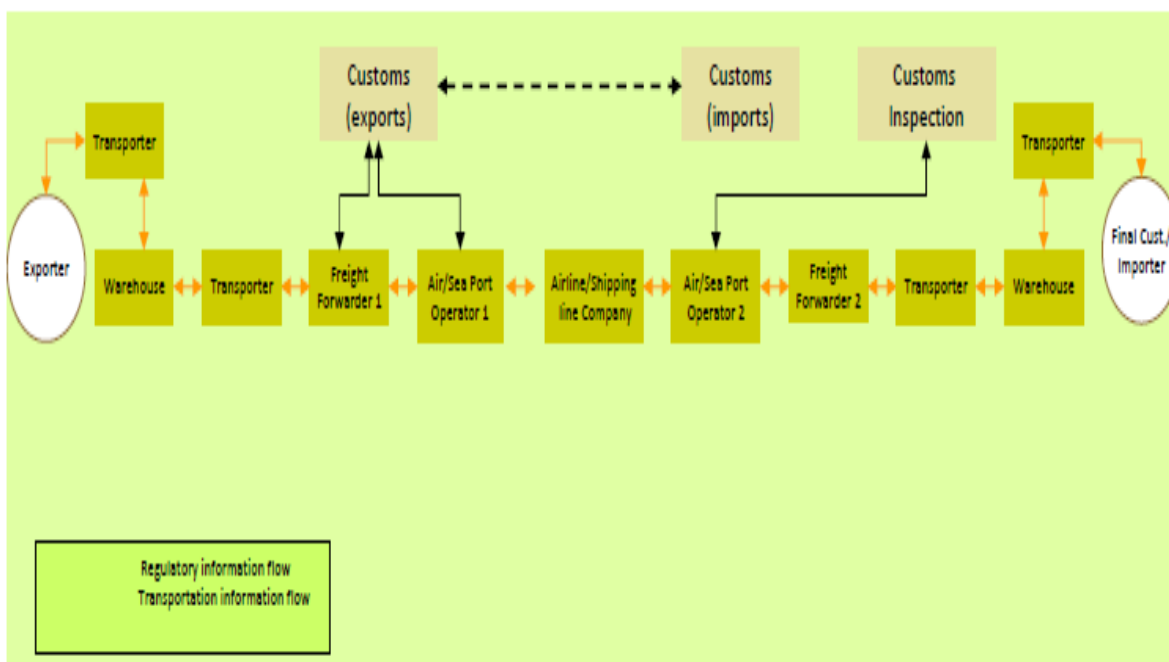
Our Company does not own any plant and machinery/equipments needed for logistics and supply chain. Our Company has tied-up with various vendors in India as well as globally who bring in the required machinery and equipments as per the project/assignment. However we intend to purchase critical specialised equipments from the Issue Proceeds as detailed under *paragraph*

titled “Purchase of Specialized Equipments” beginning on page 63 under Section titled “Objects of the Issue” beginning on page 62 of the Red Herring Prospectus.

Technology

Technology plays a vital role in every industry but with logistics industry being the back bone of all other sectors, technology in the logistics industry has to be updated and precise and cost effective. We provide supply chain solutions taking into all aspects and using the right equipment and the right transport carrier needed for every transaction. The IT system, ‘**Aqua Enable**’ provides support to our business at all stages starting from the sales, planning to operations and documentation, accounts and customer service thereby helping in enforcing procedures and maintaining an error free work flow process.

Logistics Process (Diagrammatic representation)



Collaborations

We have not entered into any technical or other collaboration.

Utilities & Infrastructure Facilities

Our registered office is located at Mumbai and we have branch and regional offices in cities across India. Our offices are equipped with computer systems, servers, relevant software and other communication equipments, uninterrupted power supply, internet connectivity, security and other facilities, which are required for our business operations to function smoothly.

Manpower

Currently, our Company has a total of 153 employees. The detailed break-up of our employees is as under:

Particulars	No. of Employees
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Senior Management	11
Middle Management/Officers	17
Others	120
Total	148

Past Production Figures for the Industry

Since we operate into service industry, for which there does not exist any data relating to past production figures.

Competition

We are a global logistics and supply chain partner, delivering excellence across industries, through an integration of empowered people, processes and technology. We enable our client's businesses by aligning the strategic and the operational perspectives. Logistics being a global industry, we face competition from various domestic and international players.

The industry in which we operate is highly competitive and fragmented. We have a number of competitors offering services similar to ours. We believe the principal elements of competition in transportation and logistics services are price, customer service and reliability. Some of our competitors have larger client bases and significantly more resources than we do. We compete against these entities by establishing ourselves as a leading knowledge based service provider with industry expertise in multi-modes of transportation, which enables us to respond rapidly to the evolving needs of our clients related to outsourcing of logistic services. Some of our nearest competitors include multinational 3PLs like Expeditors International of Washington, Inc, Kuehne & Nagel Private Limited, DB Schenker, DHL Global, Agility Logistics Private Limited, Panalpina, CH Robinson Worldwide Inc, and Indian companies like AFL Private Limited, Allcargo Global Logistics Limited, Jeena & Company Private Limited, J.M. Baxi & Co. amongst others.

Approach to Marketing and Marketing Set-up

Marketing is one of the major function for any company and more so for a company like ours present in the logistic segment, which is dynamic and demanding. We strive to deliver our services at the right time, at right price and using the right partners.

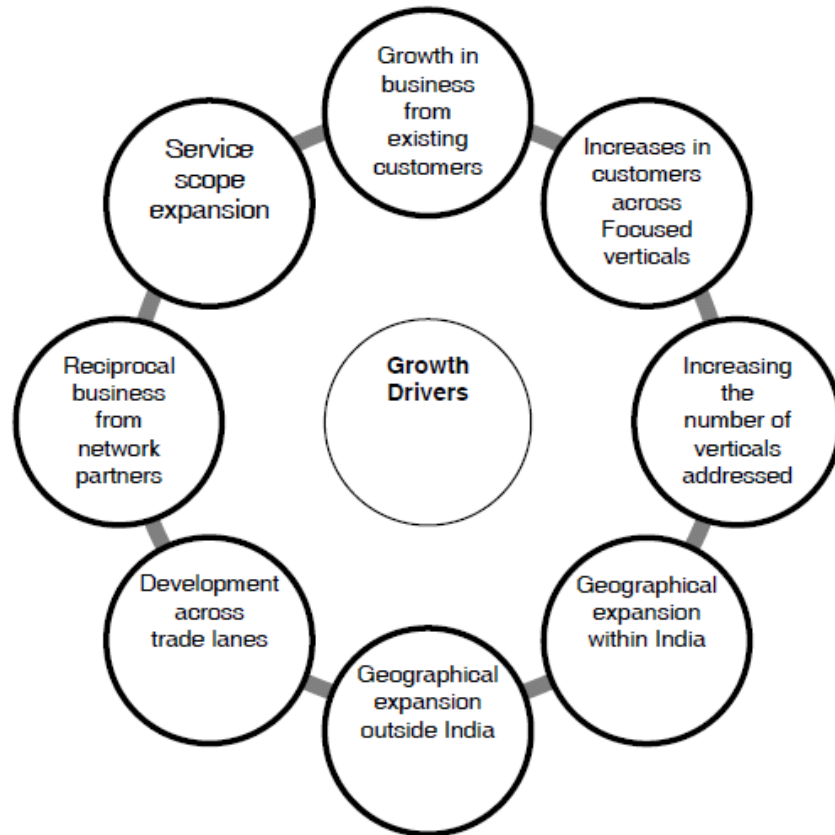
Our marketing and planning team thrives on challenges and our approach includes:

- Identifying the needs of the customer
- Selection/short-listing alternatives/options
- Offering an optimized solution to meet the requirements/specifications with minimal deviations
- Ensuring the solution meets the financial criterion set by the client
- Future migration plans/up gradation based on current/past experiences
- Ensuring delivery in time to safeguard the competitive edge of the customer
- Receivables management to ensure profitability/viability of the business; and
- Regular follow-up during the lifecycle of the service offered

Our marketing activities are based on tendering, direct customer enquiries/request for quote, short listed enquiries based on services and referencing, agents/distributors. The sales promotion is mainly based on participation and interaction in seminars, exhibitions, presentations and Vendor enlistments. There are several direct and indirect promotional channels hence promotion methods have to be innovative and narrow to ensure reaching the target and avoid unnecessary expenditure and misdirection.

Our Business Strategy

Our strategic objective is to improve and consolidate our position as a full-scope 3PL service provider with a continuous growth philosophy. The diagram below represents our continuous growth philosophy being implemented on a day-to-day basis.



Our continuous growth philosophy is being driven with the strategic levers of operational excellence, strengthening existing services, customer intimacy, ecosystem development, innovation and marketing, expansion into new geographies, offering incremental modes of transport and introduction of new services.

1. *Operational excellence*

We continue to invest in operational excellence throughout the organization. We are addressing operational excellence through continuous process improvement, customer service and technology development. Alignment of our people to 'process improvement' through change management and upgrading of skills as required for customer satisfaction is a continuous activity. Awareness of this quality commitment is widespread among all the employees.

2. *Strengthening existing services*

We are strengthening existing services by:

- Augmenting project logistics services by building a critical level inventory of specialized transportation assets to bid for large projects
- Recruiting the best talent for expansion plans and to consistently design and deliver customer focused solutions
- Optimizing our international agent network for enhanced reciprocity and commercial terms

3. *Customer intimacy*

Our vertical focus has enabled us to address specific logistics needs in particular sectors. We continue to drive customer intimacy through domain knowledge in the sectors of focus. This helps us in providing better value to each customer thereby increasing our entrenchment with our new and existing customer base that presents a substantial opportunity for growth.

4. *Leveraging our Marketing Skills and Relationships*

This is a continuous process in our organization and the skills we impart in our people gives importance to clients. We aim to do this by leveraging our marketing skills & relationships and further enhancing customer satisfaction. We plan to increase our customer base by tracking new projects in the pipeline, meet potential customers and consultants involved, make presentations and proposals for dedicated projects.

5. *Ecosystem Development*

We continue to increase collaboration with our associate companies and our understanding of end-to-end needs of customers is supported by their execution capabilities in the areas of supply chain management and logistics. We have formed Group Companies to leverage competency and expertise in specific business areas across verticals. We intend to grow with our associations to provide specialized services to our clients and co-create value with them.

6. *Innovation and marketing*

We are constantly aiming to move up the business value chain by introducing new solution sets through innovation. These solutions are aimed at addressing specific industry verticals and are further adapted to suit the needs of each customer.

Our marketing team constantly studies different industry verticals to identify supply chain inefficiencies and innovate strategies in areas in which we could add value and help the industry improve its competitiveness in the global market.

7. *Strategic Initiatives /Expansion into new geographies/services*

We have initiated the process of geographic expansion and also intend to set up more branches across India. Further we are also looking at acquisition opportunities and have earmarked part of issue proceeds for the same. For further details on geographic expansion refer to paragraph titled “*Proposed Acquisitions*” beginning on page 65 under the Section titled “*Objects of the Issue*” beginning on page 62 of the Red Herring Prospectus.

8. *Cost effectiveness*

Our Company provides complete end to end service under one shop, thereby removing the inefficiency of multi-party handling in terms of cost, time and accountability. Our focus shall be to reduce the operational cost to increase our competitiveness. We also intend to grow inorganically outside India. It is a globally recognized fact that manpower (both skilled and unskilled) costs in India are substantially lower than in other countries. This gives an opportunity to move certain processes to India, which have low operational costs vis-à-vis developed countries. This cost advantage shall also make us cost-competitive as compared to other global players.

Licensed and Installed Capacity and Capacity Utilization

Since we operate in the service industry existing installed capacities and capacity utilization is not applicable.

Export Obligations, if any

As on the date on the Red Herring Prospectus our Company does not have any Export Obligations.

Intellectual Property Rights

The table below outlines the current status of our intellectual property (Trade Marks):

Sr. no.	Application no.	Date of Application	Trade Mark	Class	Status / Stage
1.	1319961	November 10, 2004	Aqua Logistics (Logo)	39	Registered
2.	1515977	December 22, 2006	Aqua Enable	42	Pending registration
3.	1515979	December 22, 2006	Aqua Enable	9	Pending registration

PROPERTY

Owned Property

Agreement for Sale dated April 19, 2004 entered into by and between Pepeyon Enterprises Private Limited ("Seller") and our Company ("Purchaser") (the "Agreement")

Particulars	Details
Name of the Parties	1. Pepeyon Enterprises Private Limited 2. Our Company
Description of the Property	Unit no. 3 on the 5 th floor admeasuring 128.02 sq. mtrs. Carpet area and 7.62 sq. mtrs of ornamental projections and niches in Trade Star building at village Kondivita, Mathuradas Vassanji Road, Andheri (East), Mumbai
Date of the Agreement	April 19, 2004.
Consideration paid	Rs. 27,60,360
Usage	Registered Office of our Company.
Details of the charges	Mortgaged to the Bank of India.

Leasehold Properties

Sr. No.	Details of the Agreement	Description of the Property	Validity	Rent paid	Usage
1.	Lease Agreement dated January 18, 2009 entered into by and between Mr. R. Rajan, Mrs. Lalitha Rajan and Aqua Logistics Private	305/A, 7 th main, HAL, 3 rd stage, Bangalore – 560075 admeasuring 1,600 sq. ft.	Commencing from December 19, 2009 till November, 18, 2010.	Monthly Rent: Rs. 27,000. Refundable Security Deposit: Rs. 2,70,000	Commercial purpose

	Limited.				
2.	Lease deed dated February 27, 2008 between Mr. Ashvin A. Shah and Aqua Logistics Private Limited.	Unit no. 416, 4 th floor, Race Course Towers, Pashabhai Park, Race Course, Baroda admeasuring 638 sq. ft.	Commencing from March 1, 2008 till February 28, 2010.	Monthly: Rs. 16,500 Interest Free Refundable Security Deposit: Rs. 49,500	Office purposes
3.	Lease agreement dated July 1, 2009 entered into by and between Ms. Sumitra Malik, Mr. Charul Malik and Aqua Logistics Limited.	RZ-B-IA, Ground floor, Masoodpur village, Vasant Kunj, New Delhi – 110070 admeasuring 2000 sq. ft.	Commencing from July 1, 2009 till March 31, 2012.	Monthly Rent: Rs. 20,000.	Office purpose
4.	Lease Agreement dated July 1, 2009 entered into by and between Ms. Kamini Malik, Mr. Kushal Malik and Aqua Logistics Limited	RZ-B-IA, First floor, Masoodpur village, Vasant Kunj, New Delhi – 110070 admeasuring 2,000 sq. ft.	Commencing from July 1, 2009 till March 31, 2012.	Monthly Rent: Rs. 20,000	Office purposes
5.	Lease Agreement dated July 1, 2009 entered into by and between Mr. Y. S. Malik, Mr. U. S. Malik, Mr. Mukesh Malik, Ms. Urmila Malik, Ms. Pramila Malik and Aqua Logistics Limited.	RZ-B-IA, 2 nd floor, Masoodpur village, Vasant Kunj, New Delhi – 110070 admeasuring 2,700 sq. ft.	Commencing from July 1, 2009 till March 31, 2012.	Monthly Rent: Rs. 58,000 Security Deposit: Rs. 3,00,000	Office purpose
6.	Lease Agreement dated July 1, 2009 between Ms. Rajbala Malik and Aqua Logistics Limited.	RZ-B-IA, 3 rd floor, Masoodpur village, Vasant Kunj, New Delhi – 110070 admeasuring 1,000 sq. ft.	Commencing from July 1, 2009 till March 31, 2012.	Monthly Rent: Rs. 20,000	Office purpose
7.	Lease Agreement dated April 30, 2009 entered into by and between Mr. C. Venkatachalam, Mr. C. Sudarsana Srinivas and Aqua Logistics Limited.	Office Unit no. B, 9 th floor, Ega Trade Centre, 809, Poonamallee High road, Kilpauk, Chennai 600 010 admeasuring 1,400 sq. ft.	Commencing from May 1, 2009 till April 30, 2010.	Monthly Rent: Rs. 43,400 Interest free security deposit: Rs. 43,400	Office purpose
8.	Lease Agreement dated July 1, 2008 entered into by and between Mrs. Vidya	Room no. 302, IIIrd floor, 108, Venus House, St. No. 9,	Commencing from July 1, 2008 till July 30, 2010.	Monthly Rent: Rs. 6,500 Refundable	Office purpose

	Diwedi and Aqua Logistics Private Limited.	opposite Urban Estate Nursery, Jeevan Nagar, Focal Point, Ludhiana – 141010 admeasuring 400 sq. ft		Security Deposit: Rs. 13,000	
9.	Lease Agreement dated February 6, 2009 entered into by and between Mr. Ajay Agarwal and Aqua Logistics Limited	Gala no. 2, Agarwal Estate, Malpa Dongri no. 1, Service Road, Western Express Highway, Andheri (East), Mumbai – 400 093 admeasuring 500 sq. ft.	Commencing from February 1, 2009 till October 31, 2011.	Monthly Rent: Rs. 22,000 Refundable Security Deposit: Rs. 60,000	Business purpose
10.	Lease Deed dated April 15, 2008 entered into by and between Mrs. Ratna Devi, Mrs. Rekha Rana, Mr. Ashok Rana and Aqua Logistics Private Limited	Khasra no. 648, Village and P.O. Bijwasan, New Delhi 110061 admeasuring 10,000 sq. ft.	Commencing from May 15, 2008 till May 14, 2011.	Monthly Rent: Rs. 90,000 Interest free refundable security deposit: Rs. 2,70,000	Storage purpose
11.	Lease Agreement dated April 21, 2009 entered into by and between Smt. Chandrawati Devi, Sujata through her mother Chandrawati Devi, Vineeta, Praveen Kumar all through their Attorney Rahul Kumar, Rahul Kumar and Aqua Logistics Limited.	1 st floor, B-5/105-C, Safdarjung Enclave, New Delhi – 110 029 admeasuring 1560 sq. ft.	Commencing from April 1, 2009 till February 28, 2010.	Monthly Rent: Rs. 10,000	Guest House
12.	Deed of Rent dated January 27, 2009 and renewal dated January 01, 2010 entered into by and between Mr. Subhadra Thampuran and Aqua Logistics Private Limited.	Door No. 27/ 292, Plot no. 31, Krishna Vihar Colony, Panmpilly Nagar, Kochi – 36 admeasuring 150 sq. ft.	Commencing from January 01, 2010 till March 31, 2010.	Monthly Rent: Rs. 3,000 Interest free refundable security deposit: Rs. 15,000	Office purpose

We confirm that the lessors are not in any way related to the Promoters / Directors of our Company.

Properties taken on Leave and License

Sr. No.	Details of the Agreement	Description of the Property	Validity	Rent paid	Usage
1.	Leave and License Agreement dated May 21, 2009 entered into by and between M. S. Sayad and Aqua Logistics Limited.	B 202, Oxford Chamber, opposite Saki Vihar Telephone Exchange, Saki-Vihar Road, Powai, admeasuring 635 sq. ft.	Commencing from May 21, 2009 till April 20, 2010.	Monthly Rent: Rs. 1,25,625	Commercial and business purposes
2.	Leave and License Agreement dated August 4, 2008 between Ms. Sushma Girish Gadiya and Aqua Logistics Private Limited.	C-303, Choice Apartment, 3 rd floor, Dhole Patil Road, Opp. Millennium Star, Pune 411001 admeasuring 1,325 sq. ft.	Commencing from August 1, 2008 till July 31, 2013.	Monthly Rent: Rs. 55,000 Interest free refundable security deposit: Rs. 300,000	Commercial and business purposes
3.	Leave and License Agreement dated April 11, 2006 entered into by and between Om Prakash Sarawgi, Sanjaykumar Sarawgi (HUF) through Sanjay Sarawgi, Premchand Jain, Ashok Kumar Sarawgi and Aqua Logistics Private Limited.	Unit no. AP – 4/1, 4/2, 4/3, 4/4 in RCC building, Rajlaxmi Complex, Village Kalher, Agra road, Bhiwandi, Thane admeasuring 11,044 sq. ft.	Commencing from April 16, 2006 till April 15, 2011.	Monthly Rent: Rs. 69,025 Free Refundable Security Deposit:- Rs. 2,07,075	Warehousing purpose
4.	Leave and License Agreement dated May 21, 2009 entered into by and between Mr. Rajesh G. Uchil and Aqua Logistics Limited	C-5, Ankur Co-operative Housing Society Limited, behind Mukund Hospital, village Kondivita, Marol pipeline, Andheri (east), Mumbai – 400 059 admeasuring 625 sq. ft.	Commencing from May 22, 2009 till April 21, 2010.	Monthly Rent: Rs. 45,000	Company Guest house
5.	Leave and License Agreement dated May 22, 2009 entered into by and between Mr. Harish G. Uchil and Aqua Logistics Limited.	C-6, Ankur Co-operative Housing Society Limited, behind Mukund Hospital, village Kondivita, Marol pipeline, Andheri (East), Mumbai – 400 059	Commencing from May 22, 2009 till April 21, 2010.	Monthly rent: Rs. 45,000	Company Guest house

		admeasuring 625 sq. ft.			
6.	Leave and License Agreement dated June 5, 2009 entered into and by Mr. Gopalkrishna G. Uchil and Aqua Logistics Limited.	A/7, Swami Shivanand Co-operative Housing Society Limited, Cardinal Gracias Road, Chakala, Andheri (East), Mumbai – 400099 admeasuring 700 sq. ft.	Commencing from 1 st June 2009 till 31 st April 2010.	Monthly rent: Rs. 75,000	Company Guest house
7.	Leave and License Agreement dated July 1, 2009 entered into and by Shreno Limited and Aqua Logistics Limited.	Shed no. 24 Alembic Glass Industries Limited, White Field Post, Bangalore – 560 066 admeasuring 2,000 sq. ft.	Commencing from July 1, 2009 till May 10, 2010.	Monthly Rent: Rs. 20,000 Interest free security deposit: Rs. 1,20,000	Warehousing purpose
8.	Leave and License Agreement dated July 1, 2009 entered into by and between Reigns Infotech Private Limited and Aqua Logistics Limited.	Office No. 1, A wing, 5 th Floor, Trade Star Building, Andheri Kurla Road, Andheri (West), Mumbai 400 059 admeasuring 8,147 sq. ft. along with 8 car parking spaces.	Commencing from July 1, 2009 till March 31, 2012.	Monthly Rent: Rs. 5,50,000 Non-Interest free security deposit: Rs. 20,00,000	Office purpose

*The lease documents as described above have not been stamped in accordance with the applicable stamp act. Consequently, the said lease deeds may be inadmissible as evidence in a court of law, in case of dispute, if any.

The entities/persons from which our Company has acquired the land/premises or propose to acquire the land/premises are not related to any of the Promoters / Directors of our company.

KEY INDUSTRY REGULATIONS AND POLICIES

We are subject to a number of central and state legislations which regulate substantive and procedural aspects of our business. Additionally, our operations require sanctions from the concerned authorities, under the relevant Central and State legislations and local bye-laws. The following is an overview of some of the important laws, policies and regulations which are pertinent to our business as a player in the logistics industry. The regulations set out below are not exhaustive and are only intended to provide general information to Bidders.

Taxation statutes such as the I.T. Act, Central Sales Tax Act, 1956 and applicable local sales tax statutes, labour regulations such as the Employees' Provident Fund and Miscellaneous Act, 1952 and other miscellaneous regulations and statutes such as the Trade Marks Act, 1999 apply to us as they do to any other Indian company.

For details of government approvals obtained by us in compliance with these regulations, please refer to the Chapter titled "Government and Other Statutory Approvals" beginning on page 207 of the Red Herring Prospectus. The statements below are based on the current provisions of Indian law, and the judicial and administrative interpretations thereof, which are subject to change or modification by subsequent legislative, regulatory, administrative or judicial decisions.

INTERNATIONAL COMMERCIAL TERMS ("INCOTERMS")

Incoterms are standard trade definitions most commonly used in international sales contracts. Devised and published by the International Chamber of Commerce ("ICC"), they are at the heart of world trade. ICC introduced the first version of Incoterms - short for "International Commercial Terms" - in 1936. Most contracts made after January 01, 2000 will refer to the latest edition of Incoterms, which came into force on that date. The correct reference is to "Incoterms 2000". Unless the parties decide otherwise, earlier versions of Incoterms - like Incoterms 1990 - are still binding if incorporated in contracts that are unfulfilled and are dated before January 01, 2000. The latest version of Incoterms is designed to bring Incoterms into line with the latest developments in commercial practice. Correct use of Incoterms goes a long way to providing the legal certainty upon which mutual confidence between business partners must be based. Among the best known Incoterms are EXW (Ex works), FOB (Free on Board), CIF (Cost, Insurance and Freight), DDU (Delivered Duty Unpaid), and CPT (Carriage Paid To).

UNIFORM CUSTOMS AND PRACTICE FOR DOCUMENTARY CREDITS ("UCP")

This revision of the Uniform Customs and Practice for Documentary Credits (commonly called "UCP") is the sixth revision of the rules since they were first promulgated in 1933.

The Uniform Customs and Practice for Documentary Credits, 2007 Revision, ICC Publication no. 600 ("UCP") are rules that apply to any documentary credit ("credit") (including, to the extent to which they may be applicable, any standby letter of credit) when the text of the credit expressly indicates that it is subject to these rules. They are binding on all parties thereto unless expressly modified or excluded by the credit.

CONTAINER FREIGHT STATION GUIDELINES ("CFS")

A CFS has been defined under the CFS Guidelines as a common user facility with public authority status equipped with fixed installations and offering services for handling and temporary storage of import/export laden and empty containers carried under customs control and with customs and other agencies competent to clear goods for home use, warehousing, temporary admissions, re-export, temporary storage for onward transit and outright export. Functionally CFS is a transit facility, which offers services for containerization of break bulk cargo and vice-versa.

Some of the primary functions of CFSs relate to receipt and dispatch/delivery of cargo, stuffing and stripping of containers, transit operations by rail/road to and from serving ports, customs clearance, consolidation and desegregation of LCL cargo, temporary storage of cargo and containers, reworking of containers and maintenance and repair of container units.

The CFS Guidelines prescribe procedure for approval of CFS along with its implementation. Such proposals for setting up CFS are considered and cleared, on merits, by an Inter Ministerial Committee for CFSs consisting of officials of Ministries of Commerce, Finance (Department of Revenue), Railways and Shipping. The said approval would be subject to cancellation in the event of any abuse or violation of the conditions of the said approval. The CFS Guidelines prescribe that the working of the CFS will be open to review by the Inter Ministerial Committee.

THE CUSTOMS HOUSE AGENTS LICENSING REGULATIONS, 2004 (“CHALR”)

The Customs House Agents Licensing Regulations, 2004 is one of the principal legislations for the purpose of governing the regulation of customs house agents. No person can carry on business as a customs house agent relating to the entry or departure of a conveyance or the import or export of goods at any customs station unless such person holds a licence granted under these regulations. The customs house agents who are granted licences under CHALR shall be eligible to work in all customs stations within the country subject to intimation to the Commissioner of Customs of the concerned customs station where he intends to transact business. Further, under CHALR no separate licence shall be required in places where in addition to a customs house handling imports by sea, there is also an International airport to handle imports by air, even if under the jurisdiction of a different Commissioner of Customs.

THE MULTIMODAL TRANSPORTATION OF GOODS ACT, 1993 (“MTG Act”)

The MTG Act came into force with effect from April 02, 1993 and is one of the principal legislation for the purpose of governing the regulation of multimodal transportation of goods, from any place in India to a place outside India, on the basis of a multimodal transport contract (which is a contract under which a multimodal transport operator undertakes to perform or procure the performance of multimodal transportation against payment of freight) and for matters connected therewith or incidental thereto. The said Act deals in carriage of goods, by at least two different modes of transport under a multimodal transport contract, from the place of acceptance of goods in India to a place of delivery of the goods outside India.

Under the MTG Act, business in multimodal transportation can commence only upon obtaining registration by the Competent Authority as defined in the Act. If the competent authority is satisfied that all the conditions under the MTG Act are satisfied it may grant a certificate to the applicant which shall be valid for a period of 3 years and which may be renewed from time to time for a further period of 3 years.

THE CUSTOMS ACT, 1962

The Customs Act came into force on February 01, 1963 and has been enacted for the purpose of consolidating and amending the law relating to customs along with the levy of duty of customs. The said Act stipulates provisions relating to clearance of imported goods and export goods, goods which are not cleared, goods warehoused or transshipped within 30 days after unloading, for storage of imported goods in warehouses pending clearance, for goods in transit etc, subject to prescribed conditions.

THE CARRIAGE OF GOODS BY SEA ACT, 1925 (“COGSA”)

The Indian Carriage of Goods by Sea Act, 1925 came into force on September 21, 1925 and extends to the whole of India. The Act provides the rules set out under the Schedule to the Act

("Rules") in relation to and in connection with the carriage of goods by sea in ships carrying goods from any port in India to any port whether in or outside India. It also provides that every bill of lading, issued in India which contains or is evidence of any contract to which the Rules apply, shall contain an express statement that it is to have effect subject to the provisions of the said Rules. The Rules also set out the responsibilities, liabilities and the rights and immunities of the carrier.

THE CARRIAGE BY ROAD ACT, 2007 ("Carriage by Road Act")

The Carriage by Road Act came into force on September 29, 2007 and has been enacted for the regulation of common carriers, limiting their liability and declaration of value of goods delivered to them to determine their liability for loss of, or damage to, such goods occasioned by the negligence or criminal acts of themselves, their servants or agents and for matters connected therewith. No person shall engage in the business of a common carrier, unless he has a certificate of registration.

A "common carrier" has been defined under the Carriage by Road Act as a person engaged in the business of collecting, storing, forwarding or distributing goods to be carried by goods carriages under a goods receipt or transporting for hire of goods from place to place by motorised transport on road, for all persons indiscriminatingly and includes a goods booking company, contractor, agent, broker, and courier agency engaged in the door-to-door transportation of documents, goods or articles utilising the services of a person, either directly or indirectly, to carry or accompany such documents, goods or articles, but does not include the Government.

THE CARRIAGE BY AIR ACT, 1972 ("Carriage by Air Act")

The Carriage by Air Act came into force to give effect to the Convention for the unification of certain rules relating to international carriage by air signed at Warsaw on the 12th of October, 1929 as amended by the 1955 Hague Protocol. The rules in the First Schedule of the Act, deal with the rights and liabilities of carriers, passengers, consignors, consignees and other persons. The Central Government may, by notification in the Official Gazette, apply the rules contained in the First Schedule and any provision of section 3 or section 5 or section 6 to such carriage by air, not being international carriage by air as defined in the First Schedule.

HISTORY AND OTHER CORPORATE MATTERS

Our Company was originally incorporated as Aqua Logistics Private Limited on September 20, 1999 under the Companies Act, 1956 *vide* Certificate of Incorporation bearing registration number 11 – 121803 issued by the Registrar of Companies, Mumbai. Our Company was converted into a public limited company *vide* fresh Certificate of Incorporation dated March 05, 2009 and subsequently the name of our Company was changed to 'Aqua Logistics Limited'. Our Company has been allocated Corporate Identification Number U63090MH1999PLC121803. The current Promoters of our Company are Mr. Rajesh G. Uchil, Mr. M. S. Sayad, Mr. Harish G. Uchil and Mr. Gopalkrishna G. Uchil.

Our Company was initially promoted for freight forwarding business. After gaining expertise and customer support, we became a multimodal transport operator (Registration No. MTO/DGS/227/2001) from January 2001. Our Company in the year 2003 bagged its first project logistics order from ABB Limited and the first contract logistics order from Tellabs India Private Limited. 2005 onwards, our Company expanded its presence in major cities with its regional office situated in Delhi and branch offices in other parts of the country. Further, in 2006, our Company, *vide* Agreement for Succession of Business dated July 26, 2006, acquired the entire business of the firm; M/s. Rajesh G. Uchil & Co., (a partnership firm established in the year 1989, comprising of Mr. Rajesh G. Uchil, Mr. Harish G. Uchil and Mr. Gopalkrishna G. Uchil as partners) as a going concern with all the assets and liabilities. The valuation of the business of the partnership firm was done by Yardi Prabhu Consultants Private Limited, Consultants and Valuers, vide their report dated April 23, 2006, and the consideration was paid by way of issue of 37,61,100 Equity Shares.

Our turnover and profitability for last five years has been as follows:

(Rs. in Lacs)

Particulars	30.09.09	31.03.09	31.03.08	31.03.07	31.03.06	31.03.05
Total Income	15405.26	21405.24	10940.92	4306.11	957.21	599.82
PBDIT	1879.92	2300.02	1318.57	483.72	45.77	21.14
PAT	836.46	983.80	562.76	281.03	(86.28)	(4.93)

Changes in Registered Office of our Company:

Date	Registered address changed from	Changed to	Reason for change
August 02, 2004	A/7, Swami Shivanand, Cardinal Gracious Road, Chakala, Andheri (East), Mumbai - 400 099, Maharashtra, India	5 th Floor, B – Wing, Trade Star Building, Andheri Kurla Road, Andheri (East), Mumbai - 400059, Maharashtra, India	Purchase of office premises

Major Events:

YEAR	KEY EVENTS
1999	<ul style="list-style-type: none"> Incorporated as a Private Limited Company
2001	<ul style="list-style-type: none"> Obtained MTO License from Ministry of Shipping, Road Transport and Highways, Directorate General of Shipping Obtained Certificate of Registration from IATA
2005	<ul style="list-style-type: none"> Established Regional Office in Delhi
2006	<ul style="list-style-type: none"> Established Regional Office in Chennai Took over the entire business of the partnership firm, M/s. Rajesh G. Uchil & Co.
2007	<ul style="list-style-type: none"> Our Company raised funds for operations by Private Placement of Equity Shares to Carwin Mercantiles Private Limited
2008	<ul style="list-style-type: none"> Our Company raised funds for operations by Private Placement of Equity Shares to

	to Enam Shares & Securities Private Limited and HT Media Limited
2009	<ul style="list-style-type: none"> Our Company raised funds for operations by Private Placement of Equity Shares to Subhkam Ventures (I) Private Limited

Awards, Achievements and Certifications:

Year	Particulars
2004	<ul style="list-style-type: none"> Certificate from Power Grid Corporation of India Limited for handling the inland logistics and customs clearance activity of the Vizag-II, 1x500 MW Back to Back HVDC project excellently. Received Certificate of Commendation from Tellabs for successfully completing the Assignments of Contract Logistics. Certificate of Commendation from ABB in respect of custom clearance, ground transportation and critical inputs to key logistics operations in Vizag-II, 1x500 MW Back to Back Station Transport Contract.
2005	<ul style="list-style-type: none"> Certificate of Commendation from Hy-Grade Pellets Limited for executing and managing their critical consignment relating to the 35MW captive power project for the Vishakhapatnam unit. Certificate of Commendation from Shapoorji Pallonji & Co. Limited for executing and managing time bound consignment relating to Providence Cricket Stadium, Guyana, South America.
2007	<ul style="list-style-type: none"> Certificate for Official Logistics Service Provider associated with the Hospitality Committee 4th Military World Games, October 2007
2008	<ul style="list-style-type: none"> Certificate of Commendation from Mr. Suresh Kalmadi, Chairman, Organising Committee, 3rd Commonwealth Youth Games (CYG) – 2008 held at Pune in October 2008.

Main Objects of our Company:

The main objects of our Company, as contained in our Memorandum of Association, are as set forth below:

1. To take over the business of Aqua Freight Forwarders, a proprietary concern, including its profits, assets and employees, bearing its losses and guaranteeing its liabilities and to undertake to be bound by all restrictions, limitations and conditions appertaining to any agreement entered into by the aforementioned concern for any purpose whatsoever unless otherwise specified.
2. To carry on the business of freight forwarding by booking cargo space on airlines on behalf of customers, preparing shipments and related documents up to the carrying airline, handling shipments and the related documents up to delivery to the carrying airline and acting as airlines, steamship lines, railways and other carriers agents and also as an intermediary between the shipper and the carrier, to apply for and obtain an IATA accreditation, thereby being eligible to obtain stocks of airwaybills and credit facilities from airlines, be appointed as agent by individual airlines, receive a commission from IATA airlines on cargo booked, and also undertake to pay all freight accounts within stipulated time; and to carry on the business of tourists and travel agents, transport agents and contractors, to arrange and operate tours and to facilitate travelling and provide for tourists and travelers, to conduct and arrange tours or travel or voyages by rail, sea or air, of travelers, tourists and passengers, to provide, arrange and facilitate travelling by rail, road, sea, waterway or air, to book passages and

arrange for reservations of tickets and provide all kinds of conveniences during travel, tours, journey, voyages and flights.

- 2a. To carry on the business of storage, warehousing, transportation and handling of all kinds of cargo, whether containerized or not, from any port station to any container freight station or to any inland container depot and freight carriers, transportation of goods, animals or passengers from place to place either by land or by air or sea or partly by sea and/or land and/or air, whether by means of motor vehicles and/or aero planes or other means of transport, to establish and to construct and operate container siding and to own. Lease, use container and deploy the container in the business of international freight forwarding, by means of road, sea, transport and multimodal transport, and to carry on the business of clearing & shipping agent, hirers, fleet owners of trucks, trailers, cranes, bulldozers and all types of earth moving equipments and machines.
- 2b. To undertake and carry on the business of carriers, ship/vessel managers, tugowners, freight brokers, freight contractors, carriers of goods, animals and passengers by land, air and water, transport haulage and general contractors, barge owners, and wharfingers.
- 2c. To provide service of an end-to-end logistics service provider to clients, in India and abroad.

Changes in Memorandum of Association since Incorporation:

Date of shareholder's approval	Changes in the Memorandum of Association
February 04, 2000	Alteration in Capital Clause The Authorised Share Capital of our Company was increased from 50,000 Equity Shares aggregating to Rs. 5,00,000 to 2,00,000 Equity Shares aggregating to Rs. 20,00,000
August 01, 2000	Alteration in Capital Clause The authorised share capital of our Company was increased from 2,00,000 Equity Shares aggregating to Rs. 20,00,000 to 5,00,000 Equity Shares aggregating to Rs. 50,00,000
November 03, 2003	Alteration in Capital Clause The authorised share capital of our Company was increased from 5,00,000 Equity Shares aggregating to Rs. 50,00,000 to 10,00,000 Equity Shares aggregating to Rs. 1,00,00,000
December 05, 2003	Alteration in Capital Clause The authorised share capital of our Company was increased from 10,00,000 Equity Shares aggregating to Rs. 1,00,00,000 to 15,00,000 Equity Shares aggregating to Rs. 1,50,00,000
December 01, 2006	Alteration in Capital Clause The authorised share capital of our Company was increased from 15,00,000 Equity Shares aggregating to Rs. 1,50,00,000 to 60,00,000 Equity Shares aggregating to Rs. 6,00,00,000
October 22, 2007	Alteration in Capital Clause The authorised share capital of our Company was increased from 60,00,000 Equity Shares aggregating to Rs. 6,00,00,000 to 1,60,00,000 Equity Shares aggregating to Rs.16,00,00,000

Date of shareholder's approval	Changes in the Memorandum of Association
February 11, 2009	<p>Alteration in Capital Clause</p> <p>The authorised share capital of our Company was increased from 1,60,00,000 Equity Shares aggregating to Rs, 16,00,00,000 to 2,50,00,000 Equity Shares aggregating to Rs.25,00,00,000</p>
March 05, 2009	<p>Alteration in Name Clause</p> <p>Name of our Company changed from Aqua Logistics Private Limited to Aqua Logistics Limited</p>
August 11, 2009	<p>Addition to Main Object Clause</p> <p>Following new clauses to main objects clause were added <i>vide</i> EGM date August 11, 2009.</p> <p>2a. To carry on the business of storage, warehousing, transportation and handling of all kinds of cargo, whether containerized or not, from any port station to any container freight station or to any inland container depot and freight carriers, transportation of goods, animals or passengers from place to place either by land or by air or sea or partly by sea and/or land and/or air, whether by means of motor vehicles and/or aero planes or other means of transport, to establish and to construct and operate container siding and to own. Lease, use container and deploy the container in the business of international freight forwarding, by means of road, sea, transport and multimodal transport, and to carry on the business of clearing & shipping agent, hirers, fleet owners of trucks, trailers, cranes, bulldozers and all types of earth moving equipments and machines.</p> <p>2b. To undertake and carry on the business of carriers, ship/vessel managers, tug owners, freight brokers, freight contractors, carriers of goods, animals and passengers by land, air and water, transport haulage and general contractors, barge owners, and wharfingers.</p> <p>2c. To provide service of an end-to-end logistics service provider to clients, in India and abroad.</p> <p>Following has been added to other objects:</p> <p>100.To provide consultancy and advisory services in business strategies, supply chain solutions, supply chain optimization, business process improvement, IT strategy and planning, product and tool/software development; to provide consultancy in product development, sourcing and procurement, manufacturing, supply chain management, service management and strategy.</p> <p>Following has been added to ancillary objects:</p> <p>85a.To carry on all or any of the abovementioned objects whether solely or in or through a joint venture or partnership or association or by means of collaboration or other understanding or agreement with any other company, organization or any other entity or body corporate of persons or body of individuals, whether incorporated or not incorporated or by</p>

Date of shareholder's approval	Changes in the Memorandum of Association
	incorporating or promoting any of the aforesaid company or body corporate or other organization and association or by investing or acquiring and holding shares or other securities of or interest of any kind or description in any other company or body corporate of persons or body of individuals or other organization or association. Whether incorporated or not incorporated having objects or purpose similar to this company or having objects or purpose which may assist in his company achieving its objects , whether incorporated or otherwise set up in India or elsewhere.

Subsidiaries

Our Company does not have any subsidiaries as on date of filing of the Red Herring Prospectus.

SHAREHOLDERS AGREEMENTS

I. Share Subscription Agreement dated August 28, 2008 between HT Media Limited (“HT Media”), Aqua Logistics Private Limited (“our Company”) and Promoters of our Company. (the said “Agreement”)*

Pursuant to the said Agreement HT Media has agreed to subscribe to and the Company has agreed to issue and allot to HT Media on a preferential basis 1,00,000 (one Lac) Equity Shares of Rs. 10 each (Rupees Ten Each) fully paid up (the “**Subscription Shares**”) at a price per share of Rs. 500 (Rupees Five Hundred only) (the “**Subscription price**”) aggregating to Rs 5,00,00,000 (Rupees Five Hundred Lacs only) (the “**Subscription Amount**”) constituting 0.86% of the issued and paid-up Equity Share capital of the Company post the said preferential allotment of Shares to HT Media.

Certain key relevant conditions mentioned in the said agreement are detailed below:

1. To provide HT Media the details of any fresh offering made by the Company after the date hereof, within five (5) Business Days of such fresh offering.
2. If at any time, the Company makes a right issue or any further issue of shares, the Company shall issue an appropriate notice to HT Media to provide HT Media with an opportunity to subscribe pro-rata to such new Shares so as to enable HT Media to maintain its then existing percentage interest in the Company (“the Offer”). In the event of the Offer not being accepted by HT Media, HT Media’s percentage interest in the Company shall stand diluted.
3. In the event that the Company issues any further shares or any convertible instrument in its proposed IPO or to any other media company (a “**Fresh Offering**”) at a price lower than the Subscription Price, then the Promoters shall, jointly and severally within a period of 45 days of the allotment of shares in such Fresh Offering at such lower price, transfer such number of Shares held by the Promoters to HT Media at zero consideration, as may be required, in a manner that would render the average price of the HT Media Subscription Shares and Shares transferred by Promoters to be equal to the price at which the Shares are issued and allotted at the Fresh Offering by the Company.
4. The Promoters and the Company hereby undertake and agree that HT Media and/or any affiliate of HT Media, shall not be represented to any person or in any disclosure, named or deemed as a ‘Promoter’ in the prospectus or any other documents, related to a public offering

or otherwise and shall not be required to offer or make available the Shares held by HT Media for the purposes of any mandatory lock-in as applicable to 'Promoters' under the DIP Guidelines in respect of public offerings or otherwise, nor shall any declaration or statement be made in this regard or in respect of making HT Media a "person acting in concert" with the Promoters (or any of them, as the case may be), either directly or indirectly, in filings with regulatory or governmental authorities as also Stock Exchanges, offer documents or otherwise.

5. If the Promoters, or any of them, as the case may be, intends to transfer all or part of their shareholding in the Company to a third party who is not an affiliate of the Promoters (the **"Third Party Offeror"**), the Promoters shall provide notice of such proposed sale to HT Media no later than 30 (thirty) days prior to the proposed conclusion of such sale. The Promoters, or any of them, as the case may be, shall not be permitted to carry out the sale unless simultaneously with the sale the Third party Offeror makes an offer in writing to HT Media to purchase a pro-rata portion (i.e. a ratio of Shares of the Promoters proposed to be transferred to the Shares held by the Promoters at the time of the sale or disposal, as the case may be) of the shares held by HT Media in the Company at such time, on the same terms and conditions as the Third party Offeror's proposed acquisition of shares from the Promoters, or any of them, as the case may be, including as to price (the **"Tag Along Offer"**).
6. The said Agreement shall, automatically cease to be in force upon listing of the Equity Shares of the Company after the IPO.

**Based on the terms and conditions of the said Agreement, our Company on August 04, 2009 has issued 1,33,204 Equity Shares. Further, HT Media vide their letter dated September 18, 2009, have issued a no-objection certificate for the Issue.*

II. Shareholders' Agreement dated October 26, 2007 between Aqua Logistics Private Limited ("Company/Aqua") and Carwin Mercantiles (P) Limited ("Investor"). (the said "Agreement")*

Pursuant to the said Agreement Investor has agreed to subscribe to and the Company has agreed to issue and allot to the Investor 10,00,000 (Ten Lacs) Equity Shares of Rs. 10 each (Rupees Ten Each) of our Company, fully paid up, at a price per share of Rs. 100 (Rupees Hundred only), aggregating to Rs 10,00,00,000 (Rupees One Thousand Lacs only). There were certain conditions precedents in relation to the investment by 'Investor', as mentioned in the said Agreement. The conditions precedent being as mentioned below:

1. Aqua assures the Investor that the initial public issue of shares would come at a price not less than that Rs. 200 per share and if in case the Issue Prices is below Rs. 200 per share then the Investor has the option to sell the shares at any time prior to the IPO to the Company at a price of Rs. 200 per share.
2. Aqua would offer a first right of refusal to the above Investor on future placement of Equity Shares upto the stage of the IPO (this option would not be available either in IPO or thereafter). This option would be offered before commencing the exercise of placement of Equity Shares by a written communication strictly at the share price offered by the Company at the investor's office, the investor would have to give their written consent to invest in those number of shares at the share price offered along with a cheque to be cleared on the next day in high value within a period of 24 hours from the hour of receipt of offer. This right of first refusal would not be applicable beyond this period of 24 hours of written communication and the Company would be free to make any placement at that price to any other investors it deem fit without any further communication whatsoever.

3. Further, the above investors of the other part put together would not be allowed to exceed the shareholding beyond 10% cumulatively of the issued capital in Aqua.
4. Further, this right of first refusal lapses the moment the entire shareholding of Equity Shares being offered under the said Agreement are sold.

**Vide letter dated September 18, 2009, Carwin Mercantiles Private Limited ('Carwin'), have accorded their no-objection for the Issue. Further through the said letter Carwin has waived all special rights, privileges and restrictive covenants granted to them as per the said Agreement. The letter further states that aforesaid waiver shall become irrevocable from the date of listing of the Equity Shares pursuant to the Issue, and shall operate as an amendment to all agreements and undertakings signed by them. However, in case the Issue does not materialize and the Equity Shares are not listed within a period of 12 months from the date of this letter, the waiver shall become null and void, and the Special Rights, Privileges and Covenants shall be restored, unless the waiver period is extended in writing.*

The agreements entered into by our Company with 1) HT Media and 2) Carwin shall automatically cease to be in force and no special /additional rights will be available to them upon listing of the Equity Shares.

Our Company further confirms that the special/additional rights available to the entities/companies with whom our Company has entered into shareholders agreement as mentioned above shall not subsist post listing of the Equity Shares and all Equity Shares of our Company shall rank *pari-passu* on listing. Further, none of the clauses granting special/additional rights to such entities/companies, (which are not available to the other public shareholders), would be inserted in the Articles of Association of the Company.

Other Agreements

- I. Software development and Services Agreement dated October 25, 2003 between Harapa International ("Harapa") and Aqua Logistics Private Limited ("Aqua") to develop proprietary software for Aqua on the basis of the proprietary data (which means all information, material, knowledge and facts provided by Aqua to Harapa) as per its specifications from time to time.***
- II. Agreement dated July 26, 2006 for succession of Business of M/s Rajesh G. Uchil & Co. ("the said Business"), between M/s Rajesh G. Uchil & Co. ("Transferor") and Aqua Logistics Private Limited ("the Company/Aqua") ("the said Agreement")***

Pursuant to the said Agreement our Company acquired the entire business of M/s. Rajesh G. Uchil & Co., a partnership firm with all the assets and liabilities. The Transferor has agreed to assign the said Business as a going concern with all its assets including cash and bank balances, loans and advances, debts, furniture, fixtures, CHA License and all other rights and assets of every nature and description pertaining to the business of the Transferor in respect thereof as on March 31, 2006.

Strategic Partners

Our Company does not have any strategic partners as on date of the Red Herring Prospectus.

Financial Partners

Our Company does not have any financial partners as on date of the Red Herring Prospectus.

OUR MANAGEMENT

Under our Articles of Association, our Board shall consist of not less than 3 Directors and not more than 12 Directors. Our Company is currently managed by Board of Directors comprising of six Directors. Mr. Rajesh G. Uchil is our Chairman, Mr. M.S. Sayad is the Vice-Chairman and Mr. Harish G. Uchil is our Managing Director and Chief Executive Officer and in charge of overall management of our Company subject to the supervision and control of the Board.

OUR DIRECTORS

Our Board consists of 6 Directors of which 3 are independent Directors and our Chairman is an Executive and Non Independent Director. The following table sets forth the details regarding our Board of Directors as on the date of the Red Herring Prospectus.

Sr. No.	Full Name, Age, Father's, Address, Designation, Status, Occupation, DIN and Nationality	Date of Appointment and Terms of Office	Other Directorships
1)	<p>Mr. Rajesh G. Uchil 44 Years S/o. Mr. Gopalkrishna G. Uchil</p> <p>Flat no. 1001, Building no. 12, Indra Darshan, Swami Samarth Nagar, Andheri (West), Mumbai - 400 053.</p> <p>Designation: Chairman</p> <p>Executive & Non Independent</p> <p>Occupation: Business DIN: 00156744 Nationality: Indian</p>	<p>September 20, 1999</p> <p>Term of office: Reappointed as Wholetime Director from June 01, 2009 for a period of 3 years</p>	<ul style="list-style-type: none"> ▪ Aqua Management Consulting Group Private Limited ▪ Aqua Specialized Transport Private Limited ▪ Harapa International Private Limited ▪ Trikon Electronics Private Limited ▪ Lefworld Private Limited ▪ Aqua PCW Private Limited
2)	<p>Mr. M.S. Sayad 49 Years S/o. Mr. Gafoor Mohammad Sayad</p> <p>Flat no. 805, Building no. 13, Indra Darshan, Swami Samarth Nagar, Andheri (West), Mumbai - 400 053</p> <p>Designation: Vice Chairman</p> <p>Executive & Non Independent</p> <p>Occupation: Business DIN: 00333668 Nationality: Indian</p>	<p>September 02, 2006</p> <p>Term of office: Reappointed as Wholetime Director from June 01, 2009 for a period of 3 years</p>	<ul style="list-style-type: none"> ▪ Aqua Specialized Transport Private Limited. ▪ Aqua Management Consulting Group Private Limited. ▪ Harapa International Private Limited. ▪ Lefworld Private Limited ▪ Aqua PCW Private Limited

3)	<p>Mr. Harish G. Uchil 41 Years S/o Mr. Gopalkrishna G. Uchil</p> <p>Flat no. 902, Building no. 12, Indra Darshan, Swami Samarth Nagar, Andheri (West), Mumbai - 400 053.</p> <p>Designation: Managing Director and Chief Executive Officer</p> <p>Executive & Non Independent</p> <p>Occupation: Business DIN: 00156960 Nationality: Indian</p>	<p>September 20, 1999</p> <p>Term of office: Reappointed as Managing Director from June 01, 2009 for a period of 3 years.</p>	<ul style="list-style-type: none"> ▪ Aqua Management Consulting Group Private Limited ▪ Aqua Specialized Transport Private Limited ▪ Harapa International Private Limited ▪ Trikon Electronics Private Limited ▪ Lefworld Private Limited ▪ Aqua PCW Private Limited
4)	<p>Mr. V.S. Narayanan 57 Years S/o Mr. Venkateshwaran Shankarnarayanan</p> <p>B-401, Fantasia, Raheja Gardens, Near Teen Haath Naka, L.B.S. Marg, Thane (West) - 400601</p> <p>Designation: Director</p> <p>Non Executive & Independent</p> <p>Occupation: Service DIN: 02631708 Nationality: Indian</p>	<p>Appointed on May 04, 2009 as additional Director. Confirmed in the AGM dated September 3, 2009</p> <p>Term of office: Liable to retire by rotation.</p>	Nil
5)	<p>Mr. B.S. Radhakrishnan 47 Years S/o Mr. K.M. Balakrishnan</p> <p>No. 8C, Block-II, Ramaniyam Abbots, Bury No. 42, C.P. Ramaswamy Road, Chennai-600018.</p> <p>Designation: Director</p> <p>Non Executive & Independent</p> <p>Occupation: Service DIN: 01064817 Nationality: Indian</p>	<p>Appointed as Additional Director on March 05, 2009 and Confirmed in the AGM dated September 3, 2009</p> <p>Term of office: Liable to retire by rotation.</p>	<ul style="list-style-type: none"> ▪ White Colour Entertainment Private Limited. ▪ Southern Digital Screenz India Private Limited.

6)	Mr. Ravi Sharma 32 years S/o Mr. Sankat Mochan Sharma A – 502, Ami Jharna, Kanyapada, Film City Road, Goregaon (East), Mumbai – 400 063 Designation: Director Non Executive & Independent Occupation: Professional DIN: 02543805 Nationality: Indian	Appointed as Additional Director on March 05, 2009 and Confirmed in the AGM dated September 3, 2009 Term of office: Liable to retire by rotation.	Nil
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Note: None of the above mentioned Directors are on the RBI List of wilful defaulters as on the date of the Red Herring Prospectus.

Further, neither our Company nor our Promoters, persons forming part of our Promoter Group, Directors or persons in control of our Company are debarred from accessing the capital market by SEBI.

None of the Promoters, Directors or persons in control of our Company, has been or is involved as a promoter, director or person in control of any other company, which is debarred from accessing the capital market under any order or directions made by the SEBI.

There is no arrangement or understanding with major shareholders, customers, suppliers or others, pursuant to which any of the above mentioned Directors was selected as director or member of senior management.

Brief Profile of our Directors

For a brief profile of our Promoter Directors Mr. Rajesh G. Uchil, Mr. M.S. Sayad and Mr. Harish G. Uchil *please refer chapter titled “Our Promoters and their Background” beginning on page 146 of the Red Herring Prospectus.*

Mr. V.S. Narayanan, Independent Director

Mr. V. S. Narayanan holds a Bachelors degree in Commerce and Law from the University of Mumbai. He has over three decades of experience in the field of investment banking, legal and compliance. Currently, he is working as an independent consultant. He has previously worked with Edelweiss Capital Limited, Religare Capital Markets Limited and UTI Securities Limited.

Mr. B.S. Radhakrishnan, Independent Director

Mr. B.S. Radhakrishnan holds a Bachelors degree in Science from the University of Madras. He has a long standing experience of over two decades in the media and entertainment industry. Currently, he is the Director-Operations of Southern Digital Screenz India Private Limited. He is also the founder – partner of Chennai based “Trinity Communications”, a video production and post production facility and “Illusions”, a computer graphics imaging facility. Further, he also founded Truevision Communications Private Limited, a company specialising in digital media products and services.

Mr. Ravi Sharma, Independent Director

Mr. Ravi Sharma holds a Masters Degree in Commerce from the University of Rajasthan and has a Post Graduate Diploma in Management from Institute of Management Development and Research, Pune. He has over 6 years of experience in the financial services sector and has worked on Fund raising through various modes like Private Equity, IPO, Debt Syndication and structured products. He has also worked on cross-border merger and acquisition deals. His previous employment includes A. K. Capital Services Limited and Wizarth Advisors Private Limited. Currently, he is working as an independent financial consultant.

Family Relationship between Directors

Name	Designation	Relationship with other Directors
Mr. Rajesh G. Uchil	Chairman	Brothers
Mr. Harish G. Uchil	Managing Director and Chief Executive Officer	

BORROWING POWERS OF BOARD OF DIRECTORS

The borrowing powers of our Directors are regulated by Article 95 of the Articles of Association of our Company.

The Board of Directors of our Company has power to borrow up to Rs. 100 crores as per the members' resolution passed in the EGM of our Company held on September 29, 2008. The extract of the resolution of our Company authorizing the Board's borrowing powers is given herein below:

"RESOLVED THAT pursuant to the provisions, if any, of the Companies Act, 1956, the Article of Association of the Company, consent of the Company be & is hereby accorded to the Board of Directors of the Company ('the Board') for borrowing from time to time any sum or sums of money on such security and on such terms & conditions as the Board may deem fit, notwithstanding that the Company (apart from temporary loans obtained or to be obtained from the Company's bankers in the ordinary course of business) may exceed, at any time, the aggregate of the paid up capital of the Company and its free reserves, that is to say, reserves not set apart for any specific purpose, provided, however the total amount so borrowed in excess of the aggregate of the paid up capital of the Company and its free reserves shall not at any time exceed Rs. 100,00,00,000 (Rupees One hundred Crores Only)"

COMPENSATION AND BENEFITS TO THE MANAGING DIRECTOR / WHOLE TIME DIRECTORS

We have not entered into any service contract with our Managing Director/ Whole-time Directors.

(Rs. in Lacs)			
Sr. No.	Name of Director	Designation	Compensation paid for the FY 2008 – 2009
1.	Mr. Rajesh G. Uchil	Chairman	20.65
2.	Mr. M.S. Sayad	Vice Chairman	20.65
3.	Mr. Harish G. Uchil	Managing Director & Chief Executive Officer	16.99

1. Terms of appointment and compensation of Mr. Rajesh G. Uchil, Chairman is as follows:

The remuneration of Mr. Rajesh G. Uchil is Rs. 3,00,000 per month with effect from June 01, 2009 *vide* resolution passed at the Board Meeting held on May 12, 2009.

Particulars	Amount (Rs.)
Salary	1,50,000
Perquisites	
(a) House rent allowance and House maintenance with expenditure on gas, electricity, water and furnishings.	75,000
(b) Leave Travel Allowance for self and family.	40,000
(c) Medical Expenses and Medical Insurance for self and family.	1,250
(d) Special Allowance	33,750
Company car & telephone at residence (including payment of local calls & long distance calls) is not part of the computation of perquisites.	

2. Terms of appointment and compensation of Mr. M.S. Sayad, Vice Chairman is as follows:

The remuneration of Mr. M. S. Sayad is Rs. 3,00,000 per month with effect from June 01, 2009 *vide* resolution passed at the board meeting held on May 12, 2009.

Particulars	Amount (Rs.)
Salary	1,50,000
Perquisites	
(a) House rent allowance and House maintenance with expenditure on gas, electricity, water and furnishings.	75,000
(b) Leave Travel Allowance for self and family.	40,000
(c) Medical Expenses and Medical Insurance for self and family.	1,250
(d) Special Allowance	33,750
Company car & telephone at residence (including payment of local calls & long distance calls) is not part of the computation of perquisites.	

3. Terms of appointment and compensation of Mr. Harish G. Uchil, Managing Director and Chief Executive Officer is as follows:

The remuneration of Mr. Harish G. Uchil is Rs. 2,50,000 per month with effect from June 01, 2009 *vide* resolution passed at the board meeting held on May 12, 2009.

Particulars	Amount (Rs.)
Salary	1,25,000
Perquisites	
(a) House rent allowance and House maintenance with expenditure on gas, electricity, water and furnishings.	62,500
(b) Leave Travel Allowance for self and family.	35,000
(c) Medical Expenses and Medical Insurance for self and family.	1,250
(d) Special Allowance	26,250
Company car & telephone at residence (including payment of local calls & long distance calls) is not part of the computation of perquisites.	

Sitting Fees Payable to Non-Executive Directors

Till date we have not paid any sitting fees to our Non-Executive Directors.

Policy On Disclosures and Internal Procedure For Prevention Of Insider Trading

The provisions of Regulation 12 (1) of the SEBI (Prohibition of Insider Trading) Regulations, 1992 will be applicable to our Company immediately upon the listing of its Equity Shares on the Stock Exchanges.

Mr. Bhupendra N. Shah, Company Secretary & Compliance Officer is responsible for setting forth policies, procedures, monitoring and adherence to the rules for the preservation of price sensitive information and the implementation of the code of conduct under the overall supervision of the Board.

Shareholding of Directors

As per our Articles of Association of our Company, a Director is not required to hold any shares in our Company to qualify him for the office of Director of our Company. The following table details the shareholding of our Directors in their personal capacity and either as sole or first holder, as on the date of the Red Herring Prospectus:

Sr. No.	Name of the Directors	No of Equity Shares held	Percentage (%) of holding in our Company
1.	Mr. Rajesh G. Uchil	19,50,634	14.32%
2.	Mr. M.S. Sayad	14,40,800	10.57%
3.	Mr. Harish G. Uchil	20,56,534	15.09%
4.	Mr. V.S. Narayanan	NIL	NIL
5.	Mr. B.S. Radhakrishnan	NIL	NIL
6.	Mr. Ravi Sharma	NIL	NIL

Interest of Directors

All our Directors may be deemed to be interested to the extent of fees payable to them for attending meetings of the Board, commission payable to our non-executive Directors as well as to the extent of remuneration payable to our executive Directors for their services as executive Directors of our Company and reimbursement of expenses payable to them under our Articles of Association. All our Directors may also be deemed to be interested to the extent of Equity Shares, if any, already held by them or their relatives or firms, trusts or other entities/ bodies corporate in which they have interest, and also to the extent of any dividend payable to them and other distributions in respect of the said Equity Shares. Our non-Promoter Directors may also be deemed to be interested in the Equity Shares, if any, out of the present Issue that may be subscribed by and Allotted/transferred to the companies, firms and trusts and other entities/bodies corporate in which they are interested as Directors, members, partners and/or trustees or otherwise as also any benefits, monetary or otherwise derived there from. Our Promoter Director Mr. Rajesh G. Uchil, Mr. M. S. Sayad and Mr. Harish G. Uchil may be deemed to be interested to the extent to the rent receivable from the property given on lease to our Company.

Further, save and except as stated otherwise in the Chapters titled *"Business Overview"*, *"Our Promoters and their Background"* and Section titled "Financial Information" beginning on pages 106, 146 and 151, respectively, of the Red Herring Prospectus, our Directors do not have any other interests in our Company as on the date of the Red Herring Prospectus.

Interest as to Property

Except as stated/referred to in the paragraph titled "Property" beginning on page 115 of chapter *"Business Overview"* on page 106 and paragraph titled *"Interest of Promoters"* beginning on page 147 of the Red Herring Prospectus, our Directors do not have any interest:

- i. in the promotion of our Company; or
- ii. in any property acquired by our Company within two years from the date of the Red Herring Prospectus, or proposed to be acquired by our Company.

CHANGES IN THE BOARD OF DIRECTORS DURING THE LAST THREE YEARS

The following changes have taken place in the Board of Directors of our Company during the last three years:

Name of the Director	Date of Appointment	Date of Resignation	Remarks
Mr. Sujay Suvarna	September 02, 2006	October 1, 2008	Resignation
Mr. Gopalkrishna G. Uchil	September 20, 1999	November 18, 2008	Resignation
Mr. Deven Verma	September 20, 1999	November 18, 2008	Resignation
Mr. B. S. Radhakrishnan	March 05, 2009	--	Appointment
Mr. Ravi Sharma	March 05, 2009	--	Appointment
Mr. V. S. Narayanan	May 04, 2009	--	Appointment

CORPORATE GOVERNANCE

The provisions of the Listing Agreement to be entered into with BSE and NSE with respect to corporate governance and the SEBI (ICDR) Regulations, 2009 in respect of corporate governance will be applicable to our Company at the time of seeking in principle approval for listing of our Company's Equity Shares with the Stock Exchanges. Our Company has complied with Listing Agreement in respect of Corporate Governance specially with respect to broad basing of Board, constituting the Committees such as Shareholders/Investors Grievance Committee, Audit Committee and Remuneration Committee.

COMPOSITION OF THE BOARD OF DIRECTORS

The Board of Directors of our Company has an optimum combination of executive and non-executive Directors as envisaged in Clause 49 of the Listing Agreement. Our Board has six Directors out of which 3 are independent Directors in accordance with the requirement of clause 49 of the listing agreement of the Stock Exchanges.

Sr. No.	Name of the Director	Designation	Category
1	Mr. Rajesh G. Uchil	Chairman	Executive & Non Independent
2	Mr. M. S. Sayad	Vice Chairman	Executive & Non Independent
3	Mr. Harish G. Uchil	Managing Director and Chief Executive Officer	Executive & Non Independent
4	Mr. B.S. Radhakrishnan	Director	Non-Executive & Independent
5	Mr. V. S. Narayanan	Director	Non-Executive & Independent
6	Mr. Ravi Sharma	Director	Non-Executive & Independent

In terms of the Clause 49 of the Listing Agreement, our Company has already appointed Independent Directors and constituted the following Committees of the Board:

1. Audit Committee
2. Remuneration Committee
3. Shareholders/Investors Grievance Committee

Audit Committee

Our Board constituted an Audit Committee, pursuant to the provisions of Section 292A of the Companies Act. The constitution of the Audit Committee was approved at a meeting of the Board of Directors held on May 04, 2009

The terms of reference of Audit Committee comply with the requirements of Clause 49 of the Listing Agreement, which will be entered into with the Stock Exchanges in due course. The committee consists of the following Directors:

Sr.No.	Name	Designation	Nature of Directorship
1.	Mr. Ravi Sharma	Chairman	Independent Director
2.	Mr. B.S. Radhakrishnan	Member	Independent Director
3.	Mr. Harish G. Uchil	Member	Executive & Non Independent

Our Company Secretary, Mr. Bhupendra N. Shah will act as the secretary of the Committee.

The terms of reference of our Audit Committee are given below:

- i. Overseeing the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible.
- ii. Recommending to the Board, the appointment, re-appointment and, if required, the replacement or removal of the statutory auditor and the fixation of audit fees.
- iii. Approval of payment to statutory auditors for any other services rendered by the statutory auditors.
- iv. Appointment, removal and terms of remuneration of internal auditors
- v. Reviewing, with the management, the annual financial statements before submission to the Board for approval, with particular reference to:
 - 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;
 - Changes, if any, in accounting policies and practices and reasons for the same;
 - Major accounting entries involving estimates based on the exercise of judgment by management;
 - Significant adjustments made in the financial statements arising out of audit findings;
 - Compliance with listing and other legal requirements relating to the financial statements;
 - Disclosure of any related party transactions;
 - Qualifications in the draft audit report.
- vi. Reviewing, with the Management, the quarterly financial statements before submission to the Board for approval.
- vii. To monitor the utilisation of proceeds of the proposed initial public offering of the Company and any other issue of shares of the Company, reviewing the report submitted by monitoring agency, if any, and to make appropriate recommendations to the Board in this regard
- viii. Monitoring the use of the proceeds of the proposed initial public offering of the Company.
- ix. Reviewing, with the management, performance of statutory and internal auditors, and adequacy of the internal control systems.

- x. 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.
- xi. Discussions with internal auditors on any significant findings and follow up thereon.
- xii. Reviewing internal audit reports and adequacy of the internal control systems.
- xiii. Reviewing management letters / letters of internal control weaknesses issued by the Statutory Auditors.
- xiv. 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.
- xv. 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.
- xvi. To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of nonpayment of declared dividends) and creditors.
- xvii. To review the functioning of the whistle blower mechanism, when the same is adopted by the Company and is existing.
- xviii. Carrying out any other function as may be statutorily required to be carried out by the Audit Committee.

REMUNERATION COMMITTEE

The constitution of the Remuneration Committee was approved at a meeting of the Board of Directors held on May 04, 2009.

The terms of reference of Remuneration Committee comply with the requirements of Clause 49 of the Listing Agreement, which will be entered into with the Stock Exchanges in due course. The committee consists of three independent Directors.

The Remuneration Committee has been constituted with the following Directors:

Sr. No.	Name	Designation	Nature of Directorship
1.	Mr. B. S. Radhakrishnan	Chairman	Independent Director
2.	Mr. V. S. Narayanan	Member	Independent Director
3.	Mr. Ravi Sharma	Member	Independent Director

Our Company Secretary, Mr. Bhupendra N. Shah will act as the secretary of the Committee.

The terms of reference of our Remuneration Committee are given below:

1. To decide and approve the terms and conditions for appointment of executive directors and/ or whole time Directors and Remuneration payable to other Directors and matters related thereto.
2. To recommend to the Board, the remuneration packages of the Company's Managing/Joint Managing/ Deputy Managing/Whole time / Executive Directors, including all elements of remuneration package (i.e. salary, benefits, bonuses, perquisites, commission, incentives, stock options, pension, retirement benefits, details of fixed component and performance linked incentives along with the performance criteria, service contracts, notice period, severance fees etc.);
3. To be authorised at its duly constituted meeting to determine on behalf of the Board of Directors and on behalf of the shareholders with agreed terms of reference, the Company's policy on specific remuneration packages for Company's Managing/Joint Managing/ Deputy Managing/ Whole-time/ Executive Directors, including pension rights and any compensation payment;

4. To implement, supervise and administer any share or stock option scheme of the Company.

SHAREHOLDERS' / INVESTORS' GRIEVANCES COMMITTEE

The Shareholders' / Investors' Grievance Committee has been formed by the Board of Directors at the meeting held on May 04, 2009 in compliance with Clause 49 of the Listing Agreement. The Shareholders' / Investors' Grievance Committee has been constituted with the following Directors:

Sr. No.	Name	Designation	Nature of Directorship
1.	Mr. V.S. Narayanan	Chairman	Independent Director
2.	Mr. B.S. Radhakrishnan	Member	Independent Director
3.	Mr. Ravi Sharma	Member	Independent Director

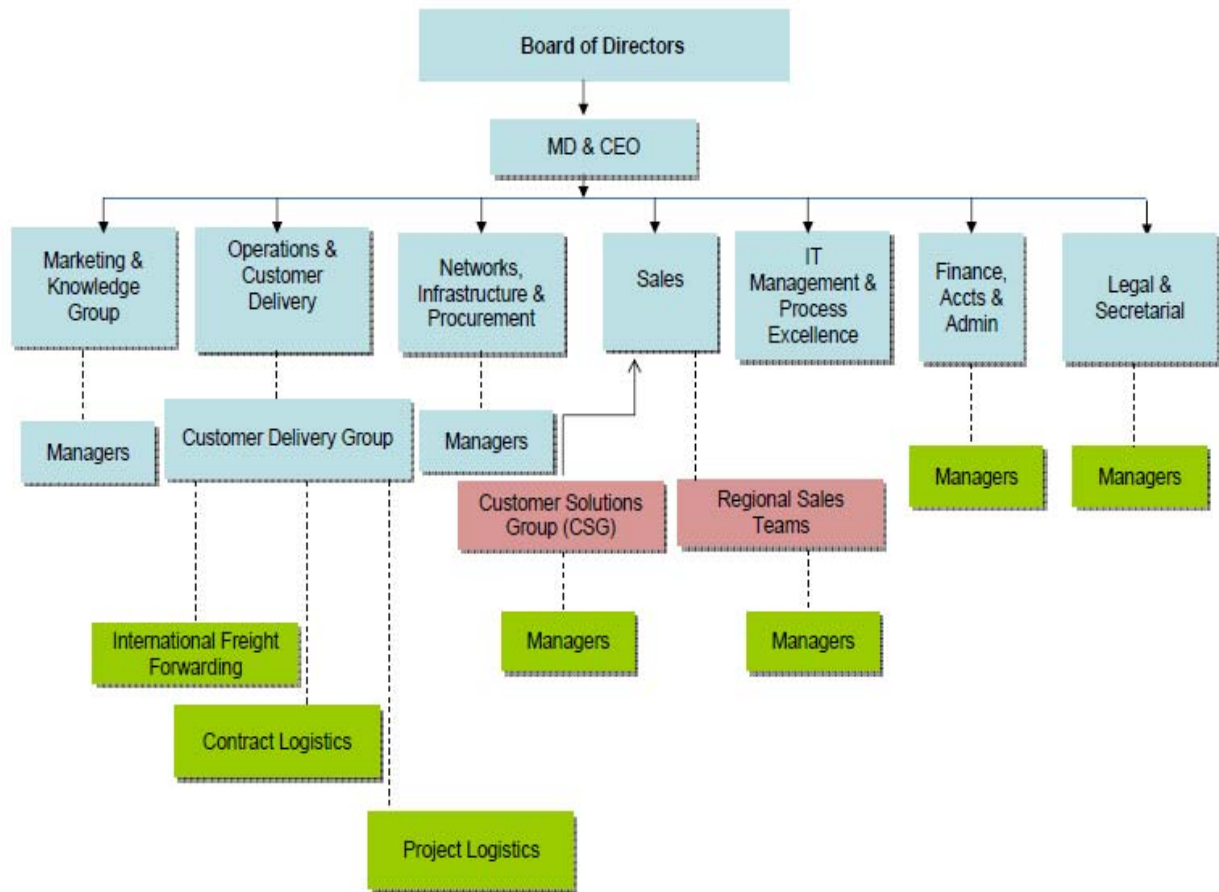
Our Company Secretary, Mr. Bhupendra N. Shah will act as the secretary of the Committee.

The terms of reference of our Shareholders' / Investors Grievance Committee are given below:

“To allot the Equity Shares of the Company, and to supervise and ensure:

- i. Efficient transfer of shares; including review of cases for refusal of transfer transmission of shares and debentures;
- ii. Redressal of shareholder and investor complaints like transfer of shares, non-receipt of balance sheet, non-receipt of declared dividends etc;
- iii. Issue of duplicate / split / consolidated share certificates;
- iv. Allotment and listing of shares;
- v. Review of cases for refusal of transfer / transmission of shares and debentures;
- vi. Reference to statutory and regulatory authorities regarding investor grievances; and to otherwise ensure proper and timely attendance and redressal of investor queries and grievances.”

ORGANISATIONAL CHART OF OUR COMPANY



KEY MANAGERIAL PERSONNEL

The key managerial personnel of our Company other than our Executive Directors are as follows:

Sr. No.	Name, Age & Designation and Date of Joining	Functional Responsibility	Qualification	Overall Experience	Previous Employment
1	Mr. Sridhar Patrachari Age: 66 years Designation: Director – Network Date of Joining: January 18, 2005	Network Development and Vendor Relationship Development	Bachelor of Arts (Psychology) Post Graduate Diploma in Personnel Management	45 years	Chief Executive Officer in T. Khimji Logistics Limited National Manager (Western India) in Gordon Woodroffe Logistics Limited
2	Mr. Narendra Goswami Age: 61 years Designation: Director - Projects Date of Joining: April 1, 2006	Project Logistics	Diploma in Mechanical Engineering	40 years	General Manager (Projects) - Nabros Transport Private Limited Deputy General Manager (Projects) – Freight Wings Private Limited
3	Mr. Prasanna R. Yedekar Age: 51 years Designation: Director - Marketing and Knowledge Group Date of Joining: March 16, 2009	Marketing and Knowledge Group	Bachelor of Commerce, Diploma in IATA, FIATA, Training Course in Air Cargo	29 years	Head – Strategic Business Development in SAI Maritime Group Counsel – Freight Management Centre & Travel Related Services in Larsen & Toubro Limited
4	Mr. C.R. Karikal Valavan Age: 40 years Designation: Chief Financial Officer	Finance, Accounts, Audit and Taxation	Bachelor of Science (Mathematics)	16 years	Finance-Head (South Asia) in City and Guilds (South Asia) Private Limited Manager (Finance) in Bax Global Limited

Sr. No.	Name, Age & Designation and Date of Joining	Functional Responsibility	Qualification	Overall Experience	Previous Employment
Date of Joining: May 14, 2007					
5	Mr. Bhupendra N.Shah Age: 59 years Designation: Company Secretary & Compliance Officer	Secretarial Compliance	Bachelor of Commerce, ICWAI, ACS, CAIIB	37 years	Company Secretary in Kilburn Engineering Limited Company Secretary in The Standard Batteries Limited
Date of Joining: November 17, 2008					
6	Mr. Narendran Kochat Age: 47 years Designation: Director – Operations & Customer Delivery	Operations and Customer Delivery	Bachelor of Commerce	24 years	Managing Director in Hindustan Cargo Limited Regional manager in DHL Worldwide Express
Date of Joining: February 19, 2009					
7	Mrs. Kanchanmala Patil Age: 39 years Designation: Vice President- Process & IT Management	Process & IT Management	Bachelor of Commerce, Bachelor of Law , Diploma in Marketing Management	19 years	Freelance Journalism, Internet Journalism and translations Credit Executive – Wise Man Finance Private Limited
Date of Joining: August 8, 2005					
8	Mrs. Meena Shrivastava Age: 32 years Designation: Manager Human Resource Date of Joining: October 01, 2008	Human Resources, Personnel Management and Recruitment	Bachelor in Commerce, Masters in Business Administration (Human Resource)	8 years	Deputy Manager – Human Capital Development in TEAM Computers Private Limited

Notes:

- All the Key Managerial Personnel mentioned above are on the payrolls of our Company as the permanent employees.
- There is no arrangement or understanding with major shareholders, customers, suppliers or any others pursuant to which any of the above mentioned key managerial personnel have been recruited.
- The Key Management Personnel mentioned above are not related parties as per the Accounting Standard 18.

The details of our Key Managerial Personnel are set out below:

1. Mr. Sridhar Patrachari, Director - Network

Mr. Sridhar Patrachari holds a Bachelors degree in Arts from University of Mumbai and has completed Post Graduate Diploma in Personnel Management from St. Xavier's Institute of Management Studies. Further he has completed a training program from Dale Carnegie. Prior to joining us in January, 2005 Mr. Sridhar Patrachari has worked with Gordon Woodroffe Logistics Limited, Continental Carriers and Lemuir Air Express to name a few from his 45 years of work experience. The remuneration paid to him for Financial Year 2009 was Rs. 15.07 Lacs.

2. Mr. Narendra Goswami, Director – Projects

Mr. Narendra Goswami holds a Diploma in Engineering (Mechanical) from Saurashtra University. Prior to joining us in April, 2006 Mr. Narendra Goswami worked with Nabros Transport Private Limited and Freight Wings Private Limited. At Aqua Logistics, he is heading the Project Logistics division of our Company. With 40 years of experience in the Logistics industry and specifically in the heavy lift cargo and odd sized cargo segment he has gained in-depth knowledge of every aspect that the sector demands. The remuneration paid to him for Financial Year 2009 was Rs. 16.80 Lacs.

3. Mr. Prasanna R. Yedekar, Director – Marketing and Knowledge Group

Mr. Prasanna R. Yedekar holds a Bachelors degree in Commerce from University of Bombay and holds diploma by International Air Transport Association (IATA), International Federation of Freight Forwarders Associations (FIATA) and Air Cargo Training Course covering the principles and practices for processing international air freight. Prior to joining us in March 2009, Mr. Prasanna has worked as Head – Strategic Business Development with SAI Maritime Group. He has also worked with Larsen & Toubro and TNT Skypak amongst other companies. At Aqua Logistics, Prasanna is heading the marketing function and is also responsible for the activities and knowledge sharing for employees. The remuneration paid to him for Financial Year 2009 was Rs. 1.03 Lacs.

4. Mr. C.R. Karikal Valavan, Chief Financial Officer

Mr. C.R. Karikal Valavan holds a Bachelors degree in Science (Mathematics) from the University of Madras. He has 16 years of experience in the field of accounts and finance. Prior to joining us in May 2007, Karikal served in companies like City and Guilds (South Asia) Private Limited, Bax Global Limited, Geologistics Limited amongst others. At Aqua Logistics, he is in charge of the finance, accounting and taxation related matters. The remuneration paid to him for Financial Year 2009 was Rs. 15.73 Lacs.

5. Mr. Bhupendra N. Shah, Company Secretary and Compliance Officer

Mr. Bhupendra N. Shah holds a Bachelors degree in Commerce from Mumbai University and is a qualified Company Secretary. He has also done his ICWA and CAIIB. Prior to joining us in he has worked with Kilburn Engineering Limited and The Standard Batteries Limited amongst others. He has 37 years of work experience and has been associated with us since November 2008. Mr. Shah is overall incharge of secretarial matters and is also the Compliance Officer for our Company. The remuneration paid to him for Financial Year 2009 was Rs. 2.92 Lacs.

6. Mr. Narendran Kochat, Director – Operations & Customer Delivery

Mr. Narendran Kochat, holds a Bachelors degree in Commerce from University of Delhi and has 24 years of work experience in senior positions with various companies like Hindustan Cargo Limited, DHL World Wide Express, AFL Group amongst others. Having joined our Company in February 2009, he is in-charge of setting up and maintaining network with other logistic service providers. The remuneration paid to him for Financial Year 2009 was Rs. 4.08 Lacs.

7. Ms. Kanchanmala Patil, Vice President – Process & IT Management

Ms. Kanchanmala Patil is a Commerce and a General Law Graduate from the University of Mumbai and has 19 years of work experience. She has a clear understanding of the end to end supply chain requirements of clients and is responsible for designing solutions for them. She has previously worked with Wiseman Finance Private Limited and D. B. Ketkar and Company prior to joining us in August, 2005. The remuneration paid to Ms. Kanchanmala Patil for the Financial Year 2009 was 10.83 Lacs.

8. Mrs. Meena Shrivastava, Manager – Human Resources

Mrs. Meena Shrivastava, is a commerce graduate from Mumbai University, she also holds a Masters degree in Business Administration from Hiraben Nanavati Institute of Management and Research, Pune specializing in Human Resources and has 8 years of work experience. Prior to joining us in October 2008, she was employed with TEAM Computers Private Limited. In our Company she is responsible for framing the Human Resources & Personnel policies and the recruitment process. The remuneration paid to her for Financial Year 2009 was Rs. 2.86 Lacs.

Shareholding of Key Managerial Personnel

The following is the shareholdings of our key managerial personnel as on date of the Red Herring Prospectus:

Sr. No.	Name	Numbers of Shares Held	Percentage (%) Pre-Issue holding
1.	Mr. Narendra Goswami	25,000	0.18%
2.	Mr. Prasanna R. Yedekar	25,000	0.18%
3.	Mr. C.R. Karikal Valavan	25,000	0.18%
4.	Mr. Bhupendra N. Shah	10,000	0.07%
5.	Mr. Narendran Kochat	25,000	0.18%
6.	Mrs. Kanchanmala Patil	10,000	0.07%
7.	Mrs. Meena Srivastava	5,000	0.04%

Relation of the Key Managerial Personnel with our Promoters/Directors

None of our key managerial personnel are “related” to the Promoters or Directors of our Company within the meaning of Section 6 of the Companies Act, 1956.

Bonus or profit sharing plan for Key Managerial Personnel

There is no specific bonus or profit sharing plan for the Key Managerial Personnel other than as may be decided by the Management.

Change in our Key Managerial Personnel

Changes in the Key Managerial Personnel of our Company in the last three years are as follows:

Sr. No.	Name	Designation	Date of Joining	Date of Resignation	Remark
1.	Mr. C.R. Karikal Valavan	Chief Financial Officer	May 14, 2007	N.A.	Appointment
2.	Mrs. Meena Shrivastava	Manager - Human Resource	October 01, 2008	N.A.	Appointment
3.	Mr. Bhupendra N. Shah	Company Secretary & Compliance Officer	November 17, 2008	N.A.	Appointment
4.	Mr. Narendran Kochat	Director-Operations & Customer Delivery	February 19, 2009	N.A.	Appointment
5.	Mr. Prasanna R. Yedekar	Director- Marketing and Knowledge Group	March 16, 2009	N.A.	Appointment

Employees

For details of the Employees/ Manpower of our Company, please refer to the paragraph titled "Manpower" beginning on page 111 under Chapter "Business Overview" beginning on page 106 of the Red Herring Prospectus.

Employees Stock Option Scheme

Our Company does not have any Employee Stock Option Scheme or other similar scheme giving options in our Equity Shares to our employees.

Payment or Benefit to Officers of our Company

Except for payment of monetary and non-monetary benefits in accordance with the terms of employment or engagement, we have not paid any amount or given any benefit to any Officer of our Company in a period of two years before the date of the Red Herring Prospectus, nor is such amount or benefit intended to be paid or given to any officer as on the date of the Red Herring Prospectus.

OUR PROMOTERS AND THEIR BACKGROUND

Our Company's Promoters are Mr. Rajesh G. Uchil, Mr. M.S.Sayad, Mr. Harish G. Uchil and Mr.Gopalkrishna G. Uchil, The brief profiles of our Promoters are as follows:

1. Mr. Rajesh Gopalkrishna Uchil



Mr. Rajesh G. Uchil, aged 44 years, is the Chairman of our Company. He holds a Bachelors Degree in Commerce from the University of Mumbai. He began his career in logistics by assisting his father Mr. Gopalkrishna G. Uchil. In the year 1989, he started his entrepreneurial career by establishing his firm Rajesh G. Uchil & Co. to act as a custom house agent.

He has over 20 years experience in the logistics industry. Under his Chairmanship and guidance, our Company made a mark in the business of providing third party logistic support and has thereafter emerged as a provider of multimodal transportation services, supply chain consulting. His vision and expertise is of vital importance and is crucial for further growth and expansion of our Company.

Driving License No: 84/10/15588

Voter Id No: MT/08/041/0522071

2. Mr. Mohammad Sabir Sayad



Mr. M. S. Sayad, age 49 years, is the Vice Chairman of our Company. A commerce graduate from Rajasthan University. Mr. Sayad has two decades of experience in the field of operations, finance and strategy across sectors such as steel, engineering and electronics.

He plays a vital role in the financial management for our Company, and has been instrumental in streamlining the financial and accounting systems and controls within the organization. He oversees the business strategies of our Company.

Driving License No: MH.04/09/24

Voter Id No: MT/10/054/951280

3. Mr. Harish Gopalkrishna Uchil



Mr. Harish G. Uchil, age 41 years, is the Managing Director and Chief Executive Officer of our Company. He holds a Bachelors Degree in Engineering from the University of Pune.

Mr. Harish started his career in the telecommunication products industry. In 1991, he joined his brother Mr. Rajesh G. Uchil in the business of Freight Forwarding.

Prior to taking up the responsibility of Managing Director and CEO, he served as the Chief Operating Officer of Aqua Logistics and was involved in strategic decision making and business development. Operations of our Company are spearheaded by him.

Driving License No: MH/02/20070132646
Voter Id No: Applied for



4. Mr. Gopalkrishna Gudappa Uchil

Mr. Gopalkrishna G. Uchil, age 73 years, is the founder of our Company. He has an experience of over 30 years in the field of Logistics. Prior to being an entrepreneur, he was heading the logistics division of a textile company. His experience in international trade and understanding of regulatory environment in India has been extremely valuable in the growth of our Company.

Driving License No: MH02-9947933
Voter Id No: Not Available

The Permanent Account Number, Bank Account details and Passport Number of our Promoters have been submitted to Bombay Stock Exchange Limited and The National Stock Exchange of India Limited (NSE), on which our Company proposes to list its Equity Shares at the time of filing of the Draft Red Herring Prospectus.

Further, our Promoters have not been identified as a wilful defaulter by RBI or any other Government authority and there are no violations of securities laws committed by the Promoters in the past or any such proceedings are pending against the Promoters.

Relationship of Promoters with each other and with our Directors

Name	Designation	Relationship
Mr. Rajesh G. Uchil	Chairman	Brother of our Promoter Mr. Harish G. Uchil and son of our Promoter Mr. Gopalkrishna G. Uchil.
Mr. Harish G. Uchil	Managing Director and Chief Executive Officer	Brother of our Promoter Mr. Rajesh G. Uchil and son of our Promoter Mr. Gopalkrishna G. Uchil.
Mr. Gopalkrishna G. Uchil	Promoter	Father of our Promoters Mr. Rajesh G. Uchil and Mr. Harish G. Uchil.

Interest of Promoters

Our Promoters are interested in the promotion of our Company and are also interested to the extent of their shareholding, for which they are entitled to receive the dividend declared, if any, by our Company. Further, our Promoters, may be deemed to be interested to the extent of fees, if any, payable to them for attending meetings of our Board or committees constituted thereof as well as to the extent of remuneration and/or reimbursement of expenses payable to them for services rendered to us in accordance with the provisions of the Companies Act and in terms of the Articles.

Our Promoters may be deemed to be interested to the extent of the Equity Shares held by them, their friends and relatives, and benefits arising from his holding directorship / employment in our Company. They may also be deemed to be interested in the transactions entered into by our Company and the ventures where he is interested as a Promoter, Director or otherwise. In the year 2006, our Company, *vide* Agreement for Succession of Business dated July 26, 2006, acquired the entire business of the firm; M/s. Rajesh G. Uchil & Co., (a partnership firm established in the year 1989, comprising of Mr. Rajesh G. Uchil, Mr. Harish G. Uchil and Mr. Gopalkrishna G. Uchil as partners) as a going concern with all the assets and liabilities.

Except as stated hereinabove and as stated in *Related Party Transactions, "Annexure 18" beginning on page 175 under Chapter titled "Auditors' Report And Financial Information of our Company" beginning on page 151 of the Red Herring Prospectus*, we have not entered into any contract, agreements or arrangements during the preceding two years from the date of the Red Herring Prospectus in which the Promoters are directly or indirectly interested and no payments have been made to them in respect of these contracts, agreements or arrangements which are proposed to be made to them.

Our Promoters, Mr. Rajesh G. Uchil, Mr. M. S. Sayad, Mr. Harish G. Uchil and Mr. Gopalkrishna G. Uchil have not given any unsecured loans to our Company. Our Promoters; Mr. Rajesh G. Uchil, Mr. M. S. Sayad, Mr. Harish G. Uchil and Mr. Gopalkrishna G. Uchil are interested to the extent of rent received by them for the properties owned by the Promoters and given on lease/leave and license to our Company. *For further details please refer Related Party Transactions, "Annexure 18" beginning on page 175 under Chapter titled "Auditors' Report And Financial Information of our Company" beginning on page no. 151 of the Red Herring Prospectus.*

Further, except as stated under *paragraph titled "Property" beginning on page 115 under Chapter titled "Business Overview" and Chapter titled "Our Management" beginning on pages 106 and 130 respectively of the Red Herring Prospectus*, our Promoters do not have any interest in any property acquired by our Company within two years of the date of the Red Herring Prospectus or currently proposed to be acquired by our Company.

Payment or Benefit to our Promoters

No payment has been made or benefit given to our Promoters in the two years preceding the date of the Red Herring Prospectus or is intended to be given by us except as mentioned/referred to in this Chapter, and the paragraph titled "Property" on page 115 in the Chapters titled "Business Overview" on page 106 and *Related Party Transactions, "Annexure 18" beginning on page 175 under Chapter titled "Auditors' Report and Financial Information of our Company" of the Red Herring Prospectus.*

Sales or Purchases between companies in the Promoter Group

There have been no sales or purchases between companies in the Group exceeding in value in the aggregate 10% of the total sales or purchases of our Company, except those transactions mentioned under *Related Party Transactions, "Annexure 18" beginning on page 175 under Chapter titled "Auditors' Report And Financial Information of our Company" beginning on page no. 151 of the Red Herring Prospectus.*

Related Party Transactions

The details of related party transactions have been disclosed as a part of the Auditors Report. For details please refer to *Related Party Transactions, "Annexure 18" beginning on page 175 under Chapter titled "Auditors' Report And Financial Information of our Company" beginning on page no. 151 of the Red Herring Prospectus.*

CURRENCY OF PRESENTATION

In this Red Herring Prospectus, unless the context otherwise requires, all references to the word “Lakh” or “Lac”, means “One hundred thousand” and the word “million” means “Ten Lacs” and the word “Crore” means “ten million” and the word “billion” means “One thousand million and the word “trillion” means “One thousand billion”. In this Red Herring Prospectus, any discrepancies in any table between total and the sum of the amounts listed are due to rounding off.

Throughout the Red Herring Prospectus, all the figures have been expressed in Lacs of Rupees, except when stated otherwise. All references to “Rupees” and “Rs.” in the Red Herring Prospectus are to the legal currency of India.

DIVIDEND POLICY

Dividends, other than interim dividends, will be declared at the AGM of the shareholders based on the recommendation of the Board of Directors. The Board may, at its discretion, recommend dividends to be paid to the shareholders, considering a number of factors including, without limitation, our Company's future expansion plans and capital requirements, profits earned during the Financial Year, cost of raising funds from alternate sources, liquidity position, applicable taxes including tax on dividend, as well as exemptions under tax laws available to various categories of investors from time to time and general market conditions. The dividend payments in the past are not necessarily indicative of the dividend amounts, if any, or the dividend policy, of our Company in the future.

Our Company has not paid any Dividend till date.

SECTION VII - FINANCIAL INFORMATION

AUDITORS' REPORT AND FINANCIAL INFORMATION OF OUR COMPANY

AUDITOR'S REPORT

The Board of Directors

Aqua Logistics Limited

5th Floor, B Wing

Trade Star Building

Andheri - Kurla Road

Andheri (East)

Mumbai – 400 059.

Reg: Initial Public Offer of Equity Shares by Aqua Logistics Limited

Dear Sirs,

A.

- a) We have examined the annexed financial information of Aqua Logistics Limited ('The Company') for the period ended 30th September 2009 and the Financial Years ended 31st March, 2009, 31st March 2008, 31st March 2007, 31st March 2006 and 31st March 2005.
- b) In accordance with the requirements of
 - i) Paragraph B (1) of Part II of Schedule II to the Companies Act, 1956 ('the Act');
 - ii) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 (the "SEBI (ICDR) Regulations, 2009") issued by Securities and Exchange Board of India ('SEBI') on August 26, 2009 and
 - iii) Our terms of reference with the Company dated 30th July 2009 in connection with the Initial Public Offer of Equity Shares by the Company.

We report that the restated assets and liabilities of the Company as at 30th September 2009, 31st March, 2009, 31st March 2008, 31st March 2007, 31st March 2006 and 31st March 2005 are as set out in '**Annexure 1**' to this report after making such adjustments/restatements and regrouping as in our opinion are appropriate and are subject to the Significant Accounting Policies as appearing in '**Annexure 3**' and Notes to the statements of Assets & Liabilities and Profit & Loss Account appearing in '**Annexure 4**' and '**Annexure 5**' to this report.

We report that the restated profits of the Company for the period ended 30th September 2009 and the Financial Years ended 31st March, 2009, 31st March 2008, 31st March 2007, 31st March 2006 and 31st March 2005 are as set out in '**Annexure 2**' to this report. These profits have been arrived at after charging all expenses including depreciation and after making such adjustments/restatements and regrouping as in our opinion are appropriate and are subject to the Significant Accounting Policies as appearing in '**Annexure 3**' and Notes to the Statements of Assets & Liabilities and Profit & Loss Account appearing in '**Annexure 4**' and '**Annexure 5**' to this report.

- B.** We have examined the following financial information relating to the Company proposed to be included in the Red Herring Prospectus, as approved by the Board of Directors and annexed to this report.

- i. Notes to Adjustments in Restated Financial Statements '**Annexure 5**' to this report

- ii. Details of changes in Significant Accounting Policies as given in '**Annexure 6**' to this report.
- iii. Details of qualifications appearing in the audit report as given in '**Annexure 7**' to this report.
- iv. Statement of Cash Flow as appearing in '**Annexure 8**' to this report;
- v. Accounting Ratios as appearing in '**Annexure 9**' to this report;
- vi. Statement of Unsecured Loans taken including loan taken from related parties enclosed as '**Annexure 10**' to this report.
- vii. Capitalisation Statement as appearing in '**Annexure 11**' to this report;
- viii. Statement of Tax Shelter as appearing in '**Annexure 12**' to this report.
- ix. Statement of Secured Loans as appearing in '**Annexure 13**' to this report.
- x. Statement of Investments as appearing in '**Annexure 14**' to this report.
- xi. Statement of Debtors including the related party debtors enclosed as '**Annexure 15**' to this report.
- xii. Details of loans and advances as given in '**Annexure 16**' to this report.
- xiii. Statement of Other Income as appearing in '**Annexure 17**' to this report.
- xiv. Details of transactions with the Related Parties as appearing in '**Annexure 18**' to this report;
- xv. Details of Contingent Liabilities as appearing in '**Annexure 19**' to this report;

C. The Company has not declared any dividends till date.

D.

- a) In our opinion the financial information of the Company as stated in Para A and B above read with Significant Accounting Policies enclosed in Annexure 3 to this report, after making adjustments / restatements and regroupings as considered appropriate and subject to certain matters as stated in Notes to the Statements, has been prepared in accordance with Part II of Schedule II of the Act and we have complied with the Schedule VIII, Clause IX (9) of the SEBI (ICDR) Regulations, 2009.

In terms of Schedule VIII, Clause IX (9) of the SEBI (ICDR) Regulations, 2009 and other provisions relating to accounts of the Aqua Logistics Limited, We hereby confirm that Statements of Assets and Liabilities and Profit and Loss or any other financial information have been incorporated in the offer document after making the following adjustments, wherever quantification is possible:

- 1. Adjustments/ rectification for all incorrect accounting practices or failures to make provisions or other adjustments which resulted in audit qualifications except for those audit qualification whose financial impact not ascertainable or not quantifiable.
- 2. Material amounts relating to adjustments for previous years has been identified and adjusted in arriving at the profits of the years to which they relate irrespective of the year in which the event triggering the profit or loss occurred.
- 3. Where there has been a change in accounting policy, the profits or losses of the earlier years (required to be shown in the offer document) and of the year in which the change in the accounting policy has taken place has been recomputed to reflect what the profits or losses of those years would have been if an uniform accounting policy was followed in each of those years.
- 4. If an incorrect accounting policy is followed, the re-computation of the financial statements has been in accordance with correct accounting policies.

5. Statement of profit or loss discloses the profit or loss arrived at before considering extraordinary items and after considering the profit or loss from extraordinary items.
- b) This report is intended solely for your information and for inclusion in the Red Herring Prospectus in connection with the specific Initial Public Offer of Equity Shares of the Company and is not to be used, referred to or distributed for any other purpose without our prior written consent.

For Anil Nair & Associates
Chartered Accountants

R Mohan
Partner
Membership No. 23022
Place : Chennai
Date : January 5, 2010

ANNEXURE 1

SUMMARY STATEMENT OF ASSETS AND LIABILITIES, AS RESTATED							
(Rupees in Lacs)							
	Particulars	As at March 31,					As at Sept 30, 2009
		2005	2006	2007	2008	2009	
A	Fixed Assets						
	Gross Block	97.73	498.63	552.73	974.80	1,450.96	2,257.23
	Less: Depreciation	11.55	18.20	28.33	84.85	198.79	269.54
	Total Fixed Assets (A)	86.18	480.43	524.40	889.95	1,252.17	1,987.69
B	Investments (B)	0.88	1.38	1.38	1.38	246.43	523.66
C	Current Assets, Loans and Advances						
	Sundry Debtors	113.07	320.00	1,363.87	3,286.02	5,972.59	6,612.71
	Cash and Bank balances	23.28	28.50	54.52	829.53	1,149.47	674.05
	Loans and advances	52.93	45.32	491.64	740.11	2,397.16	2,425.46
	Total (C)	189.28	393.82	1,910.03	4,855.66	9,519.22	9,712.22
D	Liabilities and Provisions						
	Secured loans	51.42	67.63	734.26	745.77	3,972.78	3,324.89
	Unsecured loans	40.17	177.52	159.22	70.46	6.17	1.82
	Deferred tax liability	0.40	4.49	11.21	75.72	309.48	455.88
	Current liabilities	32.10	177.48	591.29	846.77	738.13	720.99
	Provision for Taxes	3.60	9.47	96.87	37.19	388.83	155.15
	Provision - Others	1.02	1.57	8.91	10.69	22.24	23.20
	Total (D)	128.71	438.16	1,601.76	1,786.60	5,437.63	4,681.92
E	NETWORTH (A+B+C-D)	147.63	437.46	834.05	3,960.39	5,580.19	7,541.64
	Represented by:						
1	Share Capital						
	Equity Share Capital	150.00	150.00	600.00	1,146.36	1,292.36	1,362.53
2	Share Application Money						
	Equity Share Capital	-	376.11	-	-	-	-
3	Reserves and Surplus						
	Profit & Loss Account:						
	Opening Balance	2.56	(2.37)	(88.65)	234.05	596.81	1,580.61
	Add : Surplus during the year	(4.93)	(86.28)	281.03	562.76	983.80	836.46
		(2.37)	(88.65)	192.38	796.81	1,580.61	2,417.06
	Less : Capitalised for issue of bonus shares	-	-	-	(200.00)	-	-
	Add : Share Premium Account	-	-	41.67	2,217.22	2,707.22	3,762.05
4	Debit balance in profit and loss account	2.37	88.65	-	-	-	-
		(2.37)	(88.65)	234.05	2,814.03	4,287.83	6,179.11
	NETWORTH (1+2+3+4)	147.63	437.46	834.05	3,960.39	5,580.19	7,541.64

ANNEXURE 2

SUMMARY STATEMENT OF PROFIT AND LOSS, AS RESTATED							
							(Rupees in Lacs)
	Particulars	For the Year Ended March 31					For half year ended Sep 30, 2009
		2005	2006	2007	2008	2009	
A	Income						
	Income from Operations	596.91	956.83	4,302.20	10,898.54	21,340.05	15,399.84
	Other Income	2.91	0.38	3.91	42.38	65.19	5.42
	INCOME (A)	599.82	957.21	4,306.11	10,940.92	21,405.24	15,405.26
B	Expenditure						
	Operating Cost	515.86	789.82	3,334.22	8,431.02	17,548.96	12,644.17
	Staff Cost	30.31	58.50	288.67	763.00	1,057.86	506.22
	Administrative & Other Expenses	32.51	63.12	199.50	428.33	498.40	374.95
	EXPENDITURE (B)	578.68	911.44	3,822.39	9,622.35	19,105.22	13,525.34
C	Profit Before Interest, Depreciation and Tax	21.14	45.77	483.72	1,318.57	2,300.02	1,879.92
	Depreciation	9.54	6.64	10.13	56.53	113.92	70.75
	Profit Before Interest and Tax	11.60	39.13	473.59	1,262.04	2,186.10	1,809.17
	Interest & Financial Charges	2.62	5.16	79.05	382.44	474.71	296.98
D	Profit after Interest and Before restatement	8.98	33.97	394.54	879.60	1,711.39	1,512.19
	Net impact of material restatement	10.47	110.00	10.44	(1.31)	131.09	144.75
E	Profit before Taxation as restated	(1.49)	(76.03)	384.10	880.91	1,580.30	1,367.45
	Provision for Taxation	3.32	-	90.00	221.64	320.14	384.59
	Fringe Benefit Tax	-	6.16	6.35	32.00	42.61	-
	Provision for Deferred Tax	0.12	4.09	6.72	64.51	233.75	146.40
	Add/Less Tax adjustment	-	-	-	-	-	-
F	Profit After Tax carried to Balance Sheet	(4.93)	(86.28)	281.03	562.76	983.80	836.46

A. Statement of significant accounting policies.

1. System of Accounting

- a) The financial statements have been prepared to comply in all material respects with the generally accepted accounting principles, Accounting Standards notified under Section 211(3C) of the Companies Act, 1956 and the relevant provisions thereof.
- b) The financial statements have been prepared under the historical cost convention on accrual basis of accounting. The accounting policies have been consistently applied by the Company and are in line with those used last year.

2. Fixed Assets

Fixed assets are stated at historical cost less accumulated depreciation and impairment losses if any. Cost comprises of the purchase price and any cost attributable bringing the asset to its working condition for its intended use

3. Depreciation/ Amortization/ Impairment

- a) Depreciation is provided on fixed assets on straight line basis in accordance with the rates prescribed in Schedule XIV of the Companies Act 1956.
- b) The carrying amounts of assets are reviewed at each balance sheet date if there is any indication of impairment based on internal and external factors. An impairment loss is recognized wherever the carrying amount of assets exceeds its recoverable amount. The recoverable amount is the greater of the assets' net selling price and the value in use. In assessing value in use the estimated future cash flows are discounted to their present value at the weighted average cost of capital

4. Investments

No provision has been made in respect of the book value and the market value of quoted investments. The Directors are of the opinion that the diminution of value of quoted investment is not permanent and there is estimated appreciation in the value of certain unquoted investments.

5. Inventories

The company is in the business of rendering services and does not hold any inventory.

6. Foreign Currency Transactions

- a) Transactions in foreign currency are recorded at the rates prevailing on the date of the transaction.
- b) Gain/ loss on exchange due to fluctuation in exchange a rate arising out of payment / realization during the year has been dealt with in the Profit and Loss account

- c) Monetary assets and liabilities in foreign currency at the balance sheet date are restated at the exchange rates prevailing at the year end. Gain/ loss on exchange are dealt with in the Profit and Loss account

7. Employee Benefits

Contributions to defined contribution schemes such as provident fund are charged to profit and loss account as incurred. Provision for Gratuity is made based on estimated accrued liability as at the Balance Sheet date.

8. Revenue Recognition

Revenue is recognized to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be readily measured. Income from operations mainly comprises of Income from the following heads namely International Freight Forwarding, Customs House Agency works, Warehousing etc. representing the gross value of services rendered by the company to its customers. Income is accounted when services are completed in accordance with the contracts entered into with the customers.

9. Accounting for taxes on income

- a) Provision for current tax is made based on the tax payable under the current provisions of the tax laws applicable in the jurisdiction where in the income is assessable.
- b) Tax on fringe benefits is measured at the specified rates on the value of fringe benefits in accordance with the provisions of Section 115WC of the Income Tax Act, 1961.
- c) Deferred tax on timing differences between taxable income and accounting income is accounted for, using the tax rates and tax laws enacted as on the Balance Sheet date.

10. Borrowing Cost

Borrowing costs that are attributable to the acquisition or construction of qualifying assets are capitalized as a part of the cost of such assets. A qualifying asset is one that necessarily takes substantial period of time to get ready for its intended use. All other borrowing costs are charged to revenue.

11. Provisions

- a) A provision is recognized when an enterprise has a present obligation as a result of past event and it is probable that an outflow of resources will be required to settle the obligation in respect of which reliable estimates can be made.
- b) Provisions are not discounted to its present value and are determined based on best management estimates required to settle the obligations at the balance sheet date. These are reviewed at each balance sheet date and adjusted to reflect the current best management estimates.

12. Segment Reporting

The company is engaged in only one segment of business which is International Freight Forwarding and Customs House Agency work, the risk and returns of which are similar.

13. Cash Flow Statement

The Company has prepared the Cash Flow Statement using the Indirect Method in compliance with Accounting Standard issued by The Institute of Chartered Accountants of India (AS-3).

14. Use of Estimates

The preparation of financial statements in conformity with the generally accepted accounting principles requires estimates and assumptions to be made that affect the reported amount of assets and liabilities on the date of the financial statements and the reported amount of revenues and expenses during the reporting period. Difference between the actual result and estimates are recognized in the period in which the results are known/ materialized.

15. Contingencies

Liabilities which are material and whose future outcome cannot be ascertained with reasonable certainty are treated as contingent and disclosed by way of Notes to financial statements.

NOTES ON ACCOUNTS

- a) In the opinion of the directors, all the current assets loans and advances have a value on realization in the ordinary course of business at least equal to the amount at which they are stated except as expressly stated otherwise
- b) The Company has not received any memorandum (as required to be filed by the Supplier with the notified authority under the Micro, Small and Medium Enterprises Development Act, 2006) claiming their status as on 30th September 2009 as Micro, Small or Medium Enterprises. Consequently the amount paid / payable to these parties during the year is NIL
- c) The Institute of Chartered Accountants of India has issued an Accounting Standard 28 on impairment of Assets, which is mandatory for the accounting periods commencing on or after 1st April 2004. In accordance with the said standards, the company is assessed as on date of applicability of the aforesaid standard and as well as on balance sheet date, whether there are any indications with regard to the impairment of any of the assets. Based on such assessments, it has been ascertained that no potential losses present and therefore, formal estimate of recoverable amount has not been made. Accordingly no impairment loss has been provided in the books of accounts.
- d) Parties account balances are subject to confirmation and reconciliation. However, the management does not expect any material variation.

NOTES TO ADJUSTED ACCOUNTS**1. Prior Period Adjustments****a. Depreciation**

Items of income and expenditure have been retrospectively adjusted in arriving at the profits of the years / periods to which they relate although the event triggering the income and expenses occurred in the subsequent years, as per SEBI (ICDR) Regulations, 2009.

Consequent to the change in the method of depreciation from written down value method to straight line method in the financial year ended 2006, a sum of Rs. 6.92 Lacs was written back to profit and loss account and charge of depreciation for 2006 was lower by Rs. 9.00 Lacs.

However, for the purpose of adjusted accounts and in terms of Schedule VIII, Clause IX (9) of the SEBI (ICDR) Regulations, 2009 and other provisions, the profits and losses consequent to change in accounting policy has been adjusted for the year ended 31st March 2006 to reflect what the profits / losses of those years would have been if the uniform policy of charging depreciation was followed in each of the above years.

b. Provision for Gratuity

During the year ended 31st March 2009, the Company has provided for Gratuity to comply with AS 15 (Revised 2005). The provision relates to accrued gratuity liability upto 31st March 2009 while no provisions have been made in the earlier years.

However, for the purpose of adjusted accounts and in terms of Schedule VIII, Clause IX (9) of the SEBI (ICDR) Regulations, 2009 and other provisions, the profits and losses consequent to change in accounting policy has been adjusted for the years ended 31st March 2005, 31st March 2006, 31st March 2007, 31st March 2008 and 31st March 2009 to reflect what the profits / losses of those years would have been if the uniform policy of providing Gratuity was followed in each of the above years.

c. Provision for Interest on Loans

During the year ended 31st March 2005, the Company has not provided interest on loan of Rs. 63.00 Lacs.

However, for the purpose of adjusted accounts and in terms of Schedule VIII, Clause IX (9) of the SEBI (ICDR) Regulations, 2009 and other provisions, the profits and losses have been adjusted for the years ended 31st March 2005 and 31st March 2006 to reflect what the profits / losses of the year would have been if the interest had been provided in that year.

d. Deferred Revenue Expenditure

During the years ended 31st March 2006 and 31st March 2009 and for the period ended 30th September 2009, the Company has deferred expenditures relating to new market development expenses amounting to Rs. 102.99 Lacs and advertisement expenses amounting to Rs. 141.79 Lacs and Rs. 144.75 Lacs respectively.

However, for the purpose of adjusted accounts and in terms of Schedule VIII, Clause IX (9) of

the SEBI (ICDR) Regulations, 2009 and other provisions, the profits and losses has been adjusted for the years ended 31st March 2006 & 31st March 2009 and for the period ended 30th September 2009, to reflect what the profits / losses of those years would have been in each of the above years had the above expenses been written off in the respective years and period.

e. Provision for Bad Debts

During the year ended 31st March 2007 the Company has not provided for Bad Debts for amounting to Rs. 3.09 Lacs which was written off in the subsequent financial year.

However, for the purpose of adjusted accounts and in terms of Schedule VIII, Clause IX (9) of the SEBI (ICDR) Regulations, 2009 and other provisions, the profits and losses has been adjusted for the years ended 31st March 2007 and 31st March 2008 to reflect what the profits / losses of those years would have been in each of the above years had the above expenses been written off in the respective years.

(Rupees in Lacs)

Summary of Adjustments						
	31 Mar 2005	31 Mar 2006	31 Mar 2007	31 Mar 2008	31 Mar 2009	30 Sep 2009
Deferred Revenue Expenditure	-	102.99	-	-	141.79	144.75
Change in Depreciation method	-	15.92	-	-	-	-
Interest Charges	9.45	(9.45)	-	-	-	-
Provision for Gratuity	1.02	0.54	7.35	1.78	(10.70)	-
Provision for Bad Debts	-	-	3.09	(3.09)	-	-
Total	10.47	110.00	10.44	(1.31)	131.09	144.75

ANNEXURE 6**DETAILS OF CHANGES IN SIGNIFICANT ACCOUNTING POLICIES**

Period ended 30 th September, 2009	NIL
Financial Year ended 31 st March, 2009	The Company has recognised the accrued Gratuity Liability for the first time based on the estimated liability.
Financial Year ended 31 st March, 2008	NIL
Financial Year ended 31 st March, 2007	NIL
Financial Year ended 31 st March, 2006	The Company has changed the method of providing depreciation on all assets from Written Down Value Method (WDV) to Straight Line Method (SLM) w.ef. 1 st April 2005.
Financial Year ended 31 st March, 2005	NIL

ANNEXURE 7**STATEMENT OF QUALIFICATIONS/OBSERVATIONS IN AUDITOR'S REPORT**

Financial Year ended	Qualificatory Remarks
31 st March, 2005	NIL
31 st March, 2006	<p>a.) Non compliance of Accounting Standard – 1 (issued by the Institute of Chartered Accountants of India), for non-provision of interest on loan of Rs. 63.00 Lacs</p> <p>b.) Non compliance of Accounting Standard – 11 (issued by the Institute of Chartered Accountants of India), with reference to accounting for effects of changes in foreign exchange rates.</p>
31 st March, 2007	<p>a.) Non-Provision of accrued Gratuity liability for employees in accordance with the Accounting Standard 15 on Employee Benefits issued by Institute of Chartered Accountants of India.</p> <p>b.) Non confirmation of balances in parties' accounts and the consequential effects of the same on the profits, assets and liabilities of the company which are not ascertainable.</p> <p>c.) Non provision of bad and doubtful debts of Rs. 3.09 Lacs consequent to which, the profits of the company were overstated to that extent.</p>
31 st March, 2008	<p>a.) Non confirmation of balances in parties accounts and the consequential effects of the same on the profits, assets and liabilities of the company which are not ascertainable.</p> <p>b.) Non-Provision of accrued liability on Gratuity for employees in accordance with the Accounting Standard 15 on Employee Benefits issued by Institute of Chartered Accountants of India.</p> <p>c.) Non-payment of statutory dues amounting to Rs. 0.47 Lacs were outstanding as on 31st March 2008 for a period of more than six months from the date they became payable.</p>
31 st March, 2009	<p>a.) Non confirmation of balances in parties accounts and the consequential effects of the same on the profits, assets and liabilities of the company which are not ascertainable.</p> <p>b.) Disclaimer on valuation for the purpose of preferential allotment of shares to parties covered in the register maintained U/s 301 of the Act.</p> <p>c.) Non-payment of outstanding statutory dues amounting to Rs. 37.39 Lacs were outstanding as on 31st March 2009 for a period of more than six months from the date they became payable.</p>
30 th September, 2009	<p>a.) Non confirmation of balances in parties accounts and the consequential effects of the same on the profits, assets and liabilities of the company which are not ascertainable.</p>

ANNEXURE 8

CASH FLOW STATEMENT, AS RESTATED						
						(Rupees in Lacs)
Particulars	For the year ended March 31					For period ended Sep 30, 2009
	2005	2006	2007	2008	2009	
A. Cash Flow from Operating Activities						
Profit before tax, as restated	(1.49)	(76.03)	384.10	880.91	1,580.30	1,367.45
Adjustments for						
Depreciation	9.54	6.64	10.13	56.53	113.92	70.75
Miscellaneous expenditure written off	-	-	-	-	-	-
Bad & Doubtful Debts Written Off	-	-	-	-	-	-
Interest Received	(2.91)	-	(3.50)	(15.03)	(16.58)	(5.42)
Interest Provided	2.27	4.81	66.37	194.90	390.71	296.98
Income/Loss from Investments	-	(0.38)	(0.42)	-	(0.23)	-
Operating Income before working capital changes	7.41	(64.96)	456.68	1,117.31	2,068.12	1,729.75
Adjustments for:						
Decrease/(Increase) in Trade & Other Receivables	(44.74)	(206.91)	(1,043.87)	(1,922.15)	(2,686.58)	(640.12)
Decrease/(Increase) in Loans & Advances	2.75	7.61	(446.32)	(248.47)	(1,657.04)	(28.30)
Increase/(decrease) in Trade Payables	8.59	145.93	421.16	257.26	(97.09)	(16.18)
Cash Generated from Operations	(25.99)	(118.34)	(612.35)	(796.05)	(2,372.59)	1,045.15
Direct Taxes Paid (Net)	-	(0.29)	(8.95)	(313.32)	(11.11)	(618.27)
Net Cash Flow from Operating Activities	(25.99)	(118.63)	(621.31)	(1,109.37)	(2,383.70)	426.88
B. Cash Flow from Investing Activities						
Purchase of Fixed Assets & Advances for Fixed Assets	(79.15)	(400.90)	(54.10)	(422.07)	(476.16)	(806.27)
Preoperative Expenses	-	-	-	-	-	-
Proceeds from Sale of Investments	-	-	-	-	-	-
Purchase of Investments	-	(0.50)	(0.00)	-	(245.05)	(277.23)
Income from Investments	-	0.38	0.42	-	0.23	-
Interest Received	2.91	-	3.50	15.03	16.58	5.42
Net Cash used from Investing Activities	(76.24)	(401.02)	(50.18)	(407.04)	(704.40)	(1,078.07)
C. Cash Flow from Financing Activities						
Proceeds from Borrowings						
- Share Capital	-	-	450.00	388.03	146.00	70.17

- Share Premium	-	-	41.67	2,175.55	490.00	1,054.83
- Share Application Money	-	376.11	(376.11)	-	-	-
Change in the Borrowings	8.28	16.21	666.63	11.51	3,227.02	(4.35)
Repayment of						
- Loans	40.17	137.35	(18.31)	(88.76)	(64.28)	(647.89)
- Interest Paid	(2.27)	(4.81)	(66.37)	(194.90)	(390.71)	(296.98)
Net Cash Flow from Financing Activities	46.18	524.86	697.51	2,291.43	3,408.03	175.78
Net Increase/(Decrease) in Cash & Cash Equivalents (A+B+C)	(56.05)	5.22	26.02	775.02	319.93	(475.42)
Cash & Cash Equivalents at Beginning of the Year	79.33	23.28	28.50	54.52	829.53	1,149.47
Cash & Cash Equivalents at End of the Year	23.28	28.50	54.52	829.53	1,149.47	674.05

ANNEXURE 9

(Rupees in Lacs)
(Except per share data)

ACCOUNTING RATIOS						
Particulars	March 31, 2005	March 31, 2006	March 31, 2007	March 31, 2008	March 31, 2009	Sept 30, 2009
Net Profit as restated	(4.93)	(86.28)	281.03	562.76	983.80	836.46
Net Worth	147.63	437.46	834.05	3,960.39	5,580.19	7,541.64
Return on Net Worth (%)	-3.34%	-19.72%	33.69%	14.21%	17.63%	11.09%
Share at the end of year (Face Value Rs. 10/-)	1,500,000	1,500,000	6,000,000	11,463,575	12,923,575	13,625,270
Weighted No of Equity Shares (without Considering Bonus Issue in previous years)	1,500,000	1,500,000	2,262,738	8,022,384	11,895,356	13,143,337
Basic Earnings Per Share	(0.33)	(5.75)	12.42	7.01	8.27	6.36
Weighted No of Equity Shares (Considering Bonus Issue in all previous years)	3,500,000	3,500,000	4,262,738	8,022,384	11,895,356	13,143,337
Adjusted Earnings per share (Considering Bonus Issue)	(0.14)	(2.47)	6.59	7.01	8.27	6.36
Net Asset Value/Book Value per share	9.84	29.16	13.90	34.55	43.18	55.35

ANNEXURE 10

UNSECURED LOANS, AS RESTATED						
(Rupees in Lacs)						
Particulars	As at March 31					As at
	2005	2006	2007	2008	2009	September 30, 2009
From Banks	-	-	78.74	36.60	3.26	-
From Directors/Shareholders	40.17	77.56	75.77	29.75	-	-
From Others	-	99.96	4.71	4.11	2.91	1.82
Total	40.17	177.52	159.22	70.46	6.17	1.82
Above amount includes loans from the following related parties:						
Mr. Rajesh G Uchil	25.38	16.73	-	26.14	-	-
Mr. Harish G Uchil	14.79	30.83	0.77	1.85	-	-
Mr. M. S. Sayad	-	-	-	-	-	-
Mr. Gopalkrishna G Uchil	-	-	-	1.76	-	-
	40.17	47.56	0.77	29.75	-	-
Above amount includes loans from the following shareholders:						
Dr. Alka N. Mandke	-	30.00	-	-	-	-
Supersonic Trading Company Pvt. Ltd	-	-	38.70	-	-	-
Topone Properties Pvt. Ltd	-	-	36.30	-	-	-
	-	30.00	75.00	-	-	-
Total	40.17	77.56	75.77	29.75	-	-
Note:						
1. The related party information disclosed above is based on the audited financial statements and the information provided by the Company.						
2. No interest is payable/paid on the Loans mentioned above as related party transaction. These loans are repayable on demand and consequently there is no repayment schedule						

ANNEXURE 11

CAPITALIZATION STATEMENT		
	(Rupees in Lacs)	
	Pre Issue	Pre Issue
Particulars	As at March 31, 2009	As at Sept 30, 2009
Debt		
Secured		
Short term debt	3,941.77	3,278.77
Long term debt	31.01	46.12
Unsecured		
Short term debt	6.17	30.54
Total Debt	3,978.95	3,355.43
Shareholders Funds		
Equity Share Capital	1,292.36	1,362.53
Preference Share Capital	-	-
Reserves and Surplus	4,287.83	6,179.11
Less: Miscellaneous Expenditure/Deferred Revenue Expenditure	0.00	0.00
Total Shareholders Funds	5,580.19	7,541.64
Long Term Debt/ Shareholders' Funds	0.01:1	-
Total Debt / Shareholders Fund	0.71:1	0.44:1
Notes:		
1. Working Capital Limits as on Sept 30, 2009 are considered as short- term debts.		
2. The Post-issue debt–equity ratio will be computed on the conclusion of the Book Building process.		
3. The figures included above are as per the restated statement of assets and liabilities and restated statement of profit and loss.		

ANNEXURE 12

STATEMENT OF TAX SHELTERS						
(Rupees in Lacs)						
Particulars	As at					
	March 31, 2005	March 31, 2006	March 31, 2007	March 31, 2008	March 31, 2009	September 30, 2009
Profit Before current and deferred taxes	8.98	33.97	394.54	879.60	1,711.39	1,512.19
Tax rate%						
-- Normal	36.59	33.66	33.66	33.99	33.99	33.99
-- MAT	7.84	11.22	11.22	11.33	11.33	11.33
Notional Tax at normal rates (A)	3.29	11.43	132.80	298.98	581.70	513.99
Permanent differences						
Other adjustments	-	6.92	-	-	-	33.23
Disallowances	-	57.85	1.68	31.30	22.24	50.00
Total (B)	-	64.77	1.68	31.30	22.24	83.23
Timing Differences						
Difference between tax depreciation and book depreciation	0.31	4.83	19.97	189.79	104.89	24.98
Other adjustments		102.99	57.85	101.87	618.29	438.96
Foreign branch income included in the statement					239.55	-
Total (C)	0.31	107.82	77.82	291.67	962.73	463.94
Net Adjustments (B-C)	(0.31)	(43.05)	(76.13)	(260.37)	(940.48)	(380.71)
Tax expense / (savings) thereon (D)	(0.12)	(14.49)	(25.63)	(88.50)	(319.67)	(129.40)
Total Taxation (E = A+D)	3.17	(3.06)	107.18	210.48	262.03	384.59
Brought forward losses set off (Depreciation)	-	-	9.08	-	-	-
Tax effect on the above (F)	-	-	3.06	-	-	-
Net tax for the year / period (E + F)	3.17	(3.06)	104.12	210.48	262.03	384.59
Tax payable as per MAT	0.70	3.81	44.27	99.66	193.90	171.33
Tax expense recognised	3.32	-	90.00	221.64	320.14*	384.59
Tax as per return of income	3.17	-	104.12	210.48	320.14*	-
* As per Tax Computation						

SECURED LOANS

	Mar 31 2005	Mar 31 2006	Mar 31 2007	Mar 31 2008	Mar 31 2009	Sep 30 2009
Term loan from Banks	51.42	24.53	19.52	40.91	29.48	45.05
Working Capital / Cash Credit from Banks	-	43.10	714.74	704.86	2,966.34	3076.08
Deposit Loans	-	-	-	-	975.43	202.69
Others	-	-	-	-	1.53	1.07
Total	51.42	67.63	734.26	745.77	3,972.78	3324.89

Secured Loans from banks as of 30th September 2009 comprises of;

- a) Secured Overdraft of Rs. 3076.08 Lacs from Bank of India which is secured by a first charge by way of hypothecation of movable properties belonging to the company including whole of the current assets of the company, both present and future.

The aforesaid loan is also secured by first and exclusive charge by way of equitable mortgage on the Office Premises situated at No.3, 5th Floor, B-Wing Trade Star Building, Andheri Kurla Road, Marol, Andheri (East), Mumbai – 59 and personal guarantees of directors and deposit of title deeds of immovable property belonging to a director.

- b) Deposit loan of Rs.202.69 Lacs from Yes Bank which is secured by pledge of fixed deposits held with the same bank.
- c) Vehicle loans from banks amounting to Rs.45.04 Lacs which are secured by the respective assets acquired under their assistance.
- d) Secured loans from others comprise of Rs.1.07 Lacs taken from hire purchase finance companies which are secured by assets acquired under their assistance.

ANNEXURE 14

INVESTMENTS, AS RESTATED								
(Rupees in Lacs)								
Company	No of Equity Shares	Face Value (Rs.)	As at March 31,					As at Sept 30, 2009
			2005	2006	2007	2008	2009	
Long Term (at cost)								
Aqua Management Consulting Group Pvt. Ltd	140,000	10	-	-	-	-	36.75	36.75
Aqua Specialized Transport Pvt. Ltd.	750,000	10	-	-	-	-	-	375.00
Abhyudaya Co-operative Bank Ltd.	13,750	10	0.88	1.38	1.38	1.38	1.38	1.38
Maryada Barter Pvt. Ltd.	50,000	10	-	-	-	-	100.00	100.00
Adlabs Films Ltd.	-	5	-	-	-	-	15.80	-
Cals Refineries Ltd	500,000	1	-	-	-	-	5.22	2.61
Core Projects & Technologies Ltd.	-	2	-	-	-	-	1.99	-
Dish TV India Ltd.	-	1	-	-	-	-	6.43	-
GMR Infrastructure Ltd.	-	2	-	-	-	-	4.95	-
Himachal Futuristic Communications Ltd.	-	10	-	-	-	-	2.19	-
IFCI Ltd	-	10	-	-	-	-	4.16	-
Info Drive Software Ltd.	13,160	10	-	-	-	-	11.66	7.92
Ispat Industries Ltd.	-	10	-	-	-	-	6.40	-
Jaiprakash Associates Ltd.	-	2	-	-	-	-	0.66	-
Kingfisher Airlines Ltd.	-	10	-	-	-	-	0.89	-
Lok Housing & Constructions Ltd.	-	10	-	-	-	-	0.33	-
Manali Petrochemical Ltd.	-	5	-	-	-	-	1.59	-
Nagarjuna Construction Company Ltd.	-	2	-	-	-	-	1.40	-
Nagarjuna Fertilizers & Chemicals Ltd.	-	10	-	-	-	-	1.02	-
Nelco Ltd	-	10	-	-	-	-	1.92	-
Peninsula Land Ltd.	-	10	-	-	-	-	0.74	-
Piramal Healthcare Ltd.	-	2	-	-	-	-	4.12	-
PSL Limited	-	10	-	-	-	-	0.43	-
Pyramid Saimira Theatres Ltd.	-	10	-	-	-	-	14.25	-
Reliance Communications Ltd.	-	5	-	-	-	-	8.44	-
Saamya Biotech India Ltd.	-	10	-	-	-	-	1.36	-
Sathavahana Ispat Ltd.	-	10	-	-	-	-	1.28	-
Suzlon Energy Ltd.	-	2	-	-	-	-	1.50	-
Tata Steel Ltd.	-	10	-	-	-	-	2.28	-
Tourism Finance Corporation of India Ltd.	-	10	-	-	-	-	2.75	-
Unitech Ltd	-	2	-	-	-	-	2.77	-
Walchandnagar Industries Ltd.	-	2	-	-	-	-	1.78	-
Total			0.88	1.38	1.38	1.38	246.43	523.66

ANNEXURE 15

SUNDRY DEBTORS, AS RESTATED						
Particulars	As at March 31,					(Rupees in Lacs)
	2005	2006	2007	2008	2009	As at September 30, 2009
Outstanding for the period exceeding Six months	21.15	27.02	143.47	268.66	457.21	427.52
Other Debts	91.92	292.99	1,220.40	3,017.36	5,515.38	6,185.20
Total	113.07	320.00	1,363.87	3,286.02	5,972.59	6,612.71
Above amount includes the amount receivable from the following related party:						
Trikon Electronics Pvt Ltd	-	0.28	0.13	-	-	-
Total	-	0.28	0.13	-	-	-

ANNEXURE 16

LOANS AND ADVANCES, AS RESTATED						
(Rupees in Lacs)						
Particulars	As at March 31					As at Sept 30 2009
	2005	2006	2007	2008	2009	
Advances recoverable in Cash or in Kind	42.76	17.55	360.70	623.95	1,959.67	2,251.31
Advance - Others	9.26	23.66	100.56	33.66	293.70	25.37
Deposits	0.91	4.11	30.38	82.50	143.79	148.79
Total	52.93	45.32	491.64	740.11	2,397.16	2,425.46
Note:						
1. The related party information disclosed above is based on the audited financial statements and the information provided by the Company.						
2. Advances recoverable in cash or kind include capital advances given for software and process development etc						
3. Advances recoverable in cash or kind include advances given to associate companies						
Above amount includes transactions with following related parties:						
Rajesh Uchil & Co.,*	38.72	-	-	-	-	-
Aqua Insure Services Pvt Ltd **	1.98	-	-	-	-	-
Mr. Rajesh G. Uchil (Director)	-	-	0.39	-	-	-
Harapa International Private Limited	-	-	239.81	225.00	225.00	247.36
Aqua Management Consulting Group Pvt Ltd	-	-	-	-	93.90	143.76
Aqua Specialized Transport Private Limited	-	-	16.21	147.54	-	7.63
Aqua Management Consulting Group Pvt Ltd - Share Application Money	-	-	-	-	463.25	763.25
Aqua Specialized Transport Private Limited - Share Application Money	-	-	-	-	375.00	240.00
Aqua PCW Pvt. Ltd	-	-	-	-	-	0.18
Lefworld Pvt. Ltd.	-	-	-	-	-	2.21
Mr. Gopalkrishna G. Uchil	-	-	0.05	-	-	-
Total	40.70	-	256.46	372.54	1,157.15	1,404.40
* Taken over by Aqua Logistics Limited on 31 March 2006						
** Dis-associated on 28 February 2005						

ANNEXURE 17

OTHER INCOME, AS RESTATED						
(Rupees in Lacs)						
Particulars	For the year ended March 31					For the period ended Sept 30, 2009
	2005	2006	2007	2008	2009	
Interest From Banks	2.91	-	3.50	15.03	16.58	5.42
Dividend Income	-	0.38	0.41	-	0.23	-
Foreign Exchange Fluctuations	-	-	-	27.35	48.38	-
Total	2.91	0.38	3.91	42.38	65.19	5.42
Note : All the above income are recurring in nature						

ANNEXURE 18

DETAILS OF RELATED PARTY TRANSACTION								
The Company has entered into the following related party transactions. As on 30 September 2009 such parties and transactions are identified as per Accounting Standard 18 issued by Institute of Chartered Accountants of India:								
S.No	Name of the key managerial personnel	Relationship						
1.	Rajesh G. Uchil	Chairman						
2.	M. S. Sayad	Vice Chairman						
3	Harish G. Uchil	Managing Director						
S.No	Companies / Firms in which KMP are interested							
4	Rajesh Uchil & Co.*							
5	Harapa International Pvt. Ltd.							
6	Trikon Electronics Pvt. Ltd.							
7	Aqua Specialized Transport Pvt. Ltd.							
8	Aqua Management Consulting Group Pvt. Ltd.							
9	Aqua Insure Services Pvt. Ltd. **							
10	Aqua PCW Pvt. Ltd.							
11	Lefworld Pvt. Ltd.							
S.No	Relatives of Key Managerial Personnel	Relationship						
12	Parvathi Uchil	Mother of Mr. Rajesh G. Uchil and Mr. Harish G. Uchil						
11	Gopalkrishna G. Uchil	Father of Mr. Rajesh G. Uchil and Mr. Harish G. Uchil						
Details of transactions with related parties								
(Rupees in Lacs)								
Sr. No	Name of the Party	Nature of Transaction	March 31, 2005	March 31, 2006	March 31, 2007	March 31, 2008	March 31, 2009	September 30, 2009
1	Rajesh G. Uchil	Salary	3.00	3.00	18.00	17.00	20.65	16.80
		Loan to Company	25.50	1.85	10.54	224.15	-	-
		Advance / Loan Repayment	0.12	10.50	27.66	197.62	26.14	8.65
		Rent Paid	-	-	-	3.60	4.95	2.24
2	M. S. Sayad	Salary	-	-	-	12.00	20.65	16.80
		Loan to Company	-	-	33.00	-	-	-
		Advance / Loan Repayment	-	-	33.00	-	-	6.34
		Rent Paid	-	-	-	-	15.07	6.26
3	Harish G. Uchil	Salary	3.00	3.00	15.00	14.10	16.99	14.00
		Loan to Company	25.00	16.04	28.62	24.00	-	-
		Advance / Loan Repayment	10.21	-	58.68	22.92	1.85	5.89

		Rent Paid	-	-	-	3.60	4.95	2.24
4	Rajesh Uchil & Co*	Customs Clearance Expenses	144.57	141.50	-	-	-	-
5	Harapa International Pvt. Ltd.	Loan to Company	3.50	18.60	-	-	-	-
		Advance / Loan Repayment	3.50	18.60	-	-	-	-
		Advance for Software Services	-	-	239.81	-	-	22.36
		Purchase of Software	-	-	-	326.56	227.00	-
6	Trikon Electronics Pvt. Ltd.	Software & Internet Services	2.31	-	-	-	-	-
		Import services rendered to Trikon	-	0.28	0.86	-	-	-
		Loan to Company	49.31	-	-	-	-	-
		Advance / Loan Repayment	49.31	-	-	-	-	-
7	Aqua Specialized Transport Pvt. Ltd.	Transport Services	-	-	29.35	17.18	24.30	29.62
		Advance paid to Services	-	-	45.56	148.51	-	56.85
		Share Application Money	-	-	-	-	375.00	240.00
8	Aqua Management Consulting Group Pvt. Ltd.	Advance paid for Services	-	-	-	-	93.90	49.86
		Share Application Money	-	-	-	-	463.25	300.00
9	Aqua Insure Services Pvt. Ltd. **		-	-	-	-	-	-
10	Aqua PCW Pvt. Ltd	Advance / Loan Repayment	-	-	-	-	-	0.18
11	Lefworld Pvt. Ltd.	Advance / Loan Repayment	-	-	-	-	-	2.21
12	Parvathi Uchil	Salary	-	-	0.90	-	-	-
		Rent Paid	-	-	-	0.40	4.80	2.40
13	Gopalkrishna G. Uchil	Salary	3.00	3.00	9.00	8.50	6.85	-
		Loan to Company	-	-	-	1.76	-	-
		Advance / Loan Repayment	-	-	0.05	-	1.76	0.80
		Rent Paid	-	-	-	1.45	3.85	2.10

NOTE	The related party transactions for the period ended 30 September 2009, years ended 31st March 2008 & 31st March 2009 are based on the Audited Financial Statements of the company and for those on years ended 31st March 2005, 2006 and 2007 are based on the information provided by the management.
* Taken over by Aqua Logistics Limited on 31 March 2006	
** Dis-associated on 28 February 2005	

ANNEXURE 19

STATEMENT OF CONTINGENT LIABILITIES						
						(Rupees in Lacs)
Particulars	As at March 31					As at September 30, 2009
	2005	2006	2007	2008	2009	
Claim against the Company not acknowledged as debts	-	-	-	-	89.00	89.00
Bills Discounted	-	-	-	-	993.00	738.00
Total	-	-	-	-	1,082.00	827.00

FINANCIAL INFORMATION OF GROUP COMPANIES

Following are our Group Companies:

1. Harapa International Private Limited;
2. Aqua Specialized Transport Private Limited;
3. Aqua Management Consulting Group Private Limited;
4. Trikon Electronics Private Limited;
5. Lefworld Private Limited
6. Aqua PCW Private Limited

1. HARAPA INTERNATIONAL PRIVATE LIMITED (“HIPL”)

HIPL was incorporated on March 26, 2007 under the Companies Act, 1956 with the Registrar of Companies, Maharashtra, Mumbai. The Corporate Identification Number of the Company is U72200MH2007PTC169187. The Registered Office of HIPL is situated at 5th Floor, B-Wing, Trade Star Building, Andheri Kurla Road, Andheri (East), Mumbai – 400 059, Maharashtra.

Main Objects

To take over the business of Harapa International, a partnership concern, including its profits, assets and employees, bearing its losses and guaranteeing its liabilities and to undertake to be bound by all restrictions, limitations and conditions appertaining to any agreement entered into by the afore-mentioned concern for any purpose whatsoever unless otherwise specified and its existing software technology park unit set up, to undertake or carry on in India or in any part of the World business of designing, developing, buying, acquiring, selling, importing or exporting computer programs/products whether as software or otherwise, to set up and manage one or more than one unit of Software Technology Park of India as 100% export oriented unit for developing and exporting software program/products as per customer's requirements and to organize and undertake business process outsourcing activities.

Current Nature of Activities

HIPL is currently engaged in the business of designing and developing of IT solutions in the area of supply chain management services.

Board of Directors

As on January 06, 2010, the Board of Directors of HIPL are:

Sr. No.	Name	Designation
1.	Mr. Rajesh G. Uchil	Director
2.	Mr. Harish G. Uchil	Director
3.	Mr. M. S. Sayad	Director

Shareholding Pattern

As on January 06, 2010, the shareholding pattern of HIPL is as follows

Sr. No.	Name of Shareholders	Number of Shares	Percentage of share capital (%)
1.	Mr. Rajesh G. Uchil	17,73,602	30
2.	Mr. Harish G. Uchil	17,73,597	30
3.	Mr. M. S. Sayad	17,73,601	30

4.	Ms. Kanchanmala Patil	2,95,600	5
5.	Mr. Anirudha Pradhan	2,95,600	5
	Total	59,12,000	100.00

Audited Financial Information

(Rs. In Lacs)

Particulars	For the period ended March 31, 2009	For the period ended March 31, 2008
Authorised Capital	1000.00	100.00
Equity Capital	591.20	1.20
Reserves and Surplus	-	-
Share Application Money	-	590.00
Misc. Expenditure to the extent not written off	15.12	1.63
Sales	205.71	326.56
Profit / (Loss) after tax	-13.66	-0.17
Earnings per share (Rs.)	-0.23	-1.42
Net Asset Value Per Share (Rs.)	9.74	4,913.08
Face Value	10.00	10.00

Other Disclosures:

The equity shares of HIPL are not listed on any of the Stock Exchanges and it has not made any public/rights issue in last five years. Further, no action has been taken against the company by any Stock Exchange or SEBI.

HIPL is not sick company within the meaning of Sick Industrial Companies (Special Provisions) Act, 1985 and is not under the Board for Industrial and Financial Reconstruction. Further HIPL is not under winding up, neither does it have a negative net – worth.

There are no defaults in meeting any statutory/bank/institutional dues. No proceedings have been initiated for economic offences against HIPL.

2. AQUA SPECIALIZED TRANSPORT PRIVATE LIMITED (“ASTPL”)

ASTPL was incorporated under the Companies Act, *vide* certificate of incorporation no. U63090MH2006PTC162702 dated June 19, 2006, with the Registrar of Companies, Mumbai, Maharashtra. The registered office of ASTPL is situated at 5th Floor, B-Wing, Trade Star Building, Andheri Kurla Road, Andheri (East), Mumbai – 400 059, Maharashtra.

Main Objects

To carry on the business of specialized transportation, loading, unloading of goods, materials or other things in any form i.e. solid, liquid or gaseous, including goods or materials pertaining to heavy engineering projects by road, air, sea or other available means of transport, domestic or international cargo distribution owning, leasing, sub-letting, operation of hydraulic Axle Modular trailers, Volvo Prime Movers, Flat Bed Mechanical Trailers with triple axle and 70' length, Semi Low Bed Mechanical Trailers with double axle and 40 bed length, Flat bed long trailers, other means of transport, machinery or equipments, marine containers including refrigerated containers, ventilated containers; Acting as Clearing and Forwarding agents and either be sub-contracting or performing the activity independently; canvassing of Import/Export shipments; warehousing, storing and packing them; warehousing activities owing and/or operating/ or managing, Container Freight Stations, undertaking necessary custom formalities; owning or sub-contracting or hiring Transport and Handling equipment for break-bulk as also for containers.

Current Nature of Activities

ASTPL is currently engaged in the business of specialized heavy and over dimensional cargo transportation, loading, unloading of goods, materials or other things in any form.

Board of Directors

As on January 06, 2010, the Board of Directors of ASTPL are:

Sr. No.	Name	Designation
1.	Mr. Rajesh G. Uchil	Director
2.	Mr. Harish G. Uchil	Director
3.	Mr. M. S. Sayad	Director
4.	Mr. Narendra Goswami	Director
5.	Mr. Mithraraj Raghvan	Director
6.	Mr. Prasanna Yedekar	Director

Shareholding Pattern

As on January 06, 2010, the shareholding pattern of ASTPL is as follows

Sr. No.	Name of Shareholders	Number of shares	Percentage of Share Capital (%)
1	Aqua Logistics Limited	7,50,000	38.28
2	Mr. Rajesh G. Uchil	3,18,400	16.24
3	Mr. M. S. Sayad	3,18,400	16.24
4	Mr. Harish G. Uchil	3,18,400	16.24
5	Mr. Narendra M. Goswami	1,96,000	10.00
6	Mr. Mitraraj Raghavan	58,800	3.00
	Total	1,960,000	100.00

Audited Financial Performance

(Rs. In Lacs)

Particulars	For the FY ended March 31		
	2009	2008	2007
Authorised Capital	300.00	1.00	1.00
Equity Capital	121.00	1.00	1.00
Reserves and Surplus	17.18	7.05	2.49
Share Application Money	255.00	27.00	27.00
Misc. Expenditure to the extent not written off	19.57	18.75	29.27
Sales	1092.40	720.78	184.29
Profit / (Loss) after tax	10.13	4.56	2.49
Earnings per share (FV of Rs.10 each)	0.84	45.60	24.90
Net Asset Value Per Share (Rs.)	30.88	163.00	12.20
Face Value	10.00	10.00	10.00

Other disclosures:

The equity shares of ASTPL are not listed on any of the Stock Exchanges and it has not made any public/rights issue in last five years. Further, no action has been taken against the company by any Stock Exchanges or SEBI.

ASTPL is not sick company within the meaning of Sick Industrial Companies (Special Provisions) Act, 1985 and is not under the Board for Industrial and Financial Reconstruction. Further ASTPL is not under winding up, neither does it have a negative net – worth.

There are no defaults in meeting any statutory/bank/institutional dues. No proceedings have been initiated for economic offences against ASTPL.

3. AQUA MANAGEMENT CONSULTING GROUP PRIVATE LIMITED (“AMCGPL”)

AMCGPL was incorporated under the Companies Act, *vide* certificate of incorporation no. U74900MH2008PTC182516 dated May 21, 2008, with the Registrar of Companies, Mumbai, Maharashtra. The registered office of ASTPL is situated at 5th Floor, B-Wing, Trade Star Building, Andheri Kurla Road, Andheri (East), Mumbai – 400 059, Maharashtra.

Main Objects

To carry on the business in India and/or abroad to provide multiple management consulting advisory services in business strategies, supply chain optimization, business process improvement, IT strategy and planning, product and tool/software development; to implement IT recommendations to performance, audits and management; to provide consultancy in product development, sourcing and procurement, manufacturing, supply chain management service management, strategy, organization design, process improvement, business technology alignment, change management, performance management, program management, globalisation, innovation, revenue growth, asset utilization, cost reduction, customer experience; to offer end to end consultancy on industry verticals such as aerospace and defence, automotive, banking, financial services, Insurance sectors, chemicals & fertilizers, energy & utilities, electronic, high-tech & telecommunications, media and entertainment, manufacturing & industrial goods, metals & mining, pharmaceuticals & health care, Public sector, Pulp & Paper, Oil & Gas, Retail & Consumer Packaged Goods, Travel & Transportation to global organizations.

Current Nature of Activities

AMCGPL is currently engaged in the business of providing supply chain management consulting & advisory services.

Board of Directors

As on January 06, 2010, the Board of Directors of AMCGPL are:

Sr. No.	Name	Designation
1.	Mr. Rajesh G. Uchil	Director
2.	Mr. Harish G. Uchil	Director
3.	Mr. M.S. Sayad	Director

Shareholding Pattern

As on January 06, 2010, the shareholding pattern of AMCGPL is as follows

Sr. No.	Name of Shareholders	Number of shares	Percentage of share capital (%)
1.	Aqua Logistics Limited	140,000	48.28
2.	Employees*	40,500	13.97
3.	Mr. Rajesh G. Uchil	36,500	12.59
4.	Mr. Harish G. Uchil	36,500	12.59
5.	Mr. M. S. Sayad	36,500	12.59
	Total	290,000	100.00

**None of our employees hold more than 10% equity shares in AMCGPL.*

Financial Performance

Particulars	For the FY ended March 31
	2009
Authorised Capital	100.00
Equity Capital	29.00
Reserves and Surplus	22.75
Share Application Money	463.25
Misc. Expenditure to the extent not written off	243.19
Income	19.85
Profit / (Loss) after tax	-243.19
Earnings per share (FV of Rs.10 each)	-83.86
Net Asset Value Per Share (Rs.)	431.14
Face Value	10.00

Other disclosures

The equity shares of AMCGPL are not listed on any of the Stock Exchanges and it has not made any public/rights issue in last five years. Further, no action has been taken against the company by any Stock Exchange or SEBI.

AMCGPL is not sick company within the meaning of Sick Industrial Companies (Special Provisions) Act, 1985 and is not under the Board for Industrial and Financial Reconstruction. Further AMCGPL is not under winding up, neither does it have a negative net – worth.

There are no defaults in meeting any statutory/bank/institutional dues. No proceedings have been initiated for economic offences against AMCGPL.

4. TRIKON ELECTRONICS PRIVATE LIMITED (“TEPL”)

TEPL was incorporated on June 04, 1992 under the Companies Act, 1956 with the Registrar of Companies, Maharashtra, Mumbai. The Corporate Identification Number is U32109MH1992PTC067075. The Registered Office of TEPL is situated at 101, 1st Floor, Sarvesh Apartment, Bhawani Shankar Road, Dadar (West), Mumbai – 400 028, Maharashtra.

Main Object

To carry on the business as Internet Service Providers, Information Technology providers, Software Developers, ecommerce solution providers, Manufacturers, Importers, Exporters and Dealers of Electrical and Electronic Components of all kinds and description including Audio Effects Processors and other related Audio equipment's such as Pre-Amplifiers Power amplifiers and all or any type of Industrial & Power Electronics, Digital Electronics, Micro-processors base system, Telecommunications.

Current Nature of Activities

TEPL is primarily engaged in the business of Internet Service Providers, Information Technology providers, Software Developers, ecommerce solution providers, Manufacturers, Importers, Exporters and Dealers of Electrical and Electronic Components.

Board of Directors

As on January 06, 2010, the Board of Directors of TEPL are:

Sr. No.	Name	Designation
1.	Mr. Deven Verma	Director
2.	Mr. Rajesh G. Uchil	Director
3.	Mr. Harish G. Uchil	Director

Shareholding Pattern

As on January 06, 2010, the shareholding pattern of TEPL is as follows

Sr. No.	Name of Shareholders	Number of shares	Percentage of share capital [%]
1.	Mr. Deven Verma	1,10,000	50.00
2.	Mr. Rajesh G. Uchil	55,000	25.00
3.	Mr. Harish G. Uchil	55,000	25.00
	Total	2,20,000	100.00

Financial Performance

(Rs. In Lacs) Audited

Particulars	For the FY ended March 31		
	2009	2008	2007
Authorised Capital	25.00	25.00	25.00
Equity Capital	22.00	22.00	22.00
Reserves and Surplus	-26.45	-27.28	1.12
Share Application Money	14.82	14.82	14.82
Misc. Expenditure to the extent not written off	46.60	-	0.01
Income	163.86	218.37	285.05
Profit / (Loss) after tax	0.83	-28.41	6.88
Earnings per share (FV of Rs.10 each)	0.38	-12.91	3.13
Net Asset Value Per Share (Rs.)	-16.47	4.34	17.24
Face Value	10.00	10.00	10.00

Other disclosures

The equity shares of TEPL are not listed on any of the Stock Exchanges and it has not made any public/rights issue in last five years. Further, no action has been taken against the company by any Stock Exchange or SEBI.

TEPL is not sick company within the meaning of Sick Industrial Companies (Special Provisions) Act, 1985 and is not under the Board for Industrial and Financial Reconstruction. Further TEPL is not under winding up, neither does it have a negative net – worth.

There are no defaults in meeting any statutory/bank/institutional dues. No proceedings have been initiated for economic offences against TEPL.

5. LEFWORLD PRIVATE LIMITED (“LPL”)

LPL was incorporated on June 15, 2009 under the Companies Act, 1956 with the Registrar of Companies, Maharashtra, Mumbai. The Corporate Identification Number is U63000MH2009PTC193310. The Registered Office of LPL is situated at 5th Floor, B – Wing, Trade Star Building, Andheri Kurla Road, Andheri (East), Mumbai – 400 059, Maharashtra. The Company has yet to commence operations.

Main Objects

To carry out business of Knowledge creation, by research, development and design of processes and best practices, VAS, Technology, and shared services in the area of supply chain management and logistics, knowledge transfer and consultation in the area of supply chain and logistics, to design and implement quality and capability benchmarking and ratings for logistics service providers and make them available, to create networks of logistics, service provider and facilitate relationships between them to create networks of vendors, consultants, intermediaries and other such service providers to logistics service providers, and facilitate relationships between them, to create a technology platform for business-to-business, communication and transaction between logistics service providers, to create training infrastructure, including pedagogy and technology platform, for training human resources in process, best practices, VAS, technology and shared services.

Current Nature of Activities

The Company is yet to commence business.

Board of Directors

As on January 06, 2010, the Board of Directors of LPL are:

Sr. No.	Name	Designation
1.	Mr. Rajesh G. Uchil	Director
2.	Mr. M.S. Sayad	Director
3.	Mr. Harish G. Uchil	Director
4.	Mr. Ramashish Bhutada	Director

Shareholding Pattern

As on January 06, 2010, the shareholding pattern of LPL is as follows

Sr. No.	Name of Shareholders	Number of shares	Percentage of share capital (%)
1	Mr. M.S. Sayad	2,500	25.00
2	Mr. Rajesh G. Uchil	2,500	25.00
3	Mr. Harish G. Uchil	2,500	25.00
4	Mr. Ramashish Bhutada	2,500	25.00
	Total	10,000	100.00

Financial Performance

Since this is the first year of Incorporation of the company, there are no financial statements prepared.

Other disclosures

The equity shares of LPL are not listed on any of the Stock Exchanges and it has not made any public/rights issue in last five years. Further, no action has been taken against the company by any Stock Exchange or SEBI.

LPL is not sick company within the meaning of Sick Industrial Companies (Special Provisions) Act, 1985 and is not under the Board for Industrial and Financial Reconstruction. Further TEPL is not under winding up, neither does it have a negative net – worth.

There are no defaults in meeting any statutory/bank/institutional dues. No proceedings have been initiated for economic offences against LPL.

6. AQUA PCW PRIVATE LIMITED (“APCWPL”)

APCWPL was incorporated on August 29, 2009 under the Companies Act, 1956 with the Registrar of Companies, Maharashtra, Mumbai. The Corporate Identification Number is U63090MH2009PTC195322. The Registered Office of APCWPL is situated at 5th Floor, B – Wing, Trade Star Building, Andheri Kurla Road, Andheri (East), Mumbai – 400 059, Maharashtra. The Company has yet to commence operations.

Main Objects

1. To carry on the business of storage, warehousing, transportation and handling of all kinds of cargo, whether containerized or not from any port station to any container freight station or to any inland container depot and freight carriers, transportation of goods, animals or passengers from place to place either by land or by air, sea or partly by sea and partly by land or air, whether by means of motor vehicles or aeroplanes or other means of transport.
2. To do the business of handling cargo containers and management of terminals and storage of goods of any nature whatsoever at any place or sites owned or leased and for that purpose to acquire machinery of all kinds and to do that end act as terminal operators, cartage contractors, tally contractors, stevedores bargemen, wharbingers, warehousemen, packers, hauliers, store-keepers, cargo superintendents, clearing, forwarding and transporting agents consolidators and Break Bulk Agents or indulge in any other form of activity in pursuance of such business.

Current Nature of Activities

The company is yet to commence business.

Board of Directors

As on January 06, 2010, the Board of Directors of APCWPL are:

Sr. No.	Name	Designation
1.	Mr. Rajesh G. Uchil	Director
2.	Mr. Harish G. Uchil	Director
3.	Mr. Anjaney V. Bhutada	Director
4.	Mr. M.S. Sayad	Director
5.	Mr. Ramkumar S. Nair	Director
6.	Mr. Radhakrishnan Krishnan Kutty	Director

Shareholding Pattern

As on January 06, 2010, the shareholding pattern of APCWPL is as follows

Sr. No.	Name of Shareholders	Number of shares	Percentage of share capital [%]
1.	Mr. Rajesh G. Uchil	2,500	25.00%
2.	Mr. M.S. Sayad	2,500	25.00%
3.	Mr. Harish G. Uchil	2,500	25.00%
4.	Mr. Anjaney V. Bhutada	750	7.50%
5.	Mr. Radhakrishnan K. Kutty	1,000	10.00%
6.	Mr. Ramkumar S. Nair	750	7.50%

	Total	10,000	100.00
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Financial Performance

Since this is the first year of incorporation of the company, there are no financial statements prepared.

Other disclosures

The equity shares of APCWPL are not listed on any of the Stock Exchanges and it has not made any public/rights issue in last five years. Further, no action has been taken against the company by any Stock Exchange or SEBI.

APCWPL is not sick company within the meaning of Sick Industrial Companies (Special Provisions) Act, 1985 and is not under the Board for Industrial and Financial Reconstruction. Further APCWPL is not under winding up, neither does it have a negative net – worth.

There are no defaults in meeting any statutory/bank/institutional dues. No proceedings have been initiated for economic offences against APCWPL.

DETAILS ABOUT COMPANIES/FIRMS FROM WHICH PROMOTERS HAVE DISASSOCIATED DURING THE LAST THREE YEARS

Except as stated herein our Promoters have not disassociated themselves from any of the companies/firms during preceding three years.

Sr. No.	Name of the Company	Name of the Promoter (s)	Date of Disassociation	Reasons for Disassociation	Terms of Disassociation, if any.
1.	Reigns Infotech Private Limited, Mumbai	Mr. Rajesh G. Uchil	January 28, 2009	To focus on the logistics business of our Company.	N.A.
2.	Aqua Global Supply Chain Management Pty. Ltd., Australia	Mr. Rajesh G. Uchil, Mr. M.S. Sayad	July 29, 2009	Due to then prevailing adverse economic conditions.	N.A.

Common Pursuits

Our Promoter Group Companies Aqua Management Consulting Group Private Limited, Lefworld Private Limited and Aqua PCW Private Limited, have some of the objects similar to that of our Company's business. Further, Aqua Specialized Transport Private Limited is currently engaged in the business of transportation, loading, unloading of goods, materials or other things in any form. As on the date of filing the Red Herring Prospectus, the aforesaid entities are not carrying any business competing with that of our Company.

Sales or Purchases between Companies in the Group

There have been no sales or purchases between companies in the Group exceeding in value in the aggregate 10% of the total sales or purchases of the Company, except those transactions mentioned under *Related Party Transactions*, "Annexure 18" beginning on page 175 under Chapter titled "Auditors' Report and Financial Information of our Company" beginning on page 151 of the Red Herring Prospectus.

Business Interests amongst our Company and Group Companies /Associate Companies

Except as mentioned under *Related Party Transactions*, “Annexure 18” beginning on page 175 under Chapter titled “Auditors’ Report and Financial Information of our Company” there is no business interest amongst Group Companies.

Changes in Accounting Policies in the last three years

Except as mentioned under the paragraph *Changes in Significant Accounting Policies*, “Annexure 6” beginning on page 162 under Chapter titled “Auditors’ Report and Financial Information of our Company” beginning on page 151 of the Red Herring Prospectus, there have been no changes in the accounting policies in the last three years.

MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS AS REFLECTED IN THE FINANCIAL STATEMENTS

You should read the following discussion and analysis of our financial condition and results of operations together with our financial statements included in this Red Herring Prospectus. You should also read the *Section titled 'Risk Factors' beginning on page 12 of the Red Herring Prospectus*, which enumerates number of factors and contingencies that could impact our financial condition and results of operations. The following discussion relates to our Company on a standalone basis, and unless otherwise stated, is based on our restated unconsolidated financial statements, which have been prepared in accordance with Indian GAAP, the accounting standards and other applicable provisions of the Companies Act, 1956, and the SEBI (ICDR) Regulations, 2009. Our Financial year ends on March 31 of each year.

Business Overview

Our Company is a full-scope 3 PL (third-party logistics service provider), delivering end-to-end solutions in the logistics and supply chain domain to our customers. Our capabilities include supply chain consulting, logistics execution and project logistics. Our operations and consulting teams, deliver logistics solutions, to our client's by aligning the strategic and the operational perspectives.

As an external service provider our ambit of services covers critical services which are required to execute end-to- end logistic needs. These include Multimodal Transportation, Contract Logistics, Regulatory Compliance, Warehousing, Value Added Services and Project Logistics.

Our Company is headquartered in Mumbai and has presence in major locations such as New Delhi, Chennai, Bangalore, Ludhiana, Baroda, Cochin and Pune. Our international logistics operations are supported by a network of 3PL partners and vendors that enables us to service client requirements across India and abroad as well. We deliver international logistic services by using air, sea and surface, as modes of transportation. Our regulatory compliance services include customs and industry-specific regulations. We have a Multi-Modal Transport Operator's License, an IATA Accreditation and a Custom House Agent's License for servicing our customers' requirements.

Over and above our execution capabilities, we have built vertical focus in our Company, by leveraging the domain expertise which has been nurtured over the years. We have been able to deliver specific logistics requirements in a various industry verticals such as Power, Heavy Engineering, Pharmaceutical, Telecom, Retail, Sports and Events.

Our contract logistics solutions are designed by the combination of our consulting and logistics services, such as order management, shipment management, customs management, warehouse and inventory management, sales order management and reverse logistics. These solutions are designed to manage inbound and outbound logistics activities in in-plant and outsourced facilities of customers, thereby allowing customers to concentrate on their core competencies.

We are able to address important areas in the business value chain and our associate companies help in the translation of our understanding into solutions for an optimized and organized supply chain for our customers. The value we provide is in an optimal mix of solution design and service execution with our Group Companies in Supply Chain Consulting (through Aqua Management Consulting Group Private Limited), Last Mile Project execution and Specialized Transport (through Aqua Specialized Transport Private Limited) and Supply Chain IT (Harapa International Private Limited) which complete the bouquet of end-to-end offerings to our customers. Project execution through these Group Companies help us offer and deliver customised services to our customers.

Significant developments subsequent to the last financial year:

After the date of last financial year i.e. March 31, 2009, the Directors of our Company confirm that in their opinion, there have not been any significant material developments.

Key factors affecting the results of operation:

Our Company's future results of operations could be affected potentially by the following factors:

- Non-receipt of pending approvals.
- Prevailing trends in the industry in which we operate.
- Increase in the prices of fuel and other intermediate services both in domestic and international markets.
- Company's ability to successfully implement their marketing, business and growth strategies.
- Changes, if any, in the regulations / regulatory framework / economic policies in India and / or in foreign countries, which affect international trade.
- Relationship with Airlines/Shipping Lines: is crucial for our business since they are the carriers of cargo for our business. We share an excellent rapport with most of the carriers.
- Agents Network: Wide agent's network is one of the important factors for the success of our business. Our international agent network coverage spans across US, Europe and Asia.
- Foreign exchange rate fluctuations

Discussion on Results of Operation:

The following discussion on results of operations should be read in conjunction with the audited financial results of our Company for the 6 months period ended September 30, 2009 and years ended 31st March, 2006, 2007, 2008 & 2009.

OUR SIGNIFICANT ACCOUNTING POLICIES

For Significant accounting policies please refer *Significant Accounting Policies, "Annexure 3" beginning on page 156 under Chapter titled "Auditors' Report and Financial Information of our Company" beginning on page 151 of the Red Herring Prospectus.*

Revenue Break up

(Rs. in Lacs)								
Particulars	FY06		FY07		FY08		FY09	
Freight Services	956.83	100.00%	4,016.00	93.35%	9,859.40	90.47%	19,539.81	91.56%
Contract Logistics	--	--	90.30	2.10%	441.24	4.05%	621.05	2.91%
Projects	--	--	195.90	4.55%	597.90	5.49%	1,179.19	5.53%
Total Revenue	956.83	100.00%	4,302.20	100.00%	10,898.54	100.00%	21,340.05	100.00%

(Rs. Lacs)		
Particulars	For 6 months ended September 30, 2009	
Freight Services	13849.07	89.93%
Contract Logistics	457.38	2.97%
Projects	1093.39	7.10%
Total Revenue	15399.84	100.00%

RESULTS OF OUR OPERATIONS

Financials till September 30, 2009

(Rs. in Lacs)		
<u>Particulars</u>	<u>6 Months</u>	<u>% of Turnover</u>
<u>Income from Operations</u>	<u>15399.84</u>	
<u>Total Income</u>	<u>15405.26</u>	
<u>Expenditure excl. Depreciation and Interest</u>	<u>13525.34</u>	87.83
<u>Depreciation</u>	<u>70.75</u>	0.46
<u>Interest</u>	<u>296.98</u>	1.93
<u>Profit before Tax</u>	<u>1367.45</u>	8.88
<u>Profit after Tax</u>	<u>836.46</u>	5.43

Revenue from Operations:

The Income from operations for the period ended September 30, 2009 is Rs. 15,399.84 Lacs. Income from freight services during the period ended September 30, 2009 was Rs. 13849.07 Lacs. Further, during the period ended September 30, 2009 the revenue from Contract Logistics and Project logistics was Rs. 457.38 Lacs and Rs. 1093.39 Lacs respectively.

Expenditure:

Operating Cost

During the period ended September 30, 2009, the operating cost was Rs. 12,644.17 Lacs. Also, the percentage of operating cost to the operating revenue during the period ended September 30, 2009 was 82.11%. Operating costs mainly consist of multi-mode freight charges, custom clearance charges, warehousing charges and documentation charges amongst others, increased in line with the increase in income from operations.

Staff Cost:

Staff Cost for the period ended September 30, 2009 was Rs. 506.21. The staff cost stood at 3.29% of the total operational income.

Administrative and other Expenses:

Administrative Expenses for the period ended September 30, 2009 was Rs. 374.95. This accounts to 2.43% of the total operational income.

Depreciation:

Depreciation on fixed assets was Rs. 70.75 Lacs which is 0.46% of income from operations during the period ended September 30, 2009.

Interest and Financial Charges:

Interest and Financial Charges for the period ended September 30, 2009 was Rs. 296.98 Lacs which is 1.93% of income from operations. Interest and Financial expenses mainly includes interest, bank charges, processing charges and syndication fees. The working capital loans outstanding as on March 31, 2009 stood at Rs. 2966.34 Lacs and as on September 30, 2009 stood at Rs. 3076.08 Lacs.

Profit after Tax:

PBDIT for the period ended September 30, 2009 was Rs. 1,879.92 which is 12.21% of the total operational income. PAT for the period ended September 30, 2009 was Rs. 836.46 which is 65.43% of the total income from operations. During the year ended March 2009, the PAT margin was 4.61% to the total income for the corresponding year. The increase in PAT Margin was due to the increased operations, optimising the resources and removal of Fringe Benefit Tax.

(Rs. in Lacs)				
Particulars	31-Mar-06	31-Mar-07	31-Mar-08	31-Mar-09
Income				
Income from Operations	956.83	4,302.20	10,898.54	21,340.05
Increase/Decrease (%)		349.63%	153.32%	95.81%
Other Income	0.38	3.91	42.38	65.19
Increase/Decrease (%)		928.95%	983.89%	53.82%
Total Income	957.21	4,306.11	10,940.92	21,405.24
Increase/Decrease (%)		349.86%	154.08%	95.64%
Expenditure				
Operating Cost	789.82	3,334.22	8,431.02	17,548.96
Increase/Decrease (%)		322.15%	152.86%	108.15%
% to Income from Operations	82.55%	77.50%	77.36%	82.23%
Staff Cost	58.50	288.67	763.00	1,057.86
Increase/Decrease (%)		393.45%	164.32%	38.64%
% to Income from Operations	6.11%	6.71%	7.00%	4.96%
Administrative & Other Expenses	63.12	199.50	428.33	498.40
Increase/Decrease (%)		216.06%	114.70%	16.36%
% to Income from Operations	6.60%	4.64%	3.93%	2.34%
Total Expenditure	911.44	3,822.39	9,622.35	19,105.22
Increase/Decrease (%)		319.38%	151.74%	98.55%
% to Income from Operations	95.26%	88.85%	88.29%	89.53%
PBIDT	45.77	483.72	1,318.57	2,300.02
Increase/Decrease (%)		956.85%	172.59%	74.43%
% to Income from Operations	4.78%	11.24%	12.10%	10.78%
Depreciation	6.64	10.13	56.53	113.92
Increase/Decrease (%)		52.56%	458.05%	101.52%
% to Income from Operations	0.69%	0.24%	0.52%	0.53%
Profit Before Interest and Tax	39.13	473.59	1,262.04	2,186.10
Increase/Decrease (%)		1110.30%	166.48%	73.22%
% to Income from Operations	4.09%	11.01%	11.58%	10.24%
Interest & Financial Charges	5.16	79.05	382.44	474.71
Increase/Decrease (%)		1431.98%	383.80%	24.13%
% to Income from Operations	0.54%	1.84%	3.51%	2.22%

Profit after Interest and Before restatement	33.97	394.54	879.60	1,711.39
Net impact of material restatement	110.00	10.44	(1.31)	131.09
Profit before Taxation as restated	(76.03)	384.10	880.91	1,580.30
Increase/Decrease (%)		605.19%	129.34%	79.39%
% to Income from Operations	-7.95%	8.93%	8.08%	7.41%
Tax Effect	10.25	103.07	318.15	596.50
Increase/Decrease (%)		905.56%	208.67%	87.49%
% to Income from Operations	1.07%	2.40%	2.92%	2.80%
Profit After Tax	(86.28)	281.03	562.76	983.80
Increase/Decrease (%)		425.71%	100.25%	74.82%
% to Income from Operations	-9.02%	6.53%	5.16%	4.61%
Effective Tax Rate		26.83%	36.12%	37.75%

Comparison of FY 2009 with FY 2008:

Revenue from Operations

The Income from operations for the FY 2009 is Rs. 21,340.05 Lacs as compared to Rs. 10898.54 Lacs during the FY 2008 showing increase of 95.81%. The increase in revenue is mainly due to increase in revenue from freight forwarding services and project logistics. This increase is mainly attributable to the capability build-up by our company in the previous years, addition of new clients and the capital infusion to increase our operations.

Income from freight services during FY 2009 was Rs. 19539.81 Lacs as compared to that of Rs. 9859.40 Lacs during FY 2008 showing an increase of 98.18%. Further, during FY 2009 the revenue from Contract Logistics and Project logistics was Rs. 621.05 Lacs and Rs. 1179.19 Lacs respectively. During FY 2008 the revenue from Contract Logistics and Project logistics was Rs. 441.24 Lacs and Rs. 597.90 Lacs respectively.

Expenditure:

Operating Cost

Operating cost increased from Rs. 8431.02 Lacs for the FY 2008 to Rs. 17548.96 Lacs for FY 2009 showing an increase of 108.15%. Operating costs mainly consist of multi-mode freight charges, custom clearance charges, warehousing charges and documentation charges amongst others, increased in line with the increase in income from operations.

Operating expenses as percentage of income from operations was 77.36% for FY 2008 and it increased to 82.23% for FY 2009. This increase was mainly due to addition of large and high volume clients on competitive terms.

Staff Cost

Staff Cost increased from Rs. 763.00 Lacs for the year ended March 31, 2008 to Rs. 1057.86 Lacs for FY 2009 showing an increase of 38.64%, mainly on account of increase in operations. However we were able to restrict the staff cost due to rationalisation of the same on account of existing global uncertainty and downturn. Staff cost stood at 7.00% and 4.96% of income from operations for FY 2008 and FY 2009 respectively.

Administrative and other Expenses

Administrative Expenses increased from Rs. 428.33 Lacs for the year ended March 31, 2008 to Rs. 498.40 Lacs for FY 2009 showing increase of 16.36%. This moderate increase was mainly due to increase in office expenses, rent and facilities charges, repairs and maintenance, communication expenses, travelling expenses etc. During FY 2009, the administrative and other expense was 2.34% of income from operations as against 3.93% during FY 2008.

Profit before Depreciation, Interest and Tax (PBDIT)

PBDIT increased from Rs. 1318.57 Lacs for the year ended March 31, 2008 to Rs. 2300.02 Lacs showing the increase of 74.43%, mainly on account of increase in operations. During FY 2009, our Company recorded PBDIT of 10.78% of the income from operations as against 12.10% during FY 2008. The reduction in operating margin is due to increase in operating cost.

Depreciation

Depreciation on fixed assets was 0.53% of income from operations during FY 2009 as compared to 0.52% during FY 2008. The total depreciation during FY 2008 was Rs. 56.53 Lacs and during FY 2009 it was Rs. 113.92 Lacs. This increase was mainly due to additions in the fixed assets like computers, software, furniture & fixtures, vehicles etc. The gross block of assets in FY 2008 was Rs. 974.80 Lacs, which increased to Rs. 1450.96 Lacs in FY 2009.

Interest and Financial Charges

Interest and Financial Charges increased from Rs. 382.44 Lacs for FY 2008 to Rs. 474.71 Lacs for the FY 2009 showing the increase of 24.13%. Interest and Financial expenses mainly includes interest, bank charges, processing charges and syndication fees, which accounted for 2.22% of income from operations during FY 2009 as against 3.51% in the year 2008. The absolute increase is attributed to increase in the utilisation of working capital due to increase in operations. Working capital loans outstanding as on March 31, 2008 stood at Rs. 704.86 Lacs and as on March 31, 2009 it stood at Rs. 2966.34 Lacs.

Profit after Tax

PAT increased from Rs. 562.76 Lacs for the FY 2008 to Rs. 983.80 Lacs in FY 2009 due to increase in income from operations. During FY 2009, our Company recorded PAT margin of 4.61% as against 5.16% for FY 2008. Decrease in PAT Margin was due to increase in operating cost and increase in the effective tax rate. The effective tax rate for FY 2008 was 36.12% and for FY 2009 it was 37.75%.

Investments

As at March 31, 2009 the total investments made by the Company stood at Rs. 246.43 Lacs as compared to Rs. 1.38 Lacs as at March 31, 2008. During FY 2008-09 the Company made investments in shares (unquoted and quoted) aggregating Rs. 246.43 Lacs in the following a) Rs. 36.75 Lacs into the Group Company, Aqua Management Consulting Group Private Limited, b) Rs. 100.00 Lacs in Maryada Barter Private Limited c) Rs. 1.38 Lacs into Abhyudaya Co-operative Bank Limited and d).Rs. 108.30 Lacs in the equity shares of listed companies.

Secured Loans

As at March 31, 2009 the outstanding Secured Loans stood at Rs. 3972.78 Lacs as compared to Rs. 745.77 Lacs as at March 31, 2008. The increase was mainly due to a fresh secured overdraft

facility of Rs. 2966.34 Lacs from Bank of India to meet the increased working capital requirements of the Company due to the increase in business operations. Further, the Company has also availed deposit loan of Rs. 201.97 Lacs from Yes Bank and Rs. 773.46 Lacs from Canara Bank for working capital purposes. The increase in business operations is reflected in the fact that, the Income from operations increased to Rs. 21,340.05 Lacs for FY 2009 as compared to Rs. 10,898.54 Lacs for FY 2008.

Comparison of FY 2008 with FY 2007

Revenue from Operations

The Income from operations for the FY 2008 was Rs. 10898.54 Lacs as compared to Rs. 4,302.20 Lacs during the FY 2007 showing an increase of 153.32%. This increase was attributable to the expansion of our activities to cover South India and also due to customer entrenchment (repeat business). The increase in revenue was mainly due to increase in revenue from freight forwarding which increased from Rs. 4016.00 Lacs for FY 2007 to Rs. 9859.40 Lacs for FY 2008 showing an increase of 145.50%. Further, during FY 2008 the revenue from Contract Logistics and Project logistics was Rs. 441.24 Lacs and Rs. 597.90 Lacs respectively. During FY 2007 the revenue from Contract Logistics and Project logistics was Rs. 90.30 Lacs and Rs. 195.90 Lacs respectively.

Expenditure

Operating Cost

Operating cost increased from Rs. 3334.22 Lacs for the FY 2007 to Rs. 8431.02 Lacs for FY 2008 showing an increase of 152.86%. Operating costs, which mainly consist of Freight charges and Custom clearance charges increased in line with increase in income from operations. Operating expenses as percentage of income from operations was at about same level. It was 77.50% for FY 2007 and 77.36% for FY 2008.

Staff Cost

Staff Cost increased from Rs. 288.67 Lacs for the year ended March 31, 2007 to Rs. 763.00 Lacs for FY 2008 registering an increase of 164.32%, which was mainly on account of increase in operations and expansion of business in South India. This cost stood at 6.71% and 7.00% of income from operations for FY 2007 and FY 2008 respectively.

Administrative and other Expenses

Administrative Expenses increased from Rs. 199.50 Lacs for the year ended March 31, 2007 to Rs. 428.33 Lacs for FY 2008, increasing by of 114.70%. The increase was mainly due to increase in office expenses, rent and facilities charges, repairs and maintenance, communication expenses, travelling expenses, legal and professional fees etc. During FY 2008, the administrative and other expense was 3.93% of income from operations as against 4.64% during FY 2007.

Profit before Depreciation, Interest and Tax (PBDIT)

PBDIT increased from Rs. 483.72 Lacs for the year ended March 31, 2007 to Rs. 1318.57 Lacs showing the increase of 172.59%. During FY 2008, our Company recorded PBDIT of 12.10% of the income from operations as against 11.24% during FY 2007. The increase was due to better purchasing/bargaining power, economies of scale and better efficiency. During FY 2008, our Company expanded its presence in South India. The increase in the operating profit margin is

also attributed to the decrease in administrative and other expense as percentage to income from operations.

Depreciation

Depreciation on fixed assets was 0.52% of income from operations during FY 2008 as compared to 0.24% during FY 2007, which was on account of increase in gross block of fixed assets from Rs. 552.73 Lacs in FY 2007 to Rs. 974.80 Lacs in FY 2008. The total depreciation during FY 2007 was Rs. 10.13 Lacs and during FY 2008 it was Rs. 56.53 Lacs.

Interest and Financial Charges

Interest and Financial Charges increased from Rs. 79.05 Lacs for FY 2007 to Rs. 383.44 Lacs for the FY 2008 registering an increase of 383.80%. Interest and Financial expenses accounted for 3.51% of income from operations during FY 2008 as against 1.84% in the year 2007.

The increased interest and financial costs is attributed to increase in the utilisation of working capital due to increase in operations. Interest and Financial Charges also includes the cost of raising private equity capital and debt syndication fees during the year.

Profit after Tax

PAT increased from Rs. 281.03 Lacs in FY 2007 to Rs. 562.76 Lacs in FY 2008 on account of increase in income from operations. During FY 2008, our Company recorded PAT margin of 5.16% of the income from operations as against 6.53% for FY 2007. This reduction in margin was due to increase in operating cost, interest and financial charges and effective tax rate. Effective tax rate for FY 2007 was 26.83% and for FY 2008 it was 36.12%.

Comparison of FY 2007 with FY 2006

Revenue from Operations

The Income from operations for the FY 2007 was Rs. 4,302.20 Lacs as compared to 956.83 Lacs during the FY 2006 showing an increase of 349.63%. During FY 2006, our Company undertook growth initiatives to expand its operations in North India in addition to Western region, the benefits of which were derived in FY 2007 in the form of increased customer base. Our Company also increased and strengthened its global agent network. The revenue increase was mainly from freight forwarding operations which stood at Rs. 4016.00 Lacs for FY 2007 vis-à-vis Rs. 956.83 Lacs for FY 2006, registering an increase of 319.72%.

During FY 2007 the revenue from Contract Logistics and Project logistics was Rs. 90.30 Lacs and Rs. 195.90 Lacs respectively.

Expenditure:

Operating Cost

Operating cost increased from Rs. 789.82 Lacs for the FY 2006 to Rs. 3334.22 Lacs for FY 2007 showing an increase of 322.15%. Operating cost, which mainly consists of Freight charges and Custom clearance charges, increased in line with increase in revenue.

Operating expenses as percentage of income from operations decreased from 82.55% for FY 2006 to 77.50% for FY 2007. This decrease was due to better purchasing/bargaining power, economies of scale.

Staff Cost

Staff Cost increased from Rs. 58.50 Lacs for the year ended March 31, 2006 to Rs. 288.67 Lacs for FY 2007 showing an increase of 393.45%. This increase in staff cost is commensurate with the increase in operations of our Company due to expansion of operation in North and Western regions. This cost stood at 6.11% and 6.71% of total sales for FY 2006 and FY 2007 respectively.

Administrative and other Expenses

Administrative Expenses increased from Rs. 63.12 Lacs for the year ended March 31, 2006 to Rs. 199.50 Lacs for FY 2007 showing increase of 216.06%. The increase was mainly due to increase in number of offices and related expenses, rent and facilities charges, communication expenses, travelling expenses, legal and professional fees etc. During FY 2007, the administrative and other expense was 4.64% of total sales as against 6.60% during FY 2006.

Profit before Depreciation, Interest and Tax (PBDIT)

PBDIT increased from Rs. 45.77 Lacs for the year ended March 31, 2006 to Rs. 483.72 Lacs showing the increase of 956.85%. During FY 2007, our Company recorded PBDIT of 11.24% of the income from operations as against 4.78% during FY 2006. The increase was due decrease in cost of operations. During the end of FY 2006, our Company opened new offices, the benefits of which were derived in FY 2007. The increase in the operating profit is also attributed to the decrease in administrative and other expense as percentage to income from operations.

Depreciation

Depreciation on fixed assets was 0.24% of income from operations during FY 2007 as compared to 0.69% during FY 2006. The total depreciation during FY 2006 was Rs. 6.64 Lacs and during FY 2007 it was Rs. 10.13 Lacs. The gross block FY 2006 was Rs. 498.63 Lacs and it increased to Rs. 552.73 Lacs for FY 2007.

Interest and Financial Charges

Interest and Financial Charges increased from Rs. 5.16 Lacs for FY 2006 to Rs. 79.05 Lacs. Interest and Financial expenses accounted to 1.84% of income from operations during FY 2007 as against 0.54% in the year 2006. The increase is attributed to increase in the utilisation of working capital to the increased operations during that year.

Profit after Tax:

PAT increased from Rs. (86.28) Lacs for the FY 2006 to Rs. 281.03 Lacs in FY 2007. During FY 2007, our Company recorded PAT of 6.53% of the income from operations. The increase in PAT was due to increase in operations and decrease in operating and administrative cost.

ANALYSIS OF NEGATIVE CASH FLOWS

Our Company had the negative cash flows for the following financial years/periods:

Particulars	March 31, 2005	March 31, 2006	March 31, 2007	March 31, 2008	March 31, 2009	For period ended Sep 30, 2009
Net Cash Flow from Operating Activities	(25.99)	(118.63)	(621.31)	(1,109.37)	(2,383.70)	
Net Cash used from Investing Activities	(76.24)	(401.02)	(50.18)	(407.04)	(704.40)	(1,078.07)

FY ended March 31, 2009

For FY 2009 our Company had negative cash flow from operating activities amounting to Rs. 2383.70 Lacs. For the FY 2009, the revenue from operations of our Company was Rs. 21340.05 Lacs as compared to Rs. 10898.54 Lacs for the FY 2008 showing an increase of 95.81%. Debtors for the FY 2009 stood at Rs. 5,972.59 Lacs as compared to Rs. 3,286.02 Lacs for FY 2008 showing an increase of 81.76%. The increase in debtors was due to increase in revenues. The cash flow was negative due to increase in debtors and loans and advances. Loans and advances for FY 2009 stood at Rs. 2397 Lacs as compared to Rs. 740.11 Lacs for FY 2008. Increase in loans and advances was mainly due to increase in advances receivable in cash of kind, advance tax, deposit with government bodies, income tax refund due etc. Further, the increase in receivables is higher than the profits generated, therefore operational cash flow is negative. Further we also had negative cash flow from investing activities amounting to Rs. 704.40 Lacs due to purchase of fixed assets and investments made by our Company in quoted and unquoted statements.

FY ended March 31, 2008

For FY 2008 Our Company had negative cash flow from operating activities amounting to Rs. 1109.37 Lacs. For the FY 2008, the revenue from operations of our Company was Rs. 10898.54 Lacs as compared to Rs. 4302.20 Lacs for the FY 2007 showing an increase of 153.32%. Debtors for the FY 2008 stood at Rs. 3286.02 Lacs as compared to Rs. 1363.87 Lacs for FY 2007 showing an increase of 140.93%. The increase in debtors was due to increase in revenues. The cash flow was negative due to increase in debtors and loans and advances. Loans and advances for FY 2008 stood at Rs. 740.11 Lacs as compared to Rs. 491.64 Lacs for FY 2007. Increase in loans and advances was mainly due to increase in advances receivable in cash of kind and increase in deposits. Further, the increase in receivables is higher than the profits generated, therefore operational cash flow is negative. Further we also had negative cash flow from investing activities amounting to Rs. 407.04 Lacs due to purchase of fixed assets.

FY ended March 31, 2007

For FY 2007 Our Company had negative cash flow from operating activities amounting to Rs. 621.31 Lacs. For the FY 2007, the revenue from operations of our Company was Rs. 4302.20 Lacs as compared to Rs. 956.83 Lacs for the FY 2006 showing an increase of 349.63%. Debtors for the FY 2007 stood at Rs. 1363.87 Lacs as compared to Rs. 320.00 Lacs for FY 2006 showing an increase of 326.21%. The increase in debtors was due to increase in revenues. Further, Loans and advances for FY 2007 stood at Rs. 491.64 Lacs as compared to Rs. 45.32 Lacs for FY 2006 showing an increase of 984.82%. Increase in loans and advances was mainly due to increase in advances receivable in cash of kind, payment of advance to our Group Company Harapa International Private Limited for purchase of software, increase in deposits and increase in advance income tax and TDS. The cash flow was negative due to increase in debtors and loans and advances. Further we also had negative cash flow from investing activities amounting to Rs. 50.18 Lacs due to purchase of fixed assets.

FY ended March 31, 2006

For FY 2006 Our Company had negative cash flow from operating activities amounting to Rs. 118.63 Lacs. For the FY 2006, the revenue from operations of our Company was Rs. 956.83 Lacs as compared to Rs. 596.91 Lacs for the FY 2005 showing an increase of 60.30%. Debtors for the FY 2006 stood at Rs. 320.00 Lacs as compared to Rs. 113.07 Lacs for FY 2005 showing an increase of 183.01%. The cash flow was negative due to increase in debtors. Further, increase in debtors was offset by increase in trade payables by Rs. 145.93 Lacs. Further we also

had negative cash flow from investing activities amounting to Rs. 401.02 Lacs due to purchase of fixed assets.

FY ended March 31, 2005

For FY 2005 our Company had negative cash flow from operating activities amounting to Rs. 25.99 Lacs. For the FY 2005, the revenue from operations of our Company was Rs. 596.91 Lacs as compared to Rs. 483.79 Lacs for the FY 2004 showing an increase of 23.28%. Debtors for the FY 2005 stood at Rs. 113.07 Lacs as compared to Rs. 68.34 Lacs for FY 2004 showing an increase of 65.45%. Since the increase in debtors is higher than the profits generated, therefore operational cash flow is negative. Further we also had negative cash flow from investing activities amounting to Rs. 79.15 Lacs due to purchase of fixed assets.

Related Party Transactions

For information on Related Party Transactions, please refer “Annexure 18” beginning on page 175 under Chapter titled “Auditors’ Report and Financial Information of our Company” beginning on page 151 of the Red Herring Prospectus.

Financial Market Risks

We are exposed to financial market risks from changes in borrowing costs, interest rates and inflation.

Interest Rate Risk

Our interest rate risk results from changes in interest rates, which may affect our finance expenses. We bear interest rate risk with respect to the debts, which we have for the FY ended March 31, 2009, since the interest rates could fluctuate in the near future. Any rise in interest rates would result in higher interest bearing debts.

Exchange Rate Risk

Changes in currency exchange rates influence our results of operations. We report results in our financial statements in Indian Rupee. The exchange rate between the Indian Rupee and other foreign currencies has changed substantially in recent years and may continue to fluctuate significantly in the future.

Effect of Inflation

We are affected by inflation as it has an impact on the operating cost, staff costs, fuel cost etc. In line with changing inflation rates, we rework our margins so as to absorb the inflationary impact.

FACTORS THAT MAY AFFECT THE RESULTS OF THE OPERATIONS:

- 1. Unusual or infrequent events or transactions including unusual trends on account of business activity, unusual items of income, change of accounting policies and discretionary reduction of expenses etc.**

Except for change in the method of depreciation from written down value method to straight line method in the FY 2006, there have been no unusual or infrequent events or transactions that have taken place.

- 2. Significant economic changes that materially affected or are likely to affect income from continuing operations.**

There are no significant economic changes that may materially affect or likely to affect income from continuing operations.

3. Known trends or uncertainties that have had or are expected to have a material adverse impact on sales, revenue or income from continuing operations.

Apart from the risks as disclosed under Section titled “Risk Factors” beginning on page 12 in the Red Herring Prospectus, in our opinion there are no other known trends or uncertainties that have had or are expected to have a material adverse impact on revenue or income from continuing operations.

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

Our Company’s future costs and revenues will be determined by demand/supply situation, government policies and prices quoted by service providers.

5. Extent to which material increases in net sales or revenue are due to increased sales volume, introduction of new products or services or increased sales prices.

Increases in revenues are by and large linked to increases in volume of business.

6. Total turnover of each major industry segment in which the issuer company operated.

For details on the total turnover of the logistics industry *please refer to Chapter titled “Industry Overview” beginning on page 82 of the Red Herring Prospectus.*

7. Status of any publicly announced new products or business segment.

Our Company has not announced any new product and segment, other than through the Red Herring Prospectus.

8. The extent to which business is seasonal.

Our Company’s business is not seasonal in nature.

9. Any significant dependence on a single or few suppliers or customers.

The % of contribution of our Company’s customers and suppliers’ vis-à-vis the total income and operating cost respectively, for the FY 2009 is as follows:

	Customers	Suppliers
Top 5 (%)	30.13%	27.56%
Top 10 (%)	37.66%	36.04%

10. Competitive conditions.

Competitive conditions are as described under the *Chapters titled “Industry Overview” and “Business Overview” beginning on pages 82 and 106, respectively of the Red Herring Prospectus.*

SECTION VIII - LEGAL AND OTHER REGULATORY INFORMATION

OUTSTANDING LITIGATIONS, MATERIAL DEVELOPMENTS AND OTHER DISCLOSURES

Except as described below, there are no outstanding litigations, suits, civil or criminal prosecutions or proceedings against our Company, our Directors, our Promoters and Entities Promoted by our Promoters before any judicial, quasi-judicial, arbitral or administrative tribunals or any disputes, tax liabilities, non payment of statutory dues, overdues to banks/ financial institutions, defaults against banks/ financial institutions, defaults in dues towards instrument holders like debenture holders, fixed deposits, 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 imposed and irrespective of whether they are specified under paragraph (i) of Part 1 of Schedule XIII of the Companies Act) against our Company, our Directors, our Promoters and the Entities Promoted by our Promoters, except the following:

Further, except as stated herein, there are no past cases in which penalties have been imposed on our Company, the Promoters, Directors, Promoter Group Companies and there is no outstanding litigation against any other company whose outcome could have a material adverse effect on the position of our Company. Neither our Company nor its Promoters, members of the Promoter Group, Associates and Directors have been declared as willful defaulters by the RBI or any other Governmental authority and, except as disclosed in this section in relation to litigation, there are no violations of securities laws committed by them in the past or pending against them.

This chapter has been divided into five parts:

- I. Litigation involving our Company
- II. Litigation involving our Directors and Promoters
- III. Litigation involving our Promoter Group Entities
- IV. Penalties imposed in past cases for the last five years
 - a) Our Company
 - b) Our Directors and Promoters
 - c) Our Promoter Group Entities
- V. Amounts owed to small scale undertakings

A. Litigation involving our Company

I. Cases filed against our Company

Civil Cases:

Suit No. 1414 of 2003 filed by Penta Freight Private Limited (the “Plaintiffs”) against our Company before the High Court of Mumbai.

The Plaintiffs have filed the above suit against our Company in respect of alleged non payment of Rs. 29,13,820 towards outstanding bills and Rs. 2,62,143 towards further interest thereon to the Plaintiffs. The said bills were raised by the Plaintiffs in respect of airway bills executed by the Plaintiffs for forwarding cargo of our Company’s clients. The Plaintiffs have thus prayed that our Company be ordered to pay a total amount of Rs. 31,75,963 with further interest thereon at the rate of 24% per annum, costs of the suit and any other order as may be required. A written statement was filed by our Company, wherein our Company denied the allegations as mentioned above and prayed that the above suit be dismissed with exemplary costs. Further, a suit bearing no. 1301 of 2003 has been filed against the Plaintiffs for recovery of Rs. 7,11,855 by our Company, the details of which are mentioned in the section titled “Cases filed by our Company”. The matter is pending before the High Court of Mumbai.

Suit No. 1059 of 2004 filed by M/s Airpac Exports (the “Plaintiffs”) against our Company before the High Court of Mumbai.

The Plaintiffs have filed above suit against our Company in respect of alleged expenses incurred by the Plaintiffs for clearance formalities of an export consignment amounting to Rs.66,49,125 along with interest @18% per annum from date of the suit till payment. Our Company, being a clearing agent had to clear an export consignment for the Plaintiffs and the same was delayed due to loss of original documents of the Plaintiffs by our Company. The Plaintiffs had to furnish a bank guarantee of Rs. 1,50,00,000 on account of alleged negligence and breach of duty by our Company. Further our Company was served with summons to answer the plaint. Thereafter our Company filed a written statement denying the alleged contents of the plaint. The said matter is pending before the High Court of Mumbai.

Company Petition No. 161 of 2006 filed by Penta Freight Private Limited (the “Petitioners”) against our Company before the High Court of Mumbai.

The Petitioners have filed the above petition under the provisions of section 433 and 434 of the Companies Act, 1956 against our Company in respect of alleged outstanding amounts of Rs. 29,13,820 towards outstanding bills and Rs. 2,62,143 towards further interest thereon, payable by our Company against the services provided by the Petitioners for executing airway bills for forwarding cargo of our Company's clients. The Petitioners have prayed for the winding up of our Company under the directions of the Court, under the provisions of the Companies Act, 1956. The Petitioners have prayed for a) appointment of official liquidator for our Company; b) pending hearing and final disposal of the petition, the Official Liquidator be appointed as the Provisional Liquidator of our Company; c) for any ad-interim relief in terms of appointing a provisional liquidator; and d) for any other costs. An Affidavit in reply was filed by our Company denying the alleged contents of the Petition, and our Company prayed for dismissal of the said Petition with costs. The said Petition is pending before the High Court of Mumbai.

Income Tax Case:

Appeal dated June 06, 2008 filed before the Commissioner of Income Tax, Mumbai by our Company against the Income Tax Officer 8(1) 1, Mumbai order date May 04, 2008 for the Assessment year 2006-2007.

Our Company has been issued Notice of Demand for the assessment year 2006-07 under Section 156 of the Income Tax Act, 1962 (“IT Act”), together with assessment order dated May 04, 2008 under Section 143(3) of the IT Act, from the Income Tax Officer 8(1)1, Mumbai. The said notice is for demand of Rs. 8,29,547 together with interest payable by our Company for capital expenditure incurred on reopening of office at Delhi. Our Company had filed return claiming deduction of Rs. 1,02,99,344 on account of deferred payment expenditure for the expenses incurred at the Delhi branch office towards expansion and extension of our Company's existing business for which a total loss of Rs. 12,87,377 had been incurred for the financial year 2005-06.

The Income Tax Officer has also initiated separate penalty proceeding under Section 271(c) of the IT Act against our Company for furnishing inaccurate particulars of income. Our Company vide letters date June 17, 2008 requested the Income Tax Officer to keep aside the disputed demand of Rs. 8,29,547 and to drop the penalty proceeding initiated against our Company in respect of the appeal filed before the Commissioner of Income Tax, Mumbai against the order dated May 04, 2008. The appeal is pending before the Commissioner of Income Tax, Mumbai.

Potential Litigation

Legal notice dated January 16, 2009 was received by our Company, Mr. Rajesh G.Uchil, Mr. Harish G. Uchil, Mr. M.S. Sayad, Mr Rahul Dogar and Mr Soumyo Dutta Gupta, vide email from SRD Legal, Advocates and Solicitors, on behalf of their client, Mr. Naveen Kumar Masih.

Legal notice dated January 16, 2009 was received by our Company, Mr. Rajesh G.Uchil, Mr. Harish G. Uchil, Mr. M.S. Sayad, Mr Rahul Dogar and Mr Soumyo Dutta Gupta, vide email from SRD Legal, Advocates and Solicitors, on behalf of their client, Mr. Naveen Kumar Masih ("Mr. Naveen Kumar") who was an employee of our Company. Mr. Naveen Kumar has called upon our Company to pay him Rs. Ten Lacs in respect alleged mental agony, harassment and tension inflicted upon him by our Company. He has also claimed his salary which is allegedly illegally withheld by our Company, for October 2008 till January 2009. Our Company vide its letter dated January 27, 2009 denied the contents of the said Legal Notice. There is no further correspondence in the matter. This notice may give rise to prospective litigation.

Letter dated September 29, 2009 issued to our Company by Blend Financial Services Limited. (the said "Letter")

The said Letter as mentioned above, was issued to our Company by Blend Financial Services Limited, alleging non-disclosure of the contents in the Red Herring Prospectus, of the legal notice dated August 05, 2009 allegedly issued to our Company by Corporate Law Chambers India, Advocates, on behalf of their client Blend Financial Services Limited. As per the legal notice, as attached to the said Letter, a demand for payment was made to our Company for Rs. 72.00 Lacs together with interest @18% per annum from August 01, 2009 till date of payment. Further the legal notice alleges non-allotment of 4,00,000 Equity Shares of our Company @ Rs. 10 per share to Blend Financial Services Limited. Our Company vide letter dated October 20, 2009 replied to Blend Financial Services Limited stating that it has not received any legal notice as mentioned in the said Letter and has also denied the allegations made in the said Letter and the legal notice dated August 05, 2009. Further, a legal notice dated November 21, 2009 was issued to our Company and our Promoters by Wadia Ghandy & Co., on behalf of Blend Financial Services Limited, alleging that the disclosures in regards to the said Letter in the contents of the Draft Red Herring Prospectus were insufficient and in case, our Company fails to satisfy the purported demands made vide legal notice dated August 05, 2009, a legal proceedings including filing of a petition for winding up of our Company will be initiated. In response to legal notice sent by Wadia Ghandy & Co., caveats dated December 21, 2009 bearing nos. 2173 of 2008 in the proposed Ordinary Suit, 2174 of 2008 in the proposed Summary Suit and 118 of 2008 in the proposed Company petition in the High Court of Judicature at Bombay had been filed by our Company. Till date no legal proceeding has been initiated by Blend Financial Services Limited against our Company.

II. Cases filed by our Company

Criminal Cases:

Criminal Appeal No. 1285 of 2008, bearing Application No. 3125 filed by our Company against Indira Exports Private Limited and others ("Respondents") before the High Court of Mumbai.

Our Company has filed the abovementioned appeal in the High Court of Mumbai against the order dated May 30, 2008 passed under section 355 of Code of Criminal Procedure, by the Special Metropolitan Magistrate, at the Small Causes Court, Mumbai. The said order was passed in criminal case number 2300234/SS/07 filed under section 138 of the Negotiable Instrument Act, 1881, with respect to dishonour of three cheques amounting to Rs. 50,000 each issued in favour of our Company. Further a notice was issued by the High Court to the Respondents for

appearance but the same has not yet been received back by the High Court whether served or unserved. The said appeal is pending before the High Court of Mumbai.

Criminal Appeal No. 1230 of 2008, bearing Application No. 3124 filed by our Company against Indira Exports Private Limited and others (“Respondents”) before the High Court of Mumbai.

Our Company has filed the abovementioned appeal in the High Court of Mumbai against the order dated May 30, 2008 passed under section 355 of Code of Criminal Procedure, by the Special Metropolitan Magistrate, at the Small Causes Court, Mumbai. The said order was passed in criminal case number 2300233/SS/07 filed under section 138 of the Negotiable Instrument Act, 1881, with respect to dishonour of three cheques amounting to Rs. 50,000 each issued in favour of our Company. Further a notice was issued by the High Court to the Respondents for appearance but the same has not yet been received back by the High Court whether served or unserved. The said appeal is pending before the High Court of Mumbai.

Criminal Appeal No. 529, bearing Application No. 3126 filed by our Company against Indira Exports Private Limited (“Respondents”) before the High Court of Mumbai.

Our Company has filed the abovementioned appeal in the High Court of Mumbai against the order dated May 30, 2008 passed under section 355 of Code of Criminal Procedure, by the Special Metropolitan Magistrate, at the Small Causes Court, Mumbai. The said order was passed in criminal case number 2300235/SS/07 filed under section 138 of the Negotiable Instrument Act, 1881, with respect to dishonour of three cheques amounting to Rs. 50,000 each issued in favour of our Company. Further a notice was issued by the High Court to the Respondents for appearance but the same has not yet been received back by the High Court whether served or unserved. The said appeal is pending before the High Court of Mumbai.

Case No. 3809 SS of 2006 filed by our Company against Indira Exports Private Limited and others (“Defendants”) before the Metropolitan Magistrate, 10th Court at Andheri, Mumbai.

The abovementioned case was filed by our Company against the Defendants under section 138 of the Negotiable Instrument Act, 1881. The said case was filed with respect to dishonour of two cheques amounting to Rs. 50,000 each issued in favour of our Company by the Defendants as a payment for the services of freight forwarding and custom clearance availed by them from our Company. The said matter is pending in the Court of the Metropolitan Magistrates, 10th Court at Andheri, Mumbai.

Case No. 3810 SS of 2006 filed by our Company against Indira Exports Private Limited and others (“Defendants”) before the Metropolitan Magistrate, 10th Court at Andheri, Mumbai.

The abovementioned case was filed by our Company against the Defendants under section 138 of the Negotiable Instrument Act, 1881. The said case was filed with respect to dishonour of three cheques amounting to Rs. 50,000 each issued in favour of our Company by the Defendants as a payment for the services of freight forwarding and custom clearance availed by them from our Company. The said matter is pending in the Court of the Metropolitan Magistrates, 10th Court at Andheri, Mumbai.

Case No. 3811 SS of 2006 filed by our Company against Indira Exports Private Limited and others (“Defendants”) before the Metropolitan Magistrate, 10th Court at Andheri, Mumbai.

The abovementioned case was filed by our Company against the Defendants under section 138 of the Negotiable Instrument Act, 1881. The said case was filed with respect to dishonour of two cheques amounting to Rs. 50,000 each issued in favour of our Company by the Defendants as a payment for the services of freight forwarding and custom clearance availed by them from our

Company. The said matter is pending in the Court of the Metropolitan Magistrates, 10th Court at Andheri, Mumbai.

Case No. 3172 SS of 2006 filed by our Company against Indira Exports Private Limited and others ("Defendants") before the Special Metropolitan Magistrate, 28th Court at Small Causes, Mumbai.

The abovementioned case was filed by our Company against the Defendants under section 138 of the Negotiable Instrument Act, 1881. The said case was filed with respect to dishonour of two cheques amounting to Rs. 2,50,000 in total issued in favour of our Company by the Defendants as a payment for the services of freight forwarding and custom clearance availed by them from our Company. At present, cross examination of our Company is going on based on the Affidavit of Examination in Chief submitted by our Company to the Court of Small Causes, Mumbai. The said matter is pending in the Court of the Special Metropolitan Magistrates, 28th Court at Small Causes, Mumbai.

Case No. 3173 SS of 2006 filed by our Company against Indira Exports Private Limited and others before the Special Metropolitan Magistrate, 28th Court at Small Causes, Mumbai.

The abovementioned case was filed by our Company against the Defendants under section 138 of the Negotiable Instrument Act, 1881. The said case was filed with respect to dishonour of three cheques amounting to Rs. 4,00,000 in total issued in favour of our Company by the Defendants as a payment for the services of freight forwarding and custom clearance availed by them from our Company. At present, cross examination of our Company is going on based on the Affidavit of Examination in Chief submitted by our Company before the Court of Small Causes, Mumbai. The said matter is pending in the Court of the Special Metropolitan Magistrates, 28th Court at Small Causes, Mumbai.

Case No. 3174 SS of 2006 filed by our Company against Indira Exports Private Limited and others ("Defendants") before the Special Metropolitan Magistrate, 28th Court at Small Causes, Mumbai.

The abovementioned case was filed by our Company against the Defendants under section 138 of the Negotiable Instrument Act, 1881. The said case was filed with respect to dishonour of three cheques amounting to Rs. 3,00,000 in total issued in favour of our Company by the Defendants as a payment for the services of freight forwarding and custom clearance availed by them from our Company. At present, cross examination of our Company is going on based on the Affidavit of Examination in Chief submitted by our Company to the Court of Small Causes, Mumbai. The said matter is pending in the Court of the Special Metropolitan Magistrates, 28th Court at Small Causes, Mumbai.

Case No. 2301315 SS of 2007 filed by our Company against Indira Exports Private Limited and others ("Defendants") before the Metropolitan Magistrate, 23rd Court at Small Causes, Mumbai.

The abovementioned case was filed by our Company against the Defendants under section 138 of the Negotiable Instrument Act, 1881. The said case was filed with respect to dishonour of three cheques amounting to Rs. 50,000 each issued in favour of our Company by the Defendants as a payment for the services of freight forwarding and custom clearance availed by them from our Company. Further condonation of delay was filed on behalf of Mrs. Sujata Tulshyan (being one of the Defendants to the case) which was then dismissed *vide* order dated November 19, 2008 by Court of Sessions, Mumbai. Further a plea of the Defendants for "No Arrest" was recorded on February 06, 2009. The said matter is pending in the Court of the Metropolitan Magistrates, 23rd Court at Small Causes, Mumbai.

Case No. 2301316 SS of 2007 filed by our Company against Indira Exports Private Limited and others (“Defendants”) before the Metropolitan Magistrate, 23rd Court at Small Causes, Mumbai.

The abovementioned case was filed by our Company against the Defendants under section 138 of the Negotiable Instrument Act, 1881. The said case was filed with respect to dishonour of one cheque amounting to Rs. 50,000 issued in favour of our Company by the Defendants as a payment for the services of freight forwarding and custom clearance availed by them from our Company. Further a plea of the Defendants for “No Arrest” was recorded on February 06, 2009. The said matter is pending in the Court of the Metropolitan Magistrates, 23th Court at Small Causes, Mumbai.

Case No. 2301317 SS of 2007 filed by our Company against Indira Exports Private Limited and others (“Defendants”) before the Metropolitan Magistrate, 23rd Court at Small Causes, Mumbai.

The abovementioned case was filed by our Company against the Defendants under section 138 of the Negotiable Instrument Act, 1881. The said case was filed with respect to dishonour of three cheques amounting to Rs. 50,000 each issued in favour of our Company by the Defendants as a payment for the services of freight forwarding and custom clearance availed by them from our Company. Further a plea of the Defendants for “No Arrest” was recorded on February 06, 2009. The said matter is pending in the Court of the Metropolitan Magistrates, 23rd Court at Small Causes, Mumbai.

Case No. 2301318 SS of 2007 filed by our Company against Indira Exports Private Limited and others (“Defendants”) before the Metropolitan Magistrate, 23rd Court at Small Causes, Mumbai.

The abovementioned case was filed by our Company against the Defendants under section 138 of the Negotiable Instrument Act, 1881. The said case was filed with respect to dishonour of three cheques amounting to Rs. 50,000 each issued in favour of our Company by the Defendants as a payment for the services of freight forwarding and custom clearance availed by them from our Company. Further a plea of the Defendants for “No Arrest” was recorded on February 06, 2009. The said matter is pending in the Court of the Metropolitan Magistrates, 23rd Court at Small Causes, Mumbai.

Civil Cases:

Summary suit No. 1301 of 2003 filed by our Company against Penta Freight Private Limited (the “Defendant”) before the High Court of Mumbai.

Our Company filed the above suit against the Defendants for the recovery of sum of Rs. 7,17,644.20 (inclusive of interest upto the date of filing of the suit), in respect of the debit notes issued by our Company to the Defendants towards normal commission, overriding commission and other charges. Our Company was using the service of the Defendants for the purpose of executing airway bills for exporting cargo. An alleged excess amount of Rs. 5,94,381 was paid by our Company to the Defendants and TDS of Rs. 61,704 was deducted by the Defendants in respect of the same. Our Company has therefore claimed Rs. 6,56,085 and interest thereon till the date of filing the suit. The Defendants have been issued further summons in the above matter. The above suit is pending before the High Court of Mumbai.

Summary suit No. 3388 of 2003 filed by our Company against Airpac Exports (the “Defendants”) before the High Court of Mumbai.

Our Company has filed the abovementioned suit against the Defendants for recovery of Rs. 1,04,939 with further interest on principle amount @ 21% per annum from the date of filing of this suit, till payment. The said amount was payable by the Defendants for services rendered by the Company in respect of freight forwarding of the imported and exported goods to the Defendants' different parties. The said matter is pending before the High Court of Mumbai.

Summary suit No. 468 of 2004 filed by our Company against Shamrock International Limited ("Shamrock"), Jitesh R. Kokhani, Sanghini K. Khokhani and Chandrakant C. Chokshi (the "Defendants") before the High Court of Mumbai.

Our Company has filed the above suit against the Defendants for recovery of outstanding amount of Rs. 1,18,323.88 with further interest on principle amount Rs. 136,136.88 @21% per annum from the date of filing of this suit till payment. The said amount was payable by the Defendants for services rendered by the Company in respect of freight forwarding of the imported and exported goods to the Defendants' different parties. Further summons for judgment were taken out by our Company. The above suit is pending before the High Court of Mumbai.

Summary Suit No. 985 of 2009 filed by our Company against Indira Exports Private Limited and others ("Defendants") before the High Court of Mumbai.

Our Company has filed the above suit against the Defendants for the recovery of sum of Rs. 31,76,179 consisting of principle sum of Rs. 21,61,065 together with interest at 21% till filing of suit, as per the hundies and cheques issued to our Company by the Defendants towards the payment for the services of freight forwarding and custom clearance availed by them from our Company. The said matter is pending before the High Court of Mumbai.

B. Litigation involving Our Directors and Promoters

As on date there are no cases which have been filed by or against any of our Promoters or Directors.

C. Litigation involving Promoter Group Entities

As on date there are no cases which have been filed by or against any of the entities forming a part of the Promoter Group

D. Penalties imposed in past cases in the last five years

There are no penalties which have been levied on our Company, Promoters, Directors or Promoter Group in last five years.

E. Amounts Owed to Small Scale Undertakings

The name of Small Scale Undertakings and other Creditors to whom our Company owes a sum exceeding Rs. 1 Lac which is outstanding more than 30 days, as on September 30, 2009 is Nil.

Material developments occurring after the last Balance Sheet Date

There have been no material developments as regards litigation after the date of the last balance sheet

Adverse Events

There has been no adverse event affecting the operations of our Company, occurring within one year prior to the date of filing of the Red Herring Prospectus with the Registrar of Companies.

GOVERNMENT AND OTHER STATUTORY APPROVALS

Except for pending approvals mentioned under this heading, our Company has received the necessary material consents, licenses, permissions and approvals from the Government and various Government agencies required for our present business and carrying on our business activities. Further, except as mentioned herein below, our Company has not yet applied for any licenses, consents, permissions and approvals for the proposed activities as contained in the *Section titled "Objects of the Issue" beginning on page 62 of the Red Herring Prospectus*. It must be distinctly understood that, in granting these approvals, the Government of India does not take any responsibility for our financial soundness or for the correctness of any of the statements made or opinions expressed in this behalf.

I. GENERAL

1. Fresh Certificate of Incorporation consequent upon change of name on conversion to public limited company, issued to our Company, bearing the name "Aqua Logistics Limited" dated March 05, 2009 and bearing Corporate Identity Number U63090MH1999PLC121803 issued by Deputy Registrar of Companies, Maharashtra, Mumbai.
2. Our Company's TAN (Tax Deduction Account Number) under the IT Act is MUMA13300A.
3. Our Company's PAN (Permanent Account Number) under the IT Act is AADCA0603M.
4. Our Company's STC i.e. Service Tax payer Code is AADCA0603MST002.
5. Certificate of Registration bearing no. PTR112919594 dated November 25, 1999 issued to our Company by Sales Tax Officer, Mumbai under sub-section (1) of section 5 of the Maharashtra State Tax on Professions, Trades, Callings and Employment Act, 1975.
6. Custom House Agent license bearing number 11/974 dated February 03, 1993 issued to Rajesh G. Uchil & Company under section 146 of the Customs Act, 1962. Further *vide* order dated November 09, 2006 passed by the Commissioner of Customs (General), Mumbai, the said license was renewed in the name of our Company with validity upto October 31, 2016. The said license authorises our Company to operate under the jurisdiction of the following locations:

Sr. No.	Location	Authority	Valid upto
1.	New Delhi	Assistant Commissioner of Customs Policy, New Delhi	October 31, 2016
2.	Bangalore	Joint Commissioner of Customs, Bangalore	October 31, 2016
3.	Chennai	Deputy Commissioner of Customs, CHA, Chennai	October 31, 2016
4.	Ahmedabad and Vadodara	Assistant Commissioner of Customs, Ahmedabad	October 31, 2016
5.	Kolkata	Assistant Commissioner of Customs (CHA), Kolkata	October 31, 2016
6.	Pune	Deputy Commissioner (Tech), Customs, Pune	October 31, 2016
7.	Kandla	Assistant Commissioner (CHA), Kandla	December 31, 2015
8.	Mumbai	Deputy Commissioner of Customs, Mumbai	October 31, 2016
9.	Visakhapatnam	Assistant Commissioner of Customs	April 23,

		(CHA), Vishakapatnam	2014
10.	ICD Dadri	Deputy Commissioner of Customs and Central Excise, Noida	October 31, 2016
11.	ICD Surajpur	Deputy Commissioner of Customs and Central Excise, Noida	October 31, 2016

7. License No. CFA/00020/07-08 and KoPT License no. BK-1/512 dated October 16, 2007 issued in the name of our Company by Kolkata Port Trust under the provisions of the Major Port Trust Act, 1963 for transacting shipping, clearing and forwarding business valid till October 15, 2012.
8. Certificate of Registration bearing no. MTO/DGS/227/2001 dated January 25, 2001 issued to our Company by Government of India, Ministry of Shipping, Road Transport and Highways Directorate General of Shipping, Mumbai under the provisions of the Multimodal Transportation of Goods Act, 1993 and the Registration of Multimodal Transport Operators Rules, 1992, valid upto January 24, 2011.
9. Registration Certificate of Establishment under Bombay Shops and Establishments Act, 1948 dated October 11, 2006 for our Registered Office bearing registration no. KE/018609/COMMERCIAL II issued by the inspector under the Bombay Shops and Establishments Act, 1948, valid upto December 31, 2010.
10. Registration Certificate of Establishment under Bombay Shops and Establishments Act, 1948 dated January 7, 2008 for our office premises situated at 5th floor, A – wing, Trade Star, Andheri Kurla Road, Andheri (East), Mumbai 400 059, bearing registration no. 760030391/COMMERCIAL II issued by the inspector under Bombay Shops and Establishments Act, 1948, valid upto December 31, 2010.
11. Registration Certificate of Establishment under Karnataka Shops and Commercial Establishments Act, 1961 dated October 22, 2007 for our office situated at No.305/A, 7th Main, HAL, 3rd Stage, Bangalore 560075 bearing registration no. 83/CE/340/2007 issued by the Inspector under the Karnataka Shops and Commercial Establishments Act, 1961, valid upto December 31, 2011.
12. Registration Certificate of Establishment under Punjab Shops and Commercial Establishments Act, 1953 dated May 8, 2009 for our office situated at room no. 509, III floor, 108 Venus House, ST no. 9, Focal Point, Ludhiana, bearing registration no. LDH/7/1053 issued by the Inspector under the Shops and Commercial Establishments, valid upto March 31, 2010.
13. Registration Certificate of Establishment under Bombay Shops and Establishments Act, 1948 dated May 15, 2009 for our office situated at 416, Race Course Towers, Pashabhai Park, Race Course, Vadodara 390007, bearing registration no. B-26/12176 issued by the inspector under the Bombay Shops and Establishments Act, 1948, valid upto May 14, 2010.
14. Registration Certificate of Establishment under Mumbai Shops and Commercial Establishments Act, 1948 dated May 18, 2009 for our office situated at C-303, Choice Apartment, Sassoon Road, Pune Station, Pune bearing registration no. station/II/6816 issued by the issued by the inspector under the Bombay Shops and Establishments Act, 1948, valid upto May 11, 2011.
15. Certificate under sub rule (2) of Rules of the Tamil Nadu Industrial Establishment (National and Festival Holidays) Rules, 1959 dated September 28, 2007 for our office at (c) No.9, Ega Trade Centre, No. 809, PH Road, Chennai bearing number 383/07 issued by Assistant Inspector of Labour.

16. Importer Exporter Code bearing No. 0307058921 dated May 20, 2009 issued to our Company by Ministry of Commerce, Office of Joint Director General of Foreign Trade, Maharashtra.
17. Certificate of Registration bearing no. HO 14-3 57310004 issued to our Company by International Air Transport Association to promote, sell and handle international air cargo transportation.
18. Membership Certificate issued to our Company by Federation of Freight Forwarders' Association in India valid till 2012.
19. Membership Certificate bearing number 0856 issued to our Company by The Bombay Custom House Agents' Association valid till March 31, 2010.

II. QUALITY CERTIFICATIONS

ISO 9001; 2000 bearing Registration No. 4111174 and Certificate No. QMS/91/R/1179 dated July 04, 2007 issued to our Company by Zenith Quality Assessors Private Limited, India, valid till July 03, 2010.

III. APPLICATIONS PENDING RENEWAL

Apart from intimating relevant statutory authorities for change of name from Aqua Logistics Private Limited to Aqua Logistics Limited, our Company, as on date has not made any applications which are pending renewal.

IV. MATERIAL LICENSES/APPROVALS FOR WHICH WE ARE YET TO APPLY

As on date, except as mentioned below, there are no licenses/ approvals, which our Company is to apply for, in order to run its business:

- We shall apply in due course, for the Single Window clearance from Dubai Airport Free Zone (DAFZA), for setting up our office in Dubai.

OTHER REGULATORY AND STATUTORY DISCLOSURES

Authority for the Issue

The shareholders of our Company have approved this Issue under section 81 (1A) of the Companies Act, 1956 *vide* a Special Resolution passed at our Company's Extra Ordinary General Meeting held on August 11, 2009.

Prohibition by SEBI

Our Company, our Directors, our Promoters, the Group Companies, companies promoted by or Promoters and companies or entities with which our Company's Directors are associated as Directors / Promoters / partners 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 listing of any securities of our Company has never been refused at anytime by any of the Stock Exchanges in India. Our Company, our Promoters, their relatives, Group Companies and Associate Companies has, not been detained as willful defaulters by RBI/government authorities and there are no violations of securities laws committed by them in the past or pending against them.

Eligibility for the Issue

Our Company is eligible for the Issue in accordance with Regulation 26(1) of the SEBI (ICDR) Regulations, 2009 as explained under, with the eligibility criteria calculated in accordance with Restated Financial Statements:

- a) Our Company has net tangible assets of at least Rs. 3 crores in each of the preceding 3 full years, of which not more than 50% are held as monetary assets.

Particulars	Year ended March 31,				
	2005	2006	2007	2008	2009
Fixed Assets (Net)	86.18	480.43	524.40	889.95	1,252.17
Current Assets, Loans & Advances	189.28	393.82	1,910.03	4,855.66	9,519.22
Investments	0.88	1.38	1.38	1.38	246.43
Less: Current Liabilities & provisions	128.71	438.16	1,601.76	1786.6	5,437.63
Net Tangible Assets*	147.63	437.47	834.05	3,960.39	5,580.19
Monetary Assets	23.28	28.50	54.52	829.53	1,149.47

* Net tangible assets are defined as the sum of fixed assets (including capital work in progress and excluding revaluation reserves, if any), trade investments, current assets (excluding deferred tax assets) less current liabilities (including Cash Credit and excluding deferred tax liabilities and secured as well as unsecured long term liabilities). Monetary assets include cash on hand and bank balances.

- b) Our Company has a track record of distributable profits in terms of section 205 of the Companies Act, 1956, for at least three (3) out of immediately preceding five (5) years.

Particulars	March 31,				
	2005	2006	2007	2008	2009
Net Profit after tax, as restated	(4.93)	(86.28)	281.03	562.76	983.80

- c) Our Company has a Net Worth of at least Rs. 1 Crore in each of the preceding 3 full years (of 12 months each).

(Rs. In Lacs)

Particulars	March 31, 2005	March 31, 2006	March 31, 2007	March 31, 2008	March 31, 2009
Equity Share Capital	150.00	150.00	600.00	1,146.36	1,292.36
Reserves & Surplus	(2.37)	(88.65)	234.05	2,814.03	4,287.83
Less: Revaluation Reserves	-	-	-	-	-
Less: Misc Exp.	-	-	-	-	-
Net Worth	147.63	61.35	834.05	3,960.39	5,580.19

- d) Our Company shall ensure that the aggregate of the proposed issue and all previous issues made in the same financial year in terms of size (i.e. public issue by way of offer document + firm allotment + Promoters' contribution through the offer document) does not exceed five (5) times our pre- issue net worth as per the audited balance sheet of the last financial year.
- e) Our Company was converted into a Public Limited Company *vide* fresh Certificate of Incorporation dated March 05, 2009 and its name was changed to Aqua Logistics Limited. There has been no change in the activities of our company. Our Company has not changed its name within the last one year in a manner suggesting change in the activities of our company; and

Further, if the number of allottees in the proposed Issue is less than 1,000 allottees, our Company shall forthwith refund the entire subscription amount received. If there is a delay beyond 15 days after our Company becomes liable to pay the amount, our Company shall pay interest at the rate of 15% per annum for the delayed period.

Disclaimer Clauses

SEBI DISCLAIMER CLAUSE

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 TO MEAN 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 THIS 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, SAFFRON CAPITAL ADVISORS PRIVATE LIMITED AND CENTRUM CAPITAL LIMITED HAVE CERTIFIED THAT THE DISCLOSURES MADE IN THE DRAFT RED HERRING PROSPECTUS ARE GENERALLY ADEQUATE AND ARE IN CONFORMITY WITH THE 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 MANAGER IS EXPECTED TO EXERCISE DUE DILIGENCE TO ENSURE THAT THE COMPANY DISCHARGES ITS RESPONSIBILITY ADEQUATELY IN THIS BEHALF AND TOWARDS THIS PURPOSE, THE BOOK RUNNING LEAD MANAGERS, SAFFRON CAPITAL ADVISORS PRIVATE LIMITED AND CENTRUM CAPITAL LIMITED, HAVE FURNISHED TO SEBI A DUE DILIGENCE CERTIFICATE DATED SEPTEMBER 24, 2009 IN

ACCORDANCE WITH THE SEBI (MERCHANT BANKERS) REGULATIONS, 1992, WHICH READS AS FOLLOWS:

- 1. WE HAVE EXAMINED VARIOUS DOCUMENTS INCLUDING THOSE RELATING TO LITIGATION LIKE COMMERCIAL DISPUTES, PATENT DISPUTES, DISPUTES WITH COLLABORATORS ETC. AND OTHER MATERIALS IN CONNECTION WITH THE 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, IT'S DIRECTORS AND OTHER OFFICERS, OTHER AGENCIES, INDEPENDENT VERIFICATION OF THE STATEMENTS CONCERNING THE OBJECTS OF THE ISSUE, PRICE JUSTIFICATION AND THE CONTENTS OF THE DOCUMENTS MENTIONED IN THE ANNEXURE 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 THIS 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 SHALL SATISFY 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 THE 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 CLAUSE HAVE BEEN**

MADE IN THE DRAFT RED HERRING PROSPECTUS.

- 7. WE CERTIFY THAT SUB-REGULATION (4) OF REGULATION 32 AND CLAUSE (C) AND (D) OF SUB-REGULATION (2) OF REGULATION 8 OF THE THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2009 ARE NOT APPLICABLE TO THE ISSUER.**
- 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 SHALL BE 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 DRAFT RED HERRING PROSPECTUS. WE SHALL ENSURE THAT THE AGREEMENT ENTERED INTO BETWEEN THE BANKERS TO THE ISSUE AND THE ISSUER SPECIFICALLY CONTAINS THIS CONDITION.**
- 10. WE CERTIFY THAT A DISCLOSURE HAS BEEN MADE IN THE DRAFT RED HERRING PROSPECTUS THAT THE INVESTORS SHALL BE ALLOTTED SHARES IN THE DEMAT MODE 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 SHARES OF THE COMPANY 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/ DRAFT PROSPECTUS/ DRAFT LETTER OF OFFER WHERE THE REGULATION HAS BEEN COMPLIED WITH AND OUR COMMENTS, IF ANY.

THE FILING OF THE DRAFT RED HERRING PROSPECTUS DOES NOT, HOWEVER, ABSOLVE THE ISSUER FROM ANY LIABILITIES UNDER SECTION 63 AND SECTION 68 OF THE COMPANIES ACT, 1956 OR FROM THE REQUIREMENT OF OBTAINING SUCH STATUTORY OR OTHER CLEARANCES AS MAY BE REQUIRED FOR THE PURPOSE OF THE PROPOSED ISSUE. SEBI FURTHER RESERVES THE RIGHT TO TAKE UP, AT ANY POINT OF TIME, WITH THE BRLMS, ANY IRREGULARITIES OR LAPSES IN THE DRAFT RED HERRING PROSPECTUS.

Disclaimer from the Issuer and the Book Running Lead Managers

Investors may note that Aqua Logistics Limited, Saffron Capital Advisors Private Limited and Centrum Capital Limited accept no responsibility for statements made otherwise than in the Draft Red Herring Prospectus /Red Herring Prospectus / Prospectus or in the advertisement or any other material issued by or at the instance of the Issuer and that any one, placing reliance on any other source of information would be doing so at his own risk.

All information will be made available by the Book Running Lead Managers, Underwriters, Syndicate members and our Company to the public and investors at large and no selective or additional information would be available for any section of the investors in any manner whatsoever including at road shows, presentations, in research or sales reports etc. We shall not be liable to the Bidders for any failure in uploading the Bids due to faults in any software/hardware system or otherwise.

The BRLMs accepts no responsibility; save to the limited extent as provided in the Memorandum of Understanding entered into between the BRLMs and our Company and the Underwriting Agreement to be entered into between the Underwriters and our Company.

Caution

Neither our Company nor the Book Running Lead Managers or any other member of the Syndicate is liable to the Bidders for any failure in downloading the Bids due to faults in any software/hardware system or otherwise.

The BRLMs and its associates and affiliates may engage in transactions with, and perform services for, our Company and Promoter Group Entities, affiliates or associates of our Company in the ordinary course of business and have engaged, and may in future engage, in the provision of financial services for which they have received, and may in future receive, compensation.

Disclaimer in respect of Jurisdiction

This Issue is being made in India to persons resident in India (including Indian nationals resident in India who are majors, HUFs, companies, corporate bodies and societies registered under the applicable laws in India and authorized to invest in shares, Indian mutual funds registered with SEBI, Indian financial institutions, commercial banks, regional rural banks, co-operative banks (subject to RBI permission), trusts registered under the Societies Registration Act, 1860, as amended from time to time, or any other trust law and who are authorized under their constitution to hold and invest in shares) and to NRIs, FIIs and Foreign Venture Capital Funds Registered with SEBI. The Red Herring Prospectus does not, however, constitute an invitation to subscribe

to shares issued hereby in any other jurisdiction to any person to whom it is unlawful to make an Issue or invitation in such jurisdiction. Any person into whose possession the 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 the Red Herring Prospectus was submitted to SEBI for its observations and SEBI has given its observation. Accordingly, the Equity Shares represented thereby may not be offered or sold, directly or indirectly, and the 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 the 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.

Disclaimer Clause of the Bombay Stock Exchange Limited

Bombay Stock Exchange Limited ("the Exchange") has *vide* its letter dated November 12, 2009, given permission to this Company to use the Exchange's name in this offer document as one of the Stock Exchanges on which this Company's securities are proposed to be listed. The Exchange has scrutinized this offer document for its limited internal purpose of deciding on the matter of granting the aforesaid permission to this Company. The Exchange does not in any manner:

- i. warrant, certify or endorse the correctness or completeness of any of the contents of this offer document; or
- ii. warrant that this Company's securities will be listed or will continue to be listed on the BSE; or
- iii. take any responsibility for the financial or other soundness of this Company, its Promoters, its management or any scheme or project of this Company;

and it should not for any reason be deemed or construed to mean that this offer document has been cleared or approved by the Exchange. Every person who desires to apply for or otherwise acquires any securities of this Company may do so pursuant to independent inquiry, investigation and analysis and shall not have any claim against the Exchange whatsoever by reason of any loss which may be suffered by such person consequent to or in connection with such subscription/acquisition whether by reason of anything stated or omitted to be stated herein or for any other reason whatsoever.

Disclaimer Clause of National Stock Exchange of India Limited

As required, a copy of this offer document has been submitted to the National Stock Exchange of India Limited (hereinafter referred to as NSE). NSE has given *vide* its letter ref: NSE/LIST/124551 dated November 30, 2009 permission to the Issuer to use the Exchange's name in this offer document as one of the Stock Exchanges on which this Issuer's securities are proposed to be listed. The Exchange has scrutinized the Draft offer document for its limited internal purpose of deciding on the matter of granting the aforesaid permission to this Issuer. It is to be distinctly understood that the aforesaid permission given by NSE should not in any way be deemed or construed that the offer document has been cleared or approved by NSE; nor does it in any manner warrant, certify or endorse the correctness or completeness of any of the contents of this offer document; nor does it warrant that this Issuer's securities will be listed or will continue to be listed on the Exchange; nor does it take any responsibility for the financial or other soundness of this Issuer, its Promoters, its management or any scheme or project of this Issuer.

Every person who desires to apply for or otherwise acquire any securities of this Issuer may do so pursuant to independent inquiry, investigation and analysis and shall not have any claim against the Exchange whatsoever by reason of any loss which may be suffered by such person consequent to or in connection with such subscription/acquisition whether by reason of anything stated or omitted to be stated herein or any other reason whatsoever.

Filing

A copy of the Draft Red Herring Prospectus has been filed with the Corporation Finance Department, Division of Issues & Listing of SEBI at SEBI Bhavan, 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 Registrar of Companies, Maharashtra situated at 100, Everest Building, Marine Drive, Mumbai - 400 002. The final Prospectus would be filed with the Corporate Finance Department of SEBI and the ROC at the respective aforesaid addresses upon closure of the issue and on finalization of the Issue Price.

Listing

Applications have been made to the Bombay Stock Exchange Limited and the National Stock Exchange of India Limited for permission to deal in and for an official quotation of our Equity Shares. Our existing Equity Shares are not listed on any Stock Exchanges in India.

BSE shall be the Designated Stock Exchange with which the basis of allotment will be finalized for the QIB, Non Institutional and Retail portion.

If the permission to deal in and for an official quotation of the Equity Shares is not granted by any of the Stock Exchanges, we shall forthwith repay, without interest, all moneys received from the applicants in pursuance of the Red Herring Prospectus. If such money is not repaid within eight days after we become liable to repay it, i.e., from the date of refusal or within 70 days from the date of Bid/ Issue Closing Date, whichever is earlier, then we and all our Directors jointly and severally shall, on and from expiry of eight days, be liable to repay the money, with interest at the rate of 15% per annum on application money, as prescribed under Section 73 of the Companies Act.

We shall ensure that all steps for the completion of the necessary formalities for listing and commencement of trading at BSE and NSE are taken within seven working days of finalization of Basis of Allotment for the Issue.

Consents

Necessary Consents for the issue have been obtained from the following:

1. Directors of our Company
2. Bankers to our Company
3. Auditors to our Company
4. Book Running Lead Managers to the Issue
5. Legal Advisor to the Issue
6. Registrar to the Issue
7. IPO Grading Agency
8. Company Secretary cum Compliance Officer
9. Syndicate Member(s)
10. Underwriter(s)
11. Escrow Collection Banker(s) to the Issue

The said consents would be filed along with a copy of the Red Herring Prospectus with the Registrar of Companies, Maharashtra at Mumbai, as required under Sections 60 and 60B of the Companies Act, 1956 and such consents have not been withdrawn up to the time of delivery of the Red Herring Prospectus, for registration with the Registrar of Companies, Maharashtra at Mumbai.

Expert Opinion

Except as stated otherwise in the Red Herring Prospectus, we have not obtained any expert opinion.

Public Issue Expenses

The expenses for this Issue include Issue management fees, IPO Grading Expenses, selling commissions, underwriting commission, printing and distribution expenses, fee payable to other intermediaries, statutory advertisement expenses and listing fees payable to the Stock Exchanges, amongst others. The estimated Issue expenses are as under:

Activity	Expenses (Rs. in Lacs)	% of Issue Size	% of Issue expenses
Lead management, Syndicate Fees, Underwriting and selling commission	750.00	5.00%	62.50%
Advertisement and marketing expenses	140.00	0.93%	11.67%
Printing and stationery (including expenses on transportation of the material)	150.00	1.00%	12.50%
Others (Filing Fees with SEBI, BSE and NSE, Registrar's fees, legal fees, IPO Grading, listing fees, travelling and other miscellaneous expenses etc.)	160.00	1.07%	13.33%
Total	1,200.00	8.00%	100.00%

Previous Public or Rights Issues in the last 5 years

Our Company has not made any public or rights issue of Equity Shares/Debentures in the last 5 years.

Previous Issue of Shares otherwise than for Cash

Our Company has not issued any Equity Shares for consideration other than cash except as mentioned in the *Chapter titled "Capital Structure" beginning on page 48 of the Red Herring Prospectus.*

Commission or Brokerage on Previous Issues

Since this is the initial public offering of the Equity Shares, no sum has been paid or is payable as commission or brokerage for subscribing to or procuring for, or agreeing to procure subscription for any of the Equity Shares of our Company since its inception.

Details of capital issue made during last three years in regard to the issuer company and other listed companies under the same management within the meaning of section 370(1)(B) of the Companies Act, 1956.

There have been no capital issues during last 3 years by us. There are no other listed companies under the same management within the meaning of Sec 370(1)(B) of the Act at present or during the last three years.

Promise vis-à-vis Performance – Last 3 issues

Our Company has not made any Public Issue in the past.

Listed ventures of Promoters

There are no listed ventures of our Promoters.

Promise vis-à-vis Performance – Last One Issue of Group Companies

There are no listed ventures of our Promoters.

Outstanding debentures or bonds and redeemable preference shares and other instruments issued and outstanding as on the date of the Red Herring Prospectus and terms of Issue

There are no outstanding debentures or bonds or redeemable preference shares and other instruments outstanding as on the date of filing of the Red Herring Prospectus.

Stock Market Data

This being an initial public offering of our Company, the Equity Shares of our Company are not listed on any stock exchange.

Mechanism for redressal of Investors' grievance

Our Company has constituted a Shareholders Grievance Committee to look into the redressal of shareholder/ investor complaints such as Issue of duplicate/split/consolidated share certificates, allotment and listing of shares and review of cases for refusal of transfer/transmission of shares and debentures, complaints for non receipt of dividends etc. *For further details on this committee, please refer paragraph titled "Shareholders'/Investors' Grievance Committee" beginning on page 139 under the Chapter titled "Our Management" beginning on page 130 of the Red Herring Prospectus.* To expedite the process of share transfer, our Company has appointed Link Intime India Private Limited as the Registrar and Share Transfer Agents of our Company.

All grievances relating to the ASBA process may be addressed to the Registrar with a copy to the relevant SCSB, giving full details such as name, address of the applicant, number of Equity Shares applied for, amount paid on application and the Designated Branch of the SCSB where the ASBA Form was submitted by the ASBA Bidders.

Disposal of Investors' Grievances and Redressal Mechanism

We have appointed Link Intime India Private Limited as the Registrar to the Issue, to handle the investor grievances in co-ordination with our Compliance officer. All grievances relating to the present issue may be addressed to the Registrar with a copy to the Compliance officer, giving full details such as name, address of the applicant, number of Equity Shares applied for, amount paid on application and bank and Branch. We will monitor the work of the Registrar to ensure that the investor grievances are settled expeditiously and satisfactorily.

A fortnightly status report of the complaints received and redressed by the Registrar to the Issue would be forwarded to us. We would also coordinate with the Registrar to the Issue in attending to the investors' grievances.

We assure that any complaints received, shall be disposed off as per the following schedule:

Sr. No	Nature of the Complaint	Time Taken
1.	Non-receipt of the refund	Within 7 days of receipt of complaint, subject to production of satisfactory evidence.
2.	Change of Address	Within 7 days of receipt of information.
3.	Any other complaint in relation to Public Issue	Within 7 days of receipt of complaint with all relevant details.

We have appointed Mr. Bhupendra N. Shah as the Compliance Officer who would directly liaise with SEBI with respect to implementation/compliance of various laws, rules, regulations and other directives issued by SEBI and matters related to investor complaints. The investors may contact the compliance officer in case of any pre issue/post issue related problems at the following address:

Mr. Bhupendra N. Shah
Company Secretary & Compliance Officer
Aqua Logistics Limited
5th Floor, B – Wing
Trade Star Building
Andheri Kurla Road
Andheri (East)
Mumbai – 400 059.
Tel. No: + 91 22 6777 0200/4090 3800
Fax No: + 91 22 2835 3976
Email: bhupendra.shah@aqualogistics.com

Our Company has not received any investor complaints during the three years preceding the filing of the Red Herring Prospectus with SEBI. Further, no investor complaints are pending as on the date of filing the Red Herring Prospectus with SEBI.

Changes in Auditors during the last three years and reasons thereof

Our Auditors for the year ended March 31, 2006 were M/s. K. K. Gada & Co. Subsequently in a resolution passed by the Shareholders at the Annual General Meeting dated September 29 2007, our Auditors were changed to Anil Nair & Associates, since the earlier auditor expressed his inability to continue in view of their preoccupations.

Capitalization of Reserves or Profits during last five years

Except as stated in the Chapter titled “Capital Structure” beginning on page 48 of the Red Herring Prospectus, our Company has not capitalised its reserves or profits at any time since inception.

Revaluation of Assets during the last five years

There has not been any revaluation of Assets during the last five years.

SECTION IX – ISSUE RELATED INFORMATION

TERMS OF THE ISSUE

The Equity Shares being offered are subject to the provisions of the Companies Act, SEBI (ICDR) Regulations, 2009, our Memorandum and Articles of Association, the terms of the Draft Red Herring Prospectus, the Red Herring Prospectus, the Prospectus, Bid-cum-Application Form, the Revision Form, the Confirmation of Allocation Note and other terms and conditions as may be incorporated in the allotment advices and other documents/certificates that may be executed in respect of the Issue. The Equity Shares shall also be subject to laws as applicable, guidelines, notifications and regulations relating to the issue of capital and listing and trading of securities issued from time to time by SEBI, the Government of India, the Stock Exchanges, the RBI, RoC and/or other authorities, as in force on the date of the Issue and to the extent applicable.

Ranking of Equity Shares

The Equity Shares being offered shall be subject to the provisions of the Companies Act, our Memorandum and Articles of Association and shall rank *pari-passu* in all respects with the existing Equity Shares including in respect of the rights to receive dividend. The allottees will be entitled to dividend, voting rights or any other corporate benefits, if any, declared by us after the date of Allotment. *For further details, please refer to Chapter titled “Main Provisions of Articles of Association” on page 272 of the Red Herring Prospectus.*

Mode of Payment of Dividend

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

Face Value and Issue Price per Share

The Equity Shares having a face value of Rs. 10 each are being offered in terms of the Red Herring Prospectus at a price of Rs. [•] per Equity Share. The Anchor Investor Issue Price is Rs. [•] per Equity Share. The Issue Price will be determined by our Company in consultation with the BRLMs on the basis of assessment of market demand for the Equity Shares offered by way of Book Building. At any given point of time there shall be only one denomination of the Equity Shares of our Company, subject to applicable laws. The Issue Price is [•] times the face value of the Equity Shares.

Rights of the Equity Shareholders

Subject to applicable laws, rules, regulations and guidelines and the Articles of Association, the equity shareholders shall have the following rights:

- Right to receive dividend, if declared;
- Right to attend general meetings and exercise voting rights, unless prohibited by law;
- Right to vote on a poll either in person or by proxy;
- Right to receive offer 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 Limited Company under the Companies Act, the terms of the listing agreements with the Stock Exchange(s) and the Memorandum and Articles of Association our Company.

For a detailed description of the main provisions of the Articles of Association of our Company relating to voting rights, dividend, forfeiture and lien and/or consolidation/splitting, *please refer to Chapter titled "Main Provisions of Articles of Association" on page 272 of the 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 existing SEBI (ICDR) Regulations, 2009, the trading in the Equity Shares shall only be in dematerialised form for all investors.

Since trading of our Equity Shares is in dematerialised form, the tradable lot is one Equity Share. Allocation and Allotment through this Issue will be done only in electronic form in multiples of one Equity Shares to the successful Bidders subject to a minimum Allotment of 25 Equity Shares. For *For details of Allocation and Allotment, please refer to the paragraph titled "Basis of Allotment" beginning on page 251 under Chapter titled "Issue Procedure" beginning on page 226 of the Red Herring Prospectus.*

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 transmitted, if any, shall vest. A person, being a nominee, entitled to the Equity Shares by reason of the death of the original holder(s), shall in accordance with Section 109A of the Companies Act, be entitled to the same advantages to which he or she would be entitled if he or she were the registered holder of the equity share(s). Where the nominee is a minor, the holder(s) may make a nomination to appoint, in the prescribed manner, any person to become entitled to equity share(s) in 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 our Registered Office 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 the provisions of Section 109A of the Companies Act, shall upon the production of such evidence as may be required by the Board, elect either:

- a) to register himself or herself as the holder of the Equity Shares; or
- b) to make such transfer of the Equity Shares, as the deceased holder could have made.

Further, the Board may at any time give notice requiring any nominee to choose either to be registered himself or herself or to transfer the Equity Shares, and if the notice is not complied with within a period of ninety days, the Board may thereafter withhold payment of all dividends, bonuses or other 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 dematerialized mode 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 investor wants to change the nomination, they are requested to inform their respective depository participant.

Bid/Issue Program

The period of operation of subscription list of public issue:

Bid/Issue opens on: January 25, 2010	Bid/Issue closes on: January 28, 2010
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The Company may consider participation by Anchor Investors for upto [●] Equity Shares in accordance with applicable SEBI (ICDR) Regulations, 2009. The Anchor Investor Bid/ Issue Period shall be one working day prior to the Bid/ Issue Opening Date.

Our Company will accept Bids from Anchor Investors only on the Anchor Investor Bidding Date, i.e. one working day prior to the Bid Opening Date. Bids by Anchor Investors may be submitted to the Syndicate. The number of Equity Shares allocated to each Anchor Investor and Anchor Investor Issue Price shall be made available in the public domain by the BRLMs before the Bid Opening Date.

Minimum Subscription

If our Company does not receive the minimum subscription of 90% of the offer through the offer document including devolvment of Underwriters, if any, within sixty (60) days from the date of closure of the issue, our Company shall forthwith refund the entire subscription amount received. If there is a delay beyond eight days, after our Company becomes liable to pay the amount, our Company shall pay interest prescribed under Section 73 of the Companies Act, 1956.

If the number of allottees in the proposed Issue is less than 1,000 allottees, we shall forthwith refund the entire subscription amount received. If there is a delay beyond 15 days after we become liable to pay the amount, we shall pay interest at the rate of 15% per annum for the delayed period.

Arrangements for Disposal of Odd Lots

Since, our Equity Shares will be traded in dematerialized form only; the marketable lot is one (1) Equity Share. Therefore, there is no possibility of any odd lots.

Restrictions, if any on Transfer and Transmission of Equity Shares

For a detailed description in respect of restrictions, if any, on transfer and transmission of shares and on their consolidation/splitting, *please refer to under the Chapter titled "Main Provisions of Articles of Association" on page 272 of the Red Herring Prospectus.*

Compliance with SEBI (ICDR) Regulations, 2009

Our Company shall comply with all requirements of the SEBI (Issue of Capital and Disclosure Requirements) Regulations 2009, notified on August 26, 2009 as amended from time to time. Our Company shall comply with all disclosure norms as specified by SEBI from time to time.

Option to Receive Securities in Dematerialized Form

Equity Shares being offered through the Red Herring Prospectus can be applied for and will be allotted in dematerialized form only.

ISSUE STRUCTURE

The present Issue comprising of [●] Equity Shares of Rs. 10 each aggregating Rs. 15,000 Lacs is being made through the 100% Book Building process. Details of the Issue structure are tabulated below:

<u>Particulars</u>	<u>QIBs</u>	<u>Non Institutional Bidders</u>	<u>Retail Individual Bidders</u>
Number of Equity Shares	of Not more than [●] Equity Shares	Not less than [●] Equity Shares	Not less than [●] Equity Shares
Percentage of Issue available for allocation	of Not more than 50% of the Net Issue to the public (of which 5% the Net Issue shall be reserved for Mutual Funds) or Net Issue to the public less allocation to Non- Institutional Bidders and Retail individual bidders * Individual Bidders.* Mutual Funds participating in the 5% reservation in the QIB Portion will also be eligible for allocation in the remaining QIB Portion. The Unsubscribed portion, if any, in the Mutual Fund reservation will be available to QIBs.	Not less than 15% of the Net public or Net size less allocation to QIBs and retail individual bidders *	Not less than 35% of the Net public or Net Issue size less allocation to QIBs and non institutional bidders *
Basis of Allocation respective category is oversubscribed	of Proportionate if	Proportionate	Proportionate
Minimum Bid	Such number of Equity Shares that the Bid Amount exceeds Rs. 1,00,000 and in multiples of 25 Equity Shares.	Such number of Equity Shares that the Bid Amount exceeds 25 Equity Shares Rs. 1,00,000 and in multiples of 25 Equity Shares thereafter.	Such number of Equity Shares and in multiples of 25 Equity Shares
Maximum Bid	Not exceeding the size of the issue, subject to regulations as applicable to the Bidder	Not exceeding the size of the issue, subject to regulations as applicable to the Bidder	Such number of Equity Shares per retail individual investor so as to ensure that the Bid amount does not exceed Rs. 1,00,000 which has to be in multiples of 25 Equity Shares.
Mode of Allotment	of Dematerialized mode	Dematerialized mode	Dematerialized mode
Trading Lot/Market lot	One (1) Equity Share	One (1) Equity Share	One (1) Equity Share

Who can apply**	Public financial institutions, as Companies, Individuals (including specified in Section 4A of the Corporate Bodies, ASBA Bidders, NRIs Companies Act, scheduled Scientific Institutions, and HUFs in the commercial banks, mutual funds, Societies, Trusts, name of Karta) foreign institutional investor Resident Indian applying for Equity registered with SEBI, multilateral individuals, HUF (in Shares such that the and bilateral development the name of Karta), Bid Amount does not financial institutions, Venture and NRIs (applying for exceed Rs. 1,00,000 Capital Funds registered with an amount exceeding in value. SEBI, foreign Venture capital Rs. 1,00,000) investors registered with SEBI, State Industrial Development Corporations, insurance companies registered with the Insurance Regulatory and Development Authority, provident funds with minimum corpus of Rs. 2500 Lacs and pension funds with minimum corpus of Rs. 2500 Lacs, National Investment Fund in accordance with applicable law and Insurance funds set up and managed by Army, Navy or Air Force of the Union of India		
Terms of payment	Margin Amount applicable to QIB Bidders at the time of submission of Bid cum Application form to the members of the syndicate	Margin Amount applicable to Non Institutional Bidders at the time of submission of Bid-cum-Application Form to the members of the syndicate	Margin Amount applicable to Retail Individual Bidders at the time of submission of Bid-cum-Application form to the members of the syndicate***
Margin Amount	10% of the Bid amount in respect of bids placed by bidder on bidding 25% of the Bid amount in respect of bids placed by QIB bidder in the Anchor Investor Portion, on bidding#	Full amount on QIB bidding	Full amount on bidding

Our Company may allocate upto 30% of the QIB Portion to Anchor Investors at the Anchor Investor Issue Price in accordance with the SEBI (ICDR) Regulations, 2009. At least one-third of the Anchor Investor Portion shall be available for allocation to Domestic Mutual Funds only. Allocation to Anchor Investors shall be on a discretionary basis subject to minimum number of two Anchor Investors. Further, Anchor Investors shall pay the Anchor Investor Margin Amount at the time of submission of Bid-cum-Application Form to the BRLMs and the balance within the Pay-in Date which shall be a date no later than two days of the Bid Closing Date.

Under subscription, if any, in any Category would be met with spill-over from other categories or a combination of categories. Investors may note that in case of over-subscription in the Issue, allotment to Bidders in all categories (except Anchor Investor Portion) shall be on a proportionate basis.

* Subject to valid bids being received at or above the Issue Price. Under-subscription, if any, in any category, would be allowed to be met with spill over inter-se from any other categories, at the discretion of our Company in consultation with the BRLMs subject to applicable provisions of SEBI (ICDR) Regulations, 2009.

**In case the Bid-cum-Application Form/ ASBA Form is submitted in joint names, the investors should ensure that the demat account is also held in the same joint names and in the same sequence in which they appear in the Bid-cum-Application Form.

Note: Equity Shares being offered through the Red Herring Prospectus can be applied for in dematerialized form only.

*** In case of ASBA Bidders, the SCSB shall be authorized to block such funds in the bank account of the ASBA Bidder that are specified in the ASBA Bid-cum-Application Form.

Note for Retail Individual Bidders:

A discount of Rs. 5 (Rupees Five only) to the Issue Price determined pursuant to completion of the Book Building Process shall be offered to Retail Individual Bidder (the "Retail Discount").

Retail Individual Bidders bidding at a price within the Price Band have to make payment based on their highest bid price option. Retail Individual Bidders bidding at cut-off have to ensure payment at the upper end of the Price Band, i.e. Rs. 230 per Equity Share.

Retail Individual Bidders should note that discount is not offered on application but on allotment.

ISSUE PROCEDURE

Book Building Procedure

The Issue is being made through the 100% Book Building Process wherein not more than 50% of the Net Issue to the Public shall be available for allocation to Qualified Institutional Buyers on a proportionate basis (of which 5% shall be allocated for Mutual Funds). Further, our Company may allocate upto 30% of the QIB Portion to Anchor Investors at the Anchor Investor Issue Price on a discretionary basis, out of which atleast one-third will be available for allocation to Domestic Mutual Funds only. Further, not less than 15% of the Net Issue to the Public shall be available for allocation on a proportionate basis to Non-Institutional Bidders and not less than 35% of the Net Issue to the Public shall be available for allocation on a proportionate basis to Retail Individual Bidders, subject to valid bids being received at or above the Issue Price.

Bidders are required to submit their Bids through the Syndicate. We, in consultation with the BRLMs, reserve the right to reject any Bid procured from QIBs, by any or all members of the Syndicate, for reasons to be recorded in writing provided that such rejection shall be made at the time of acceptance of the Bid and the reasons thereof shall be disclosed to the bidders. Provided further that our Company, in consultation with the BRLMs, reserves the right to reject any Bid procured from Anchor Investors without assigning any reasons thereof. In case of Non-Institutional Bidders and Retail Individual Bidders, our Company would have a right to reject the Bids only on technical grounds. The primary responsibility of building the book shall be that of the lead book runner.

Investors should note that Equity Shares would be allotted to all successful Bidders only in dematerialized form. Bidders will not have the option of getting Allotment of the Equity Shares in physical form. The Equity Shares on Allotment shall be traded only in the dematerialized segment of the Stock Exchanges.

Illustration of Book Building and Price Discovery Process

(Investors should note that this illustration is solely for the purpose of illustration and is not specific to the Issue)

The Bidders can bid at any price within the Price Band. For instance, assume a Price Band of Rs. 60 to Rs. 72 per Equity Share, Issue size of 5,400 Equity Shares and receipt of five Bids from the Bidders. A graphical representation of the consolidated demand and price would be made available at the bidding centres during the Bidding/Issue Period. The illustrative book as set forth below shows the demand for the Equity Shares of the Company at various prices and is collated from Bids from various investors.

Bid Quantity	Bid Price (Rs.)	Cumulative Quantity	Subscription
1,500	72	1,500	27.78%
3,000	69	4,500	83.33%
4,500	66	9,000	166.67%
6,000	63	15,000	277.78%
7,500	60	22,500	416.67%

The price discovery is a function of demand at various prices. The highest price at which our Company is able to issue the desired quantity of Equity Shares is the price at which the book cuts off, i.e., Rs.66 in the above example. Our Company, in consultation with the BRLMs, will finalize the Issue Price at or below such cut-off price, i.e., at or below Rs.66. All Bids at or above this Issue Price and cut-off Bids are valid Bids and are considered for allocation in the respective category.

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 the Red Herring Prospectus. The Bidder shall have the option to make a maximum of three Bids in the Bid-cum-Application Form and such options shall not be considered as multiple Bids. Upon the allotment of Equity Shares, dispatch of the CAN and filing of the Prospectus with the RoC, the Bid-cum-Application Form shall be considered as the Application Form. Upon completing and submitting the Bid-cum-Application Form to a member of the Syndicate, the Bidder is deemed to have authorized us to make the necessary changes in 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 the RoC after such filing, without prior or subsequent notice of such changes to the Bidder.

The prescribed colour of the Bid-cum-Application Form for various categories is as follows:

Category	Colour of Bid-cum-Application Form
Indian Public including QIBs, Non-Institutional Bidders or NRIs applying on a non-repatriation basis	White
Non-residents, NRIs or FIIs applying on a repatriation basis	Blue
ASBA Bidders	Pink
Anchor Investors*	White

* Bid-cum-Application Forms for Anchor Investors shall be available at the Registered Office of our Company and BRLMs. In accordance with SEBI ICDR Regulations, 2009, only QIBs can participate in the Anchor Investor Portion.

Only Retail Individual Investors and Non Institutional Investors can participate by way of ASBA Process.

Who Can Bid?

1. Persons eligible to invest under all applicable laws, rules, regulations and guidelines;
2. Indian nationals resident in India who are majors, in single or joint names (not more than three);
3. 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;
4. Companies, corporate bodies and societies registered under the applicable laws in India and authorized to invest in Equity shares;
5. Indian mutual funds registered with SEBI;
6. Indian financial institutions, commercial banks, regional rural banks, co-operative banks (subject to RBI regulations and SEBI (ICDR) Regulations, 2009 and other Regulations, as applicable);
7. Venture capital funds registered with SEBI;
8. Foreign venture capital investors registered with SEBI;
9. State Industrial Development Corporations;
10. Insurance companies registered with the Insurance Regulatory and Development Authority;
11. Provident funds with minimum corpus of Rs. 25 crores and who are authorized under their constitution to invest in Equity Shares;

12. Pension funds with minimum corpus of Rs. 25 crores and who are authorized under their constitution to invest in Equity Shares;
13. Multilateral and bilateral development financial institutions;
14. Trusts/Societies registered under the Societies Registration Act, 1860, as amended, or under any other law relating to Trusts/Societies and who are authorized under their constitution to hold and invest in Equity Shares;
15. Eligible Non-residents including NRIs and FIIs on a repatriation/non- repatriation basis subject to applicable local laws; and
16. Scientific and/or industrial research organizations authorized under their constitution to invest in Equity Shares.
17. As per existing regulations promulgated under FEMA, Overseas Corporate Bodies (OCBs) cannot bid/participate in this issue.

Note: Bidders are advised to ensure that any single Bid from them does not exceed the investment limits or maximum number of Equity Shares that can be held by them under the relevant laws, rules, regulations, guidelines and approvals.

Participation by Associates of the BRLMs and Syndicate Members

The BRLMs and Syndicate Members shall not be entitled to subscribe to this Issue in any manner except towards fulfilling their underwriting obligation. However, associates and affiliates of the BRLMs, and Syndicate Members may subscribe for Equity Shares in the Issue, including in the QIB Portion and Non-Institutional Portion where the allocation is on a proportionate basis. Such holding or subscription maybe on their behalf or on behalf of their clients.

Procedure for Application by Mutual Funds

In accordance with the current regulations, 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 by 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 capital carrying voting rights.

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 name of the scheme concerned for which the Bid has been made.

Application by FIIs

In accordance with the current regulations, the Issue of Equity Shares to a single FII should not exceed 10% of the post-Issue paid- up capital of our Company. In respect of an FII investing in the Equity Shares on behalf of its sub-accounts, the investment on behalf of each sub-account shall not exceed 10% of the total issued capital or 5% of the total issued capital of our Company in case such sub-account is a foreign corporate or an individual.

Application by SEBI registered Venture Capital Funds and Foreign Venture Capital Funds

The SEBI (Venture Capital Funds) Regulations, 1996 and the SEBI (Foreign Venture Capital Investors) Regulations, 2000 prescribe investment restrictions on venture capital funds and foreign venture capital investors registered with SEBI. Accordingly, the holding by any individual venture capital fund or foreign venture capital investor registered with SEBI should not exceed 33.33% of the corpus of the venture capital fund/foreign venture capital investor. The aggregate holdings of venture capital funds and foreign venture capital investors registered with SEBI could, however, go up to 100% of our Company's paid-up equity capital.

Application by NRI

- Individual NRI Bidders can obtain the Bid-cum-Application Forms from our registered office situated at 5th Floor, B-Wing, Trade Star Building, Andheri Kurla Road, Andheri (East), Mumbai – 400 059, Maharashtra or from members of the Syndicate or the Registrars to the Issue.
- NRI Bidders may please note that only such Bids as are accompanied by payment in free foreign exchange shall be considered for allotment. NRIs who intend to make payment through Non-Resident Ordinary (NRO) accounts shall use the Bid-cum-Application Form meant for Resident Indians (white in colour)

The above information is given for the benefit of the Bidders. The Bidders are advised to make to their own enquiries about the limits applicable to them. Our Company and the BRLMs do not accept any responsibility for the completeness and accuracy of the information stated hereinabove. Our Company and the BRLMs are not liable for any amendments or modification or changes in applicable laws or regulations, which may happen after the date of the 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 minimum 25 Equity Shares and in multiples of 25 Equity Shares thereafter subject to maximum bid amount of Rs. 1,00,000/.

A discount of Rs. 5 (Rupees Five only) to the Issue Price determined pursuant to completion of the Book Building Process shall be offered to Retail Individual Bidder (the “Retail Discount”).

Retail Individual Bidders bidding at a price within the Price Band have to make payment based on their highest bid price option. Retail Individual Bidders bidding at cut-off have to make payment at the upper end of the Price Band, i.e. Rs. 230 per Equity Share.

Retail Individual Bidders should note that discount is not offered on application but on allotment.

In case of revision of Bids, the Retail Individual Bidders have to ensure that the Bid Amount does not exceed Rs. 1,00,000. In case the Bid Amount is over Rs. 1,00,000, due to revision in bid or revision of the Price Band or on exercise of Cut-off option, the Bid would be considered for allotment under the Non-Institutional Bidders category. The Cut-off option is an option given only to the Retail Individual Bidders indicating their agreement to bid and purchase at the final Issue Price as determined at the end of the Book Building Process.

- b) **For Non-Institutional Bidders and QIB Bidders:** The Bid must be for a minimum of such number of Equity Shares such that the Bid Amount payable by the Bidder exceeds Rs. 100,000 and in multiples of 25 Equity Shares thereafter. A Bid cannot be submitted for more than the size of the Issue. However, the maximum Bid by a QIB should not exceed the investment limits prescribed for them by applicable laws. **Under existing SEBI (ICDR) Regulations, 2009, a QIB Bidder cannot withdraw its Bid after the Bid/Issue Closing Date and is required to pay QIB margin on 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 Price Band, the same would be considered for allocation under the Retail Portion. Non Institutional Bidders and QIBs are not allowed to Bid at 'Cut-off'.

- c) **Anchor Investor Portion:** The Company may consider participation by Anchor Investor in the Net Issue for up to [●] Equity Shares in accordance with the applicable SEBI (ICDR) Regulations, 2009. The Anchor Investor Bid/Issue Period shall be one working day prior to the Bid/Issue Opening Date. The QIB Portion shall be reduced in proportion to the allocation under the Anchor Investor category.

Anchor Investors shall be QIBs as defined in the SEBI (ICDR) Regulations, 2009. The Bid must be for a minimum of such number of Equity Shares so that the Bid Amount exceeds Rs. 10 Crores and in multiples of 25 Equity Shares thereafter. A Bid cannot be submitted for more than 30% of the QIB Portion. One-third of the Anchor Investor Portion shall be reserved for allocation to domestic mutual funds.

The Bidding for Anchor Investors shall open one day before the Bid/Issue Opening Date and shall be completed on the same day.

Information for the Bidders

1. We will file the Red Herring Prospectus with the Registrar of Companies, at least 3 (three) days before the Bid/Issue Opening Date.
2. The members of the Syndicate will circulate copies of the Red Herring Prospectus along with the Bid-cum-Application Form to their potential investors.
3. Any investor (who is eligible to invest in the Equity Shares) desirous of obtaining a copy of the Red Herring Prospectus along with the Bid-cum-Application Form can obtain the same from our registered office or from the BRLMs, or from a member of the Syndicate.
4. Investors who are interested in subscribing for our Company's Equity Shares should approach any of the BRLMs or Syndicate Member or their authorized agent(s) to register their Bid.
5. 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) We, with the BRLMs, shall declare the Bid/Issue Opening Date, Bid/Issue Closing Date and the Price Band after the filing of the Red Herring Prospectus with RoC and also publish the same in three widely circulated newspapers (one each in English, Hindi and a regional newspaper). This advertisement, subject to the provisions of Section 66 of the Companies Act shall be in the format prescribed in Part A of Schedule XIII of the SEBI (ICDR) Regulations, 2009. The Members of the Syndicate shall accept Bids from the Bidders during the Issue Period in accordance with the terms of the Syndicate Agreement.
- b) Investors who are interested in subscribing for our Equity Shares should approach any of the members of the Syndicate or their authorized agent(s) to register their Bid.
- c) The Bidding Period shall be a minimum of 3 working (three) days and not exceed 7 working (seven) days. In case the Price Band is revised, the revised Price Band and the Bidding

Period will be informed to the Stock Exchanges and published in two national newspapers (one each in English and Hindi) and one regional newspaper and the Bidding Period may be extended, if required, by an additional 3 working (three) days, subject to the total Bidding Period not exceeding 10 working (ten) days.

- d) During the Bidding Period, the Bidders may approach the Syndicate to submit their Bid. Every member of the Syndicate shall accept Bids from all clients/investors who place orders through them and shall have the right to vet the Bids.
- e) Each Bid cum Application Form will give the Bidder the choice to bid for up to three optional prices *(for details please refer to the paragraph titled “Bids at Different Price Levels” beginning on page 231 under this Chapter in the Red Herring Prospectus)* within the Price Band and specify the demand (i.e., the number of Equity Shares bid for) in each option. The price and demand options submitted by the Bidder in the Bid-cum-Application Form will be treated as optional demands from the Bidder and will not be cumulated. After determination of the Issue Price, the maximum number of Equity Shares bid for by a Bidder at or above the Issue Price will be considered for allocation and the rest of the Bid(s), irrespective of the Bid price, will become automatically invalid.
- f) The Bidder cannot bid on another Bid-cum-Application Form after Bids on one Bid-cum-Application Form have been submitted to any member of the Syndicate. Submission of a second Bid-cum-Application Form to either the same or to another member of the Syndicate will be treated as multiple bidding and is liable to be rejected either before entering the Bid into the electronic bidding system, or at any point of time prior to the allotment of Equity Shares in this Issue. However, the Bidder can revise the Bid through the Revision Form. *For details please refer to the paragraph titled “Build up of the Book and Revision of Bids” beginning on page 235 under this Chapter in the Red Herring Prospectus.*
- g) The members of the Syndicate will enter each option into the electronic bidding system as a separate Bid and generate a Transaction Registration Slip (TRS), for each price and demand option and give the same to the Bidder. Therefore, a Bidder can receive up to three TRS's for each Bid-cum-Application Form. **It is the responsibility of the bidder to obtain the TRS from the Syndicate Member.**
- h) Along with the Bid-cum-Application Form, all Bidders will make payment in the manner described *under paragraph titled “Terms of Payment and Payment into the Escrow Collection Account” beginning on page 233 under this Chapter in the Red Herring Prospectus.*

Bids at Different Price Levels

- a) The Bidders can bid at any price within the Price Band, in multiples of Re 1. The minimum application size should be in the range of Rs. 5,000 to Rs. 7,000.
- b) In accordance with SEBI (ICDR) Regulations, 2009, our Company in consultation with the BRLMs in accordance with this clause, without the prior approval of, or intimation, to the Bidders, can revise the Price Band. The cap on the Price Band should not be more than 20% of the floor of the Price Band. Subject to compliance with the immediately preceding sentence, the floor of the Price Band can move up or down to the extent of 20% of the floor of the Price Band. In case of a revision in the Price Band, the Issue will be kept open for a further period of three working days after the revision of the Price Band, subject to the total Bidding Period not exceeding ten working days.
- c) In the event of any revision in the Price Band, whether upwards or downwards, the minimum application size shall be suitably revised, if necessary such that the minimum application is in the range of Rs. 5,000 to Rs. 7,000.

- d) Any revision in the Price Band and the revised Bidding Period/Issue Period, if applicable, will be widely disseminated by informing the Stock Exchanges, by issuing a public notice in two national newspapers (one each in English and Hindi) and one regional newspaper, and also indicating the change on the relevant websites of the BRLMs and the terminals of the members of the Syndicate.
- e) We, in consultation with the BRLMs, can finalize the Issue Price within the Price Band without the prior approval of, or intimation to, the Bidders.
- f) 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 applying for a maximum bid in any of the bidding options not exceeding Rs. 100,000 may bid at 'Cut-off'. However, bidding at 'Cut-off' is prohibited for QIB or Non Institutional Bidders and such Bids from QIBs and Non-Institutional Bidders shall be rejected.**
- g) Retail Individual Bidders, who bid at the 'Cut-Off' agree that they shall purchase the Equity Shares at any price within the Price Band. Retail Individual Bidders bidding at 'cut-off' shall deposit the Bid Amount based on the Cap Price in the Escrow Account. In the event the Bid Amount is higher than the subscription amount payable by the Retail Individual Bidders (i.e. the total number of Equity Shares allocated in the Issue multiplied by the Issue Price), Retail Individual Bidders shall receive the refund of the excess amounts from the Refund Account.
- h) 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
 - ii) make additional payment based on the cap of the revised Price Band, with the members of the Syndicate to whom the original Bid was submitted. In case the total amount (i.e. original Bid Amount plus additional payment) exceeds Rs. 100,000, the Bid will be considered for allocation under the Non Institutional category in terms of the Red Herring Prospectus. If, however, the Bidder does not either revise the Bid or make additional payment and the Issue Price is higher than the cap of the Price Band prior to revision, the number of Equity Shares bid for shall be adjusted for the purpose of allocation, such that no additional payment would be required from the Bidder and the Bidder is deemed to have approved such revised Bid at Cut off
 - iii) In case of a downward revision in the Price Band, announced as above, Retail Individual Bidders 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 Refund Account.

Option to Subscribe in the Issue

- Equity Shares being offered through the Red Herring Prospectus can be applied for in dematerialized form only.
- The Equity Shares on allotment shall be traded on Stock Exchanges in demat segment only.
- A single bid from any investor shall not exceed the investment limit/minimum number of Equity Shares that can be held by him/her/it under the relevant regulations/statutory guidelines.

Escrow Mechanism

Our Company and members of the Syndicate shall open Escrow Accounts with one or more Escrow Collection Banks in whose favour the Bidders shall make out the cheque or demand draft in respect of his or her Bid and/or revision of the bid. Cheques or demand drafts received for the full Bid amount from Bidders in a certain category would be deposited in the Escrow Account for the Issue. The Escrow Collection Banks will act in terms of the Red Herring Prospectus and an Escrow Agreement. The monies in the Escrow Account of our Company shall be maintained by the Escrow Collection Bank(s) for and on behalf of the Bidders. The Escrow Collection Bank(s) shall not exercise any lien whatsoever over the monies deposited therein and shall hold the monies therein in trust for the Bidders. On the Designated Date, the Escrow Collection Banks shall transfer an amount equivalent to Issue proceeds (Final Issue Price multiplied by the number of Equity Shares allotted through this issue) from the Escrow Account to the Public Issue Account with the Bankers to the Issue as per the terms of the Escrow Agreement with our Company and the balance amount shall be transferred to the Refund Account, from where payment of refund to the Bidders shall be made.

The Bidders may note that the Escrow Mechanism is not prescribed by SEBI and the same has been established as an arrangement between our Company, the Syndicate, Escrow Collection Bank(s) and the Registrars to the Issue to facilitate collections from the Bidders.

Terms of Payment and Payment into the Escrow Collection Account

In case of Non-institutional Bidders and Retail Individual Bidders, each Bidder shall, with the submission of the Bid-cum-Application Form draw a cheque or demand draft for the maximum amount of his/ her Bid in favour of the Escrow Account of the Escrow Collection Bank(s) and submit the same to the members of the Syndicate to whom the Bid is being submitted. In case of QIB Bidders, the Margin Amount has to be submitted along with the Bid to the members of the Syndicate. Bid-cum-Application Forms accompanied by cash and stock invests shall not be accepted. The maximum Bid price has to be paid at the time of submission of the Bid-cum-Application Form based on the highest bidding option of the Bidder.

The members of the Syndicate shall deposit the cheque or demand draft with the Escrow Collection Bank(s), which will hold the monies for the benefit of the Bidders till the Designated Date. On the Designated Date, the Escrow Collection Bank(s) shall transfer the funds from the Escrow Account, as per the terms of the Escrow Agreement, into the Public Issue Account and Refund Account. Not later than 15 days from the Bid / Issue Closing Date, our Company will instruct the Refund Banker to refund all amount payable to unsuccessful Bidders and also the excess amount paid on bidding, if any, after adjustment for allocation to the Bidders, failing which our Company shall pay interest @15% per annum for any delay beyond the period mentioned above.

Each category of Bidders i.e. QIBs, Non-Institutional Bidders and Retail Individual Bidders, would be required to pay their 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 Chapter titled "Issue Structure" beginning on page 223 of the Red Herring prospectus* and shall be uniform across all the bidders in the same category. Where the Margin Amount applicable to the Bidder is less than 100% of the Bid Amount, any difference between the amount payable by the Bidder for Equity Shares allocated at the Issue Price and the Margin amount paid at the time of Bidding, shall be payable by the Bidder no later than the Pay-in-Date, which shall be a minimum period of two days from the date of communication of the allocation list to the members of the Syndicate by the Registrar to the Issue. If the payment is not made favouring the Escrow Account within the time stipulated above, the Bid of the Bidder is liable to be cancelled. However, if the members of the Syndicate do not waive such payment, the full amount of payment has to be made at the time of submission of the Bid-Cum-Application Form.

Electronic Registration of Bids

- a) The members of the Syndicate will register the Bids using the on-line facilities of NSE and BSE. There will be at least one BSE / NSE on-line connectivity to each city where a Stock Exchange is located in India and the Bids are accepted.
- b) NSE and BSE will offer a screen-based facility for registering Bids for the Issue. This facility will be available on the terminals of the members of the Syndicate and their authorized agents during the Bidding Period. Members of the Syndicate can also set up facilities for off-line electronic registration of Bids subject to the condition that they will subsequently 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 Syndicate Member shall upload the Bids till such time as may be permitted by the BSE and NSE.
- c) BSE and NSE will aggregate demand and price for Bids registered on their electronic facilities on a regular basis and display graphically the consolidated demand at various price levels. This information can be assessed on BSE's website at www.bseindia.com or on NSE's website at www.nseindia.com. The online, real-time graphical display of demand and bid prices at the bidding terminals shall be made. The BRLMs shall ensure the availability of adequate infrastructure for data entry of the bids on a real time basis. At the end of each day of the bidding period the demand shall be shown graphically on the terminals for information of the syndicate members as well as the investors.
- d) At the time of registering each Bid, the members of the Syndicate shall enter the following details of the investor in the on-line system:
 - Name of the investor (Investors should ensure that the name given in the Bid-cum-Application Form is exactly the same as the Name in which the Depository Account is held. In case the Bid-cum-Application Form is submitted in joint names, investors should ensure that the Depository Account is also held in the same joint names and are in the same sequence in which they appear in the Bid-cum-Application Form.)
 - Investor Category – Individual, Corporate, NRI, FII, Mutual Fund, etc
 - Numbers of Equity Shares bid for
 - Bid price
 - Bid Amount
 - Bid-cum-Application Form number
 - Whether payment is made upon submission of Bid-cum-Application Form
 - Margin Amount and
 - Depository Participant Identification Number and Client Identification Number of the demat account of the Bidder.
- e) A system generated TRS will be given to the Bidder as a proof of the registration of each of the bidding options. It is the Bidder's responsibility to obtain the TRS from the members of the Syndicate. The registration of the Bid by the members of the Syndicate does not guarantee that the Equity Shares shall be allocated either by the members of the Syndicate or our Company.
- f) Such TRS will be non-negotiable and by itself will not create any obligation of any kind.
- g) Consequently, all or any of the members of the Syndicate may reject QIB Bids provided the rejection is at the time of receipt of such Bids and the reason for rejection of the Bid is communicated to the Bidder at the time of such rejection. In case of Non-Institutional Bidders, Retail Individual Bidders, Bids would not be rejected except on the technical grounds listed as mentioned *under paragraph titled "Grounds for Technical Rejections" beginning on page 246 under this Chapter in the Red Herring Prospectus.*

- h) It is to be distinctly understood that 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 or BRLMs 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, its Promoters, its management or any scheme or project of our Company.
- i) It is also to be distinctly understood that the approval given by BSE and NSE for the use of their online IPO system should not in any way be deemed or construed that the 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 the 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 NSE or BSE mainframe on a regular basis.
- b) The book gets build up at various price levels. This information will be available with the BRLMs on a regular basis.
- c) During the Bidding Period, any Bidder who has registered his or her interest in the Equity Shares at a particular price level is free to revise his or her Bid within the Price Band using the printed Revision Form, which is a part of the Bid-cum-Application Form.
- d) Revisions can be made in both the desired numbers of Equity Shares and the bid price by using the Revision Form. Apart from mentioning the revised options in the revision form, the Bidder must also mention the details of all the options in his or her Bid-cum-Application Form or earlier Revision Form. For example, if a Bidder has bid for three options in the Bid-cum-Application Form and he is changing only one of the options in the Revision Form, he must still fill the details of the other two options that are not being changed, in the Revision Form unchanged. Incomplete or inaccurate Revision Forms will not be accepted by the members of the Syndicate.
- e) The Bidder can make this revision any number of times during the Bidding Period. However, for any revision(s) of the Bid, the Bidders will have to use the services of the same members of the Syndicate through whom he or she had placed the original Bid. Bidders are advised to retain copies of the blank Revision Form and the revised Bid must be made only in such Revision Form or copies thereof.
- f) Any revision of the Bid shall be accompanied by payment in the form of cheque or demand draft for the incremental amount, if any, to be paid on account of the upward revision of the Bid. The excess amount, if any, resulting from downward revision of the Bid would be returned to the Bidder at the time of refund in accordance with the terms of the Red Herring Prospectus. In case of QIBs, the members of the Syndicate shall collect the payments 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. QIB Bidders shall not be allowed to withdraw their Bid after Bid/Issue closing date.

- 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 NSE or BSE and members of the Syndicate, the decision of the BRLMs based on the physical records of Bid-cum-Application Forms shall be final and binding to all concerned.

Price Discovery and Allocation

- a) After the Bid/Issue Closing Date, the BRLMs will analyze the demand generated at various price levels and discuss pricing strategy with us.
- b) Our Company, in consultation with the BRLMs shall finalise the 'Issue Price', the number of Equity Shares to be allotted in each category of Bidders.
- c) The allocation for QIBs for not more than 50% of the Net Issue to the Public, of which 5% shall be reserved for Mutual Funds, would be on a proportionate basis, subject to valid bids being received at or above the Issue Price in the manner as described in the section titled 'Basis of Allotment'. The allocation to Non-Institutional Bidders and Retail Individual Bidders of not less than 15% and 35% of the Net Issue to the Public, respectively, would be on proportionate basis, in the manner specified in the SEBI (ICDR) Regulations, 2009, in consultation with Designated Stock Exchange, subject to valid Bids being received at or above the Issue Price.
- d) Under subscription, if any, in QIBs, Non-Institutional and Retail categories would be allowed to be met with spill over from any of the other categories at the discretion of our Company and the BRLMs. However, if the aggregate demand by Mutual Funds is less than 63,750 Equity Shares, the balance Equity Shares from the portion specifically available for allocation to Mutual Funds in the QIB Portion will first be added to the QIB Portion and be allocated proportionately to the QIB Bidders in proportion to their Bids.
- e) Allocation to NRIs, FIIs, Foreign Venture Capital Funds registered with SEBI applying on repatriation basis will be subject to the terms and conditions stipulated by the FIPB and RBI while granting permission for Issue/Allocation of Equity Shares to them.
- f) The BRLMs, in consultation with us, shall notify the Syndicate Members of the Issue Price and allocations to their respective Bidders, where the full Bid Amount has not been collected from the Bidders.
- g) Our Company in consultation with the BRLMs, reserves the right to cancel the Issue any time after the Bid/Issue Opening Date but before allocation, without assigning reasons whatsoever.
- h) The allotment details shall be uploaded on the website of the Registrar to the Issue.

Signing of Underwriting Agreement and RoC Filing

1. Our Company, the BRLMs and the Syndicate Members shall enter into an Underwriting Agreement on finalization of the Issue Price and allocation(s) to the Bidders.
2. After signing the Underwriting Agreement, we will update and file the updated Red Herring Prospectus with RoC, which then would be termed 'Prospectus'. The Prospectus would have

details of the Issue Price, Issue Size, underwriting arrangements and would be complete in all material respects.

Filing of the Prospectus with the RoC

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, Maharashtra situated at Mumbai. A copy of the Prospectus required to be filed under Section 60 of the Companies Act would be delivered for registration to the RoC, Maharashtra, Mumbai.

We will ensure that all the legal requirements applicable till the filing of the Prospectus with RoC are complied with.

Announcement of Pre-Issue Advertisement

Subject to Section 66 of the Companies Act, our Company shall after receiving final observations, if any, on the Red Herring Prospectus from SEBI, publish an advertisement, in the form prescribed by the SEBI (ICDR) Regulations, 2009 in an English national daily with wide circulation, one Hindi National newspaper, and a regional language newspaper.

Advertisement regarding Issue Price and Prospectus

We will issue a statutory advertisement at the time of/after filing of Prospectus with 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 Red Herring Prospectus and the date of Prospectus will be included in such statutory advertisement.

Issuance of Intimation Note and Confirmation of Allocation/Allotment Note to bidders, other than QIBs

The Registrar to the Issue shall send Confirmation of Allocation Note/Allotment Advice-cum-Refund Orders to all the Bidders intimating the number of shares allotted and the amount refunded.

Issuance of Intimation Note and Confirmation of Allocation Note to QIB bidders

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. Based on the electronic book, if so required, QIBs may be sent an Intimation Note, indicating the number of Equity Shares that may be allocated to them and the additional margin required which shall be payable by the QIBs within the pay-in date specified therein. This Intimation Note is subject to the Basis of Allotment, which will be approved by the Designated Stock Exchange and reflected in the reconciled book prepared by the Registrar. Subject to SEBI (ICDR) Regulations, 2009, 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 reconciled book and basis of allotment as approved by the Designated Stock Exchange. In addition, there are foreign investment limitations applicable to our Company, which may result in a change (including a potential decrease) in the number of Equity Shares being finally allotted to non-resident investors (including FIIs). As a result, a CAN may be sent to QIBs and the allocation of Equity Shares in such CAN, may be different from that specified in the earlier Intimation Note. QIBs should note that they may be required to pay additional amounts if any, by way of cheque, DD, RTGS, NEFT or any other electronic mode by the Pay-in Date specified in the CAN, for any increased allocation of Equity Shares. The CAN will constitute the valid, binding and irrevocable contract for the QIB for all the Equity Shares allocated to such QIB

Designated Date and Transfer of Funds to Public Issue Account

- 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 Escrow Account to the Public Issue Account on the Designated Date, we would allot the Equity Shares to the allottees and would ensure the credit to the successful Bidders depository account within two working days from the date of finalization of the basis of allotment with the Designated Stock Exchange. In case, our Company fails to make allotment or transfer within 15 days of the Bid/Issue Closing Date, interest would be paid to the investors at the rate of 15% per annum.
- b) In accordance with the SEBI (ICDR) Regulations, 2009, Equity Shares will be issued and allotment shall be made only in the dematerialized form to the allottees. Allottees will have the option to re-materialize the Equity Shares, if they so desire, as per the provisions of the Companies Act and the Depositories Act.

Investors are advised to instruct their Depository Participant to accept the Equity Shares that may be allocated to them pursuant to this Issue.

General Instructions

Do's:

- a) Check if you are eligible to apply;
- b) Complete the Bid-cum-Application Form after reading all the instructions carefully;
- c) Ensure that the details about Depository Participant and beneficiary account are correct as Equity Shares will be allotted in the dematerialized form only;
- d) Ensure that the Demographic Details (as defined herein below) are updated, true and correct in all respects.
- e) Ensure that the Bids are submitted at the Bidding Centres only on forms bearing stamp of the Syndicate Member;
- f) Ensure that you have been given a TRS for all your Bid options;
- g) Submit Revised Bids to the same Syndicate Member through whom the original Bid was placed and obtain a revised TRS;
- h) Ensure that the Bid is within the Price Band;
- i) Investors must ensure that the name given in the Bid-cum-Application Form is exactly the same as the name in which the Depository Account is held. In case, the Bid-cum-Application Form is submitted in joint names, investors should ensure that the Depository Account is also held in the same joint names and are in the same sequence in which they appear in the Bid-cum-Application Form.
- j) Ensure that Permanent Account Number (PAN) is mentioned in the Bid-cum-Application Form.
- k) Ensure that the Demographic details as registered with your Depository participant are updated, true and correct at all respects.

Don'ts:

- a) Do not Bid if you are prohibited from doing so under the law of your local jurisdiction;
- b) Do not Bid for lower than minimum Bid size;
- c) Do not Bid or revise the Bid to less than the lower end of the Price Band or higher than the higher end of the Price Band;
- d) Do not Bid on another Bid-cum-Application Form after you have submitted a Bid to the members of the Syndicate;
- e) Do not pay bid amount in cash, through stock invest, by money order or by postal order.
- f) Do not provide your GIR number instead of PAN number;
- g) Do not Bid at cut-off price (for QIB Bidders and Non-Institutional Bidders for whom the Bid Amount exceeds Rs. 100,000);
- h) Do not fill up the Bid-cum-Application Form for an amount that exceeds the investment limit or maximum number of Equity Shares that can be held by a Bidder under the applicable law.
- i) Do not send Bid-cum-Application Form by post; instead submit the same to a member of the Syndicate only.
- j) Do not submit the Bid without the QIB Margin Amount, in case of a Bid by a QIB.

Instructions for completing the Bid-Cum-Application Form

Bidders can obtain Bid-cum-Application Forms and / or Revision Forms from our registered/corporate office, or from the Syndicate Members or from the BRLMs.

Bids and Revisions of Bids

Bids and revisions of Bids must be:

- (a) Made only in the prescribed Bid-cum-Application Form or Revision Form, as applicable (white colour for Resident Indians, blue colour for NRI or FII or foreign venture capital fund/Multilateral and Bilateral Development Financial Institutions applying on repatriation basis).
- (b) Completed in full, in BLOCK LETTERS in ENGLISH and in accordance with the instructions contained therein, in the Bid-cum-Application Form or in the Revision Form. Incomplete Bid-cum-Application Forms or Revision Forms are liable to be rejected.
- (c) The Bids from the Retail Individual Bidders must be for a minimum of 25 Equity Shares and in multiples of 25 thereafter subject to a maximum of Rs. 100,000.
- (d) For non-institutional and QIB Bidders, Bids must be for a minimum of such number of Equity Shares that the Bid amount exceeds Rs. 100,000 and in multiples of 25 Equity Shares thereafter. Bids cannot be made for more than the size of the Issue. Bidders are advised to ensure that a single bid from them should not exceed the investment limits or maximum number of Equity Shares that can be held by them under applicable laws or regulations.

- (e) In single name or in joint names (not more than three and in the same order as their Depository Participant details).
- (f) Thumb impressions and signatures other than in the languages specified in the Eighth Schedule in the Constitution of India must be attested by a Magistrate or a Notary Public or a Special Executive Magistrate under official seal.

Bidder's Bank Account Details

Bidders should note that on the basis of name of the Bidders, Depository Participants Name, Depository Participants 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 Bidder's bank account details. These bank account details would be printed on the Refund Orders/Refund Advices, if any, to be sent to the Bidders and for giving refund through any of the mode namely ECS or Direct Credit or RTGS or NEFT. Hence, Bidders are advised to immediately update their bank account details as appearing on the records of the Depository Participant. Please note that failure to do so could result in delays in credit of refunds to Bidders at the Bidder's sole risk and neither the BRLMs nor our Company shall have any responsibility and undertake any liability for the same.

BIDDER'S DEPOSITORY ACCOUNT DETAILS

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

Bidders should note that on the basis of name of the Bidders, Depository Participant's name, Depository Participant-Identification number and Beneficiary Account Number provided by them in the Bid-cum-Application Form, the Registrar to the Issue will obtain from the Depository demographic details of the Bidders such as address, occupation, bank account details for printing on refund orders / refund advices or and for giving refund through any of the mode namely ECS or Direct Credit or RTGS or NEFT (hereinafter referred to as Demographic Details). Hence, Bidders should carefully fill in their Depository Account details in the Bid-cum-Application Form.

These Demographic Details would be used for all correspondence with the Bidders including mailing of the refund orders/ refund advice / ECS credit for refunds/ Direct Credit of refund/CANs/Allocation Advice and printing of Bank particulars on the refund order / refund advice, and the Registrar would not use the Demographic Details given by Bidders in the Bid-cum-Application Form for these purposes.

Hence, Bidders are advised to update their Demographic Details as provided to their Depository Participants.

By signing the Bid-cum-Application Form, Bidder would have deemed to authorize the depositories to provide, upon request, to the Registrar to the Issue, the required Demographic details as available on its records.

Refund Advice / Refund Orders/ Allocation Advice/ CANs would be mailed at address of the first Bidder as per the Demographic Details received from the Depositories. Bidders may note that delivery of refund orders/ refund advice/ allocation advice/ CANs may get delayed if the same once sent to the address obtained from the depositories are returned undelivered. In such an event, the address and other details given by the Bidders in the Bid-cum-Application Form would be used only to ensure dispatch of refund orders. Please note that any such delay shall be at the Bidders sole risk.

In case no corresponding record is available with the Depositories that match three parameters, namely, names of the Bidders (including the order of names of joint holders), the Depository Participant's identity (DP ID) and the beneficiary's identity, then such Bids are liable to be rejected. Investors should note that the refund cheques/allocation advice/refund advice would be overprinted with details of bank account as per the details received from the depository.

Bids under Power of Attorney or by Limited Companies, Corporate Bodies or Registered Societies

In case of bids made pursuant to a power of attorney or by limited companies, corporate bodies, registered societies, a certified copy of the Power of Attorney or the relevant resolution or authority, as the case may be, along with a certified copy of the Memorandum & Article of Association and/or Bye Laws must be lodged along with the Bid-cum-Application Form. Failing this, our Company reserves the right to accept or reject any bid in whole or in part.

In case of Bids made pursuant to a Power of Attorney by FIs, a certified copy of the power of attorney or the relevant resolution or authority, as the case may be, along with a certified copy of their SEBI registration certificate must be submitted with the Bid-cum-Application Form. Failing this, our Company reserves the right to accept or reject any Bid in whole or in part.

Procedure for Bids by Mutual Funds

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 reserves the right to accept or reject any Bid in whole or in part.

Bids by Insurance Companies

In case of Bids made by insurance companies registered with Insurance Regulatory and Development Authority, a certified copy of the certificate of registration issued by Insurance Regulatory and Development Authority must be submitted with the Bid-cum-Application Form. Failing this, our Company reserves the right to accept or reject any Bid in whole or in part.

Bids by Provident Funds

In case of Bids made by provident fund with the minimum corpus of Rs. 2500 Lacs and pension fund with the minimum corpus of Rs. 2500 Lacs, a certified copy of certificate from a chartered accountant certifying the corpus of the provident fund/ pension fund must be lodged with the Bid-cum-Application Form. Failing this, our Company reserves the right to accept or reject any Bid in whole or in part.

We, in our absolute discretion, reserve the right to relax the above condition of simultaneous lodging of the power of attorney along with the Bid-cum-Application Form, subject to such terms and conditions as our Company/BRLMs may deem fit.

Bids by NRIs, FIIs, Foreign Venture Capital Funds registered with SEBI on a repatriation basis

NRI, FIIs and Foreign Venture Capital funds Bidders to comply with the following:

- Individual NRI Bidders can obtain the Bid-cum-Application Forms from our registered office or from members of the Syndicate or the Registrars to the Issue.
- NRI Bidders may please note that only such Bids as are accompanied by payment in free foreign exchange shall be considered for allotment. NRIs who intend to make payment through Non-Resident Ordinary (NRO) accounts shall use the Bid-cum-Application form meant for Resident Indians (white in colour).

Bids and Revision to Bids must be made:

- On the Bid-cum-Application Form or Revision Form, as applicable and completed in full in BLOCK LETTERS in ENGLISH in accordance with the instructions contained therein.
- In a single name or joint names (not more than three)
- **By NRIs:** For a minimum of 25 Equity Shares and in multiples of 25 thereafter subject to a maximum Bid amount of Rs. 100,000 for the Bid to be considered as part of the Retail Portion. Bids for Bid Amount more than Rs. 100,000 would be considered under Non Institutional Category for the purposes of allocation. *For further details refer to paragraph titled "Maximum and Minimum Bid Size" beginning on page 229 under this Chapter in the Red Herring Prospectus.*
- **By FIIs:** In multiples of 25 Equity Shares so that the Bid Amount exceeds Rs. 100,000 and in multiples of 25 Equity Shares thereafter. *For further details refer to paragraph titled "Maximum and Minimum Bid Size" beginning on page 229 under this Chapter in the Red Herring Prospectus.*
- In the names of individuals, or in the names of FIIs but not in the names of minors, OCBs, firms or partnerships, foreign nationals (excluding NRIs) or their nominees.
- 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 U.S. Dollars or any other freely convertible currency as may be permitted by the RBI at the rate of exchange prevailing at the time of remittance and will be dispatched by registered post/speed post or if the Bidders so desire, will be credited to their NRE accounts, details of which should be furnished in the space provided for this purpose in the Bid-cum-Application Form. We will not be responsible for loss, if any, incurred by the Bidder on account of conversion of foreign currency.

It is to be distinctly understood that there is no reservation for Non Residents, NRIs, FIIs and Foreign Venture Capital Funds and all Non Residents, NRI, FII and Foreign Venture Capital Funds applicants will be treated on the same basis with other categories for the purpose of allocation.

Payment Instructions

We along with BRLMs and Syndicate Member(s) shall open an Escrow Account of our Company with the Escrow Collection Banks for the collection of the Bid Amounts payable upon submission of the Bid-cum-Application Form and for amounts payable pursuant to allocation in the Issue.

Each Bidder shall draw a cheque or demand draft for the amount payable on the Bid and/or on allocation as per the following terms:

Payment into Escrow Account to the Issue

1. The applicable Margin Amount for Non Institutional Bidders and Retail Individual Bidders is equal to 100% whereas for QIBs it is 10% and while submitting the Bid-cum-Application Form, shall be drawn as a payment instrument for the Bid Amount in favour of the Escrow Account and submitted to the members of the Syndicate.
2. In case the above Margin Amount paid by the Bidders during the Bidding Period is less than the Issue Price multiplied by the Equity Shares allocated to the Bidder, the balance amount shall be paid by the Bidders into the Escrow Account of our Company within the period specified in the Intimation Note/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.
3. The payment instruments for payment into the Escrow Account of our Company should be drawn in favour of:

i.	In case of Resident Bidders	:	Escrow Account – Aqua Public Issue - R
ii.	In case of Non Resident Bidders	:	Escrow Account – Aqua Public Issue – NR
iii.	In case of Resident QIB Bidders	:	Escrow Account – Aqua Public Issue – QIB – R
iv.	In case of Non Resident QIB Bidders	:	Escrow Account – Aqua Public Issue – QIB – NR

For Anchor Investors, the payment instruments for payment into the Escrow Account should be drawn in favour of:

- In case of Resident Anchor Investors: **“Escrow Account–Aqua Public Issue–Anchor–R”**
 - In case of Non-Resident Anchor Investor: **“Escrow Account–Aqua Public Issue–Anchor-NR”**
4. In case of Bids by NRIs applying on repatriation basis, the payments must be made through Indian Rupee drafts purchased abroad or cheques or bank drafts, for the amount payable on application remitted through normal banking channels or out of funds held in Non-Resident External (NRE) Accounts or Foreign Currency Non-Resident (FCNR) accounts, maintained with banks authorized to deal in foreign exchange in India, along with documentary evidence in support of the remittance. Payment will not be accepted out of a Non-Resident Ordinary (NRO) Account of a Non-Resident bidder bidding on a repatriation basis. Payment by drafts should be accompanied by a bank certificate confirming that the draft has been issued by debiting an NRE or FCNR Account.
 5. Payment will not be accepted out of a Non Resident Ordinary (NRO) Account of a Non Resident bidder bidding on a repatriation basis.
 6. In case of Bids by FIIs, the payment should be made out of funds held in a Special Rupee Account along with documentary evidence in support of the remittance. Payment by drafts should be accompanied by a bank certificate confirming that the draft has been issued by debiting the Special Rupee Account.
 7. Where a Bidder has been allocated a lesser number of Equity Shares than what the Bidder has Bid for, the excess amount, if any, paid on bidding, after adjustment towards the balance

amount payable on the Equity Shares allocated, will be refunded to the Bidder from the Refund Account of our Company.

8. The monies deposited in the Escrow Account of our Company will be held for the benefit of the Bidders till the Designated Date.
9. On the Designated Date, the Escrow Collection Banks shall transfer the funds from the Escrow Account of our Company as per the terms of the Escrow Agreement into the Public Issue Account with the Bankers to the Issue and Refund Account with the Refund Bankers.
10. On the Designated Date and no later than 15 days from the Bid/Issue Closing Date, the Refund Banker shall also refund all amounts payable to unsuccessful Bidders and also the excess amount paid on Bidding, if any, after adjusting for allocation to the Bidders.

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

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. Each member of the Syndicate may at its sole discretion waive the requirement of payment at the time of submission of the Bid-cum-Application Form and Revision Form. However, for QIB Bidders, the members of the Syndicate member shall collect the Margin Amount.

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 ('First Bidder'). All communications will be addressed to the First Bidder and will be dispatched to his or her address.

Multiple Bids

A Bidder should submit only one Bid (and not more than one) for the total number of Equity Shares required. Two or more Bids will be deemed to be multiple Bids if the sole or First Bidder is one and the same.

In this regard, the procedures which would be followed by the Registrar to the Issue to detect multiple applications are given below:

- i) 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.
- ii) 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.
- iii) The Registrar will obtain, from the depositories, details of the applicant's address based on the DP ID and Beneficiary Account Number provided in the Bid-cum-Application Form and create an address master.
- iv) 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.
- v) The applications will be scrutinized 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.
- vi) 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.

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. The applications made by the asset management companies or custodians of a Mutual Fund shall clearly indicate the name of the concerned scheme for which application is being made.

We reserve the right to reject, in their absolute discretion, all or any multiple Bids in any or all categories.

Permanent Account Number (PAN)

The Bidder or in the case of a Bid in joint names, each of the Bidders, should mention his/her Permanent Account Number (PAN) allotted under the I.T. Act, 1961, irrespective of the amount for which application or bid is made. Applications without this information will be considered incomplete and are liable to be rejected.

It is to be specifically noted that Bidders should not mention the GIR number instead of the PAN as the Bid is liable to be rejected on this ground.

Unique Identification Number – MAPIN

SEBI has, with effect from July 2, 2007 declared that the PAN would be the sole identification number for participants transacting in the securities market, irrespective of the amount of transaction. Thus the use of UIN has been discontinued.

Right to Reject Bids

Our Company, in consultation with the BRLMs, reserves the right to reject any Bid procured from QIBs, by any or all members of the Syndicate for reasons to be recorded in writing provided that such rejection shall be made at the time of acceptance of the Bid and the reasons thereof shall be disclosed to the Bidders. In case of Non-Institutional Bidders and Retail Individual Bidders our Company would have a right to reject the Bids only on technical grounds. Consequent refunds shall be made by Cheque/Pay Order/Demand Draft/ECS/Direct Credit/RTGS/NEFT, as the case may be, 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 on technical grounds, including the following:-

1. Amount paid doesn't tally with the amount payable for the highest value of Equity Shares bid for;
2. Age of First Bidder not given;
3. Bank account details for Bidders not given;
4. 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;
5. Bids by Non Residents, if not in compliance with the appropriate foreign and Indian laws;
6. Bids by persons not competent to contract under the Indian Contract Act, 1872, including minors, insane persons
7. PAN not mentioned in the Bid-cum-Application Form
8. GIR Number given instead of PAN Number;
9. Bids for lower number of Equity Shares than specified for that category of investors;
10. Bids at a price less than the lower end of the Price Band;
11. Bids at a price more than the higher end of the Price Band;
12. Bids at cut-off price by Non-Institutional and QIB Bidders;
13. Bids for number of Equity Shares, which are not in multiples of 25;
14. Category not ticked;
15. Multiple bids as defined in the Red Herring Prospectus;
16. In case of Bid under power of attorney or by limited companies, corporate, trust etc., relevant documents are not submitted;
17. Bids accompanied by Stockinvest/money order/ postal order/ cash;
18. Bids not duly signed by the sole /joint Bidders;
19. Bid-cum-Application Form does not have the stamp of the BRLMs/Syndicate Member;
20. Bid-cum-Application Form does not have Bidder's depository account details;
21. Bid-cum-Application Forms are not submitted by the Bidders within the time prescribed as per the Bid-cum-Application Form, Bid/Issue Opening Date advertisement and the Red Herring Prospectus and as per the instructions in the Red Herring Prospectus and the Bid-cum-Application Form; or
22. In case no corresponding record is available with the Depositories that matches three parameters, namely, names of the Bidders (including the order of names of joint holders), the depository participant's identity (DP ID) and the beneficiary's identity;
23. Bids for amounts greater than the maximum permissible amounts prescribed by the regulations;
24. Bid in respect of which Bid-cum-Application form do not reach the Registrar prior to the finalization of the basis of allotment;
25. Bids where clear funds are not available in Escrow Accounts as per final certificate from the Escrow Collection Banks;
26. Bids by OCBs;
27. Bids by US persons other than "qualified institutional buyers" as defined in Rule 144A of the Securities Act or other than in reliance on Regulation S under the Securities Act;

28. Bids by any person outside India if not in compliance with applicable foreign and Indian laws;
29. Bids by persons prohibited from buying, selling or dealing in the shares directly or indirectly by SEBI or any other regulatory authority;
30. Bids not uploaded in the electronic bidding system of Stock Exchanges would be rejected; and
31. Bids by NRIs not disclosing their residential status;
32. Any other reason which the BRLMs or our Company deem necessary.

Equity Shares in Dematerialized Form with NSDL or CDSL

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

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

- 1) An Agreement dated September 24, 2009 among NSDL, our Company and Registrar.
- 2) An Agreement dated September 24, 2009 among CDSL, our Company and Registrar.

All bidders can seek allotment only in dematerialized mode. Bids from any investor without relevant details of his or her depository account are liable to be rejected. All Bids from any Bidder without the following details of his or her depository account are liable to be rejected:

- 1) A Bidder applying for Equity Shares must have at least one beneficiary account with either of the Depository Participants of NSDL or CDSL prior to making the Bid.
- 2) The Bidder must necessarily fill in the details (including the beneficiary account number and Depository Participant's Identification number) appearing in the Bid-cum-Application Form or Revision Form.
- 3) Equity Shares allotted to a Bidder will be credited in electronic form directly to the beneficiary account (with the Depository Participant) of the Bidder.
- 4) Names in the Bid-cum-Application Form or Revision Form should be identical to those appearing in the account details in the Depository. In case of joint holders, the names should necessarily be in the same sequence as they appear in the depository account of the Bidder(s).
- 5) Non-transferable allocation advice or refund orders will be directly sent to the Bidder by the Registrar to the Issue.
- 6) 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.
- 7) 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/her Depository Participant.
- 8) Equity Shares in electronic form can be traded only on the Stock Exchanges having electronic connectivity with NSDL or CDSL. BSE and NSE, where Equity Shares are proposed to be listed are connected to NSDL and CDSL.
- 9) The trading of our Equity Shares would only be in dematerialized form for all investors in the demat segment of BSE and NSE.

- 10) Investors are advised to instruct their Depository Participants to accept the Equity Shares that may be allocated to them, pursuant to the issue.

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-cum-Application Form, name and address of the member of the Syndicate where the Bid was submitted and cheque or draft number and issuing bank thereof.

Our Company has appointed Mr. Bhupendra N. Shah as the Compliance Officer for the purposes of this IPO and he may be contacted at the registered office of our Company at: 5th Floor, B-Wing, Trade Star Building, Andheri Kurla Road, Andheri (East), Mumbai – 400 059, Maharashtra, India. Investors may contact him in case of any Pre-Issue or Post-Issue related problems.

The 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 account, refund orders, etc.

Disposal of Applications and Application Money

We shall ensure dispatch of allotment advice and/or refund orders/refund advice (in case refunds made through ECS/ Direct Credit, RTGS, NEFT) as the case may be giving credit to the Beneficiary Account of the bidders with their respective Depository Participant and submission of the allotment and listing documents to the Stock Exchanges within two working days of finalization of the basis of allotment of Equity Shares.

Mode of Making Refunds

The payment of refund, if any, would be done through various modes as given hereunder:

1. ECS – Payment of refund would be done through ECS for applicants having an account at any of the following sixty eight centres:

1. Ahmedabad	2. Nashik	3. Sholapur	4. Gorakhpur
5. Bangalore	6. Panaji	7. Ranchi	8. Jammu
9. Bhubaneshwar	10. Surat	11. Tirupati (non-MICR)	12. Indore
13. Kolkata	14. Trichy	15. Dhanbad(non-MICR)	16. Pune
17. Chandigarh	18. Trichur	19. Nellore (non- MICR)	20. Salem
21. Chennai	22. Jodhpur	23. Kakinada(non- MICR)	24. Jamshedpur
25. Guwahati	26. Gwalior	27. Agra	28. Visakhapatnam
29. Hyderabad	30. Jabalpur	31. Allahabad	32. Mangalore
33. Jaipur	34. Raipur	35. Jalandhar	36. Coimbatore
37. Kanpur	38. Calicut	39. Lucknow	40. Rajkot
41. Mumbai	42. Siliguri (non- MICR)	43. Ludhiana	44. Kochi/Ernakulam
45. Nagpur	46. Pondicherry	47. Varanasi	48. Bhopal
49. New Delhi	50. Hubli	51. Kolhapur	52. Madurai
53. Patna	54. Shimla (non- MICR)	55. Aurangabad	56. Amritsar
57. Thiruvananthapuram	58. Tirupur	59. Mysore	60. Haldia (non- MICR)
61. Baroda	62. Burdwan (non-MICR)	63. Erode	64. Vijaywada
65. Dehradun	66. Durgapur (non- MICR)	67. Udaipur	68. Bhilwara

This 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 sixty

eight centres, except where the applicant, being eligible, opts to receive refund through NEFT, 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 sixty eight centres and whose refund amount exceeds Rs. 1 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.
5. For all other applicants, including those who have not updated their bank particulars with the MICR code, the refund orders will be dispatched under certificate of posting for value up to 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.

We shall 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 finalization of the basis of allotment.

In accordance with the Companies Act, the requirements of the Stock Exchanges and SEBI (ICDR) Regulations, 2009, our Company, further undertakes that:

- Allotment of Equity Shares shall be made only in dematerialized form within 15 days of the Bid/Issue Closing Date;
- Our Company shall, within 15 days of the Bid/Issue Closing Date, ensure giving instruction in respect of refunds to the clearing system or dispatch the refund orders as the case may be; and
- Our Company shall pay interest at 15% per annum (for any delay beyond the 15 day time period as mentioned above), if allotment/transfer is not made, refund orders are not dispatched or refund instructions have not been given to the clearing system in the manner disclosed above and/or demat credits are not made to bidders within the 15 day time prescribed above.

Our Company will provide adequate funds required to the Registrar to the Issue for refunds to unsuccessful applicants or allotment advice. Refunds if, not made by Electronic Clearing Services (ECS), Direct Credit, RTGS, National Electronic Funds Transfer (NEFT) will be made through cheques, pay orders or demand drafts drawn on a bank appointed by us as a refund banker 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.

Where refunds are made through electronic transfer of funds, a suitable communication will be sent to the bidders within 15 days of closure of the issue, giving details of the Bank where refund will be credited along with amount and expected date of electronic credit of refund.

The bank account details for ECS/ Direct Credit, RTGS, National Electronic Funds Transfer (NEFT) credit will be directly taken from the depositories' database and hence bidders are required to ensure that bank details including MICR code maintained at the depository level are updated and correct.

We shall 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 finalization of the basis of allotment.

In accordance with the Companies Act, the requirements of the Stock Exchanges and SEBI (ICDR) Regulations, 2009, Our Company further undertakes that allotment/ transfer of Equity Shares shall be made only in dematerialized form within 15 days of the Bid/ Offer Closing Date.

We will provide adequate funds required for dispatch of refund orders, Direct Credit, ECS, RTGS or allotment advice to the Registrar to the Issue.

Refunds will be made by Direct Credit, ECS, RTGS cheques, pay orders or demand drafts drawn on a bank appointed by us as a refund banker 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.

No separate receipts shall be issued for the money payable on the submission of Bid-cum-Application Form or Revision Form. However, the collection centre of the Syndicate Member(s) 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.

Impersonation

Attention of the Bidders 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, a Bid to a company for acquiring or subscribing for, any shares therein, or**
- (b) otherwise induces a company to allot, or register any transfer of shares, therein to him, or any other person in a fictitious name, shall be punishable with imprisonment for a term which may extend to five years.”**

Interest on Refund of Excess Bid Amount

We shall pay interest at the rate of 15% per annum on the excess Bid Amount received by us if refund orders are not dispatched within 15 days from the Bid/Issue Closing Date.

BASIS OF ALLOTMENT

Basis of allotment shall be finalized by our Company and BRLMs in consultation with BSE.

I. For Retail Individual Bidders

- Bids received from the Retail Individual Bidders at or above the Issue Price shall be grouped together to determine the total demand under this portion. The allocation to all the successful Retail individual Bidders will be made at the Issue Price.
- The Net Issue size less allocation to Non-Institutional Bidders and QIBs shall be available for allocation to Retail Individual Bidders who have bid in the Issue at a price, which is equal to or greater than the Issue Price.
- If the aggregate demand in this category is less than or equal to [●] Equity Shares at or above the Issue Price, full allocation shall be made to the Retail Individual Bidders to the extent of their demand.
- If the aggregate demand in this category is greater than [●] Equity Shares at or above the Issue Price, the allocation shall be made on a proportionate basis up to a minimum of [●] Equity Shares (being the minimum bid quantity) or in multiples of one Equity Share. For the method of proportionate basis of allocation, refer below.

II. For Non Institutional Bidders

- Bids received from Non-Institutional Bidders at or above the Issue Price shall be grouped together to determine the total demand under this portion. The allocation to all successful Non-Institutional Bidders will be made at the Issue Price.
- The Net Issue size less allocation to QIBs and Retail Portion shall be available for allocation to Non-Institutional Bidders who have bid in the Issue at a price, which is equal to or greater than the Issue Price.
- If the aggregate demand in this category is less than or equal to [●] Equity Shares at or above the Issue Price, full allocation shall be made to Non-Institutional Bidders to the extent of their demand.
- In case the aggregate demand in this category is greater than [●] Equity Shares at or above the Issue Price, allocation shall be made on a proportionate basis up to a minimum of 25 Equity Shares (being the minimum bid quantity) or in multiples of one Equity Share. For the method of proportionate basis of allotment refer below.

III. For QIB Bidders

- Bids received from the QIB bidders at or above the Issue Price shall be grouped together to determine the total demand under this portion. The allocation to all the QIB Bidders will be made at the Issue Price.
- The QIB portion shall be available for allocation 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 5% of the QIB Portion shall be determined as follows:

- i. In the event that Mutual Fund Bids exceed 5% of the QIB portion, allocation to Mutual Funds shall be done on a proportionate basis for 5% of the QIB portion.
 - ii. In the event that the aggregate demand for Mutual Funds is less than 5% of the QIB portion then all Mutual Funds shall get full allotment to the extent of valid bids received above the Issue Price.
 - iii. Equity shares remaining unsubscribed, if any, not allocated to Mutual Funds shall be available to all QIB Bidders as set out in (b) below;
- (b) In the second instance allocation to all QIB's 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 Share on a proportionate basis along with other QIB Bidders.
 - iii. Under-subscription below 5% of the QIB portion, if any, from Mutual Funds, would be included for allocation to the remaining QIB bidders on a proportionate basis.
- (c) The aggregate allocation to QIB Bidders shall be up to [●] Equity Shares.

IV. For Anchor Investors

- Our Company, in consultation with the BRLMs, shall finalise Allocation to the Anchor Investors on a discretionary basis, subject to compliance with requirements regarding minimum number of 2 allottees.
- The number of Equity Shares allocated to Anchor Investors and the price at which the allocation is made, shall be made available in public domain by the BRLMs before the Bid/Issue Opening Date.
- Anchor Investors shall pay Anchor Investor Margin Amount representing 25% of the Bid Amount at the time of submission of the Bid. Any difference between the amount payable by the Anchor Investor for Equity Shares Allocated and the Anchor Investor Margin Amount paid at the time of Bidding, shall be payable by the Anchor Investor within two days of the Bid/ Issue Closing Date.
- In case the Issue Price is greater than the price at which Equity Shares are allocated to Anchor Investors, the additional amount being the difference between the Issue Price and the price at which Equity Shares were allocated to the Anchor Investors shall be paid by the Anchor Investors. In the event the Issue Price is lower than the price at which Equity Shares are allocated to Anchor Investors, the allotment to Anchor Investors shall be at the higher price i.e. the price at which Equity Shares were allocated under the Anchor Investor Portion.
- Allocation to Anchor Investors shall be completed on the day of bidding by Anchor Investors
- The Equity Shares allotted in the Anchor Investor Portion shall be locked-in for a period of 30 days from the date of allotment in the Issue.
- The BRLMs or any person related to the BRLMs / Promoters/Promoter Group shall not participate in the Anchor Investor Portion.
- Bids made by QIBs under both the Anchor Investor Portion and the QIB Portion shall not be considered as multiple Bids.

Procedure and Time Schedule for Allotment and Issue of Certificates

The Issue will be conducted through a '100% Book Building process' pursuant to which the Underwriters will accept bids for the Equity Shares during the Bidding Period. The Bidding Period will commence on January 25, 2010 and expire on January 28, 2010. Following the expiration of the Bidding Period, our Company, in consultation with the BRLMs, will determine the Issue Price, and, in consultation with the BRLMs, the basis of allocation and entitlement to allotment based on the bids received and subject to the confirmation by the Stock Exchanges. Successful bidders will be provided with a confirmation of their allocation and will be required to pay any unpaid amount for the Equity Shares within a prescribed time. The Prospectus will be filed with Registrar of Companies, Maharashtra, Mumbai and SEBI, Mumbai. SEBI (ICDR) Regulations, 2009 require our Company to complete the allotment to successful bidders within 15 days from the Bid/Issue Closing Date. The Equity Shares will then be credited and allotted to the investors' demat accounts maintained with the relevant depository participant. Upon approval by the Stock Exchanges, the Equity Shares will be listed and traded on BSE and NSE.

Method of Proportionate Allotment

In the event of the Issue being over-subscribed, the basis of allotment shall be finalised by Our Company in consultation with the Designated Stock Exchange. The Executive Director/Managing Director of the Bombay Stock Exchange (Designated Stock Exchange) along with the post Issue Lead Merchant Banker and the Registrars to the Issue shall be responsible to ensure that the basis of allotment is finalized in a fair and proper manner.

The allotment shall be made in marketable lots, on a proportional basis as explained below:

- (a) Bidders will be categorized 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, in that category subject to a minimum allotment of 25 Equity Shares. The allotment lot shall be the same as the minimum application lot irrespective of any revisions to the Price Band.
- (d) In all Bids where the proportionate allotment is less than 25 Equity Shares per Bidder, the Allotment shall be made as follows:
 - Each successful Bidder shall be allotted a minimum of 25 Equity Shares; and
 - The successful Bidders out of the total Bidders for a category shall be determined by draw of lots in a manner such that the total number of Equity Shares allotted in that category is equal to the number of Equity Shares calculated in accordance with (b) above.
- (e) If the proportionate Allotment to a Bidder is a number that is more than 25 but is not a multiple of one (which is the marketable lot), the decimal would be rounded off to the higher whole number if that decimal is 0.5 or higher. If the decimal is less than 0.5, it would be rounded off to the lower whole number. All Bidders in such categories would be allotted Equity Shares arrived at after such rounding off.

- (f) If the Equity Shares allocated on a proportionate basis to any category are more than the Equity Shares allotted to the Bidders in that category, the remaining Equity Shares available for allotment shall be first adjusted against any other category, where the allotted Equity Shares are not sufficient for proportionate allotment to the successful Bidders in that category. The balance Equity Shares, if any, remaining after such adjustment will be added to the category comprising Bidders applying for minimum number of Equity Shares.

Letters of Allotment or Refund Orders

We shall give credit to the beneficiary account with Depository Participants and submit the documents pertaining to the allotment to the Stock Exchanges within two working days of finalization of the basis of allotment of Equity Shares. Applicants residing at 15 centers where clearing houses are managed by the Reserve Bank of India (RBI) will get refunds through Direct Credit or RTGS or NEFT, or ECS as applicable (subject to availability of all information for crediting through electronic mode). In case of other applicants, the Bank 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, except for Bidders who have opted to receive refunds through the electronic facility. Applicants to whom refunds are made through Electronic transfer of funds will be send a letter through ordinary post intimating them about the mode of credit of refund within 15 working days of closure of Issue. We shall ensure dispatch of refund orders, if any, by 'Under Certificate of Posting' or registered post or speed post or Electronic Clearing Service or Direct Credit or RTGS or NEFT, as applicable, only at the sole or First Bidder's sole risk within 15 days of the Bid Closing Date/Issue Closing Date, and adequate funds for making refunds to unsuccessful applicants as per the mode(s) disclosed shall be made available to the Registrar to the Issue by the issuer.

In accordance with the Companies Act, the requirements of the Stock Exchanges and the SEBI (ICDR) Regulations, 2009, we undertake that:

- Allotment of Equity Shares will be made only in dematerialized form within 15 days from the Bid/Issue Closing Date;
- Dispatch of refund orders will be done within 15 days from the Bid/Issue Closing Date;
- We shall pay interest at 15% per annum (for any delay beyond the 15 day time period as mentioned above), if allotment is not made, refund orders are not dispatched and/or demat credits are not made to investors within the 15 day time as prescribed under SEBI (ICDR) Regulations, 2009.

We 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 us, as a Refund Bank and payable at par at places where Bids are received, except for Bidders who have opted to receive refunds through the Direct Credit/RTGS/NEFT/ECS facility. Bank charges, if any, for encashing such cheques, pay orders or demand drafts at other centres will be payable by the Bidders.

Dispatch of Refund Orders

For details of Dispatch of Refund Orders refer to paragraph titled "Disposal of Applications and Application Money" beginning on page 248 under this Chapter in the Red Herring Prospectus.

Interest in case of delay in Dispatch of Allotment Letters/Refund Orders in case of public issues

Our Company agrees that allotment of securities offered to the public shall be made not later than 15 days of the closure of issue. Our Company further agrees that it shall pay interest @15% per annum if the allotment letters/ refund orders have not been dispatched to the applicants or if, in a case where the refund or portion thereof is made in electronic manner, the refund instructions have not been given to the clearing system in the disclosed manner within 15 days from the Bid/Issue closing date.

Bid/Issue Program

Bid/Issue opens on: January 25, 2010	Bid/Issue closes on: January 28, 2010
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Our Company may consider participation by Anchor Investors for upto [●] Equity Shares in accordance with applicable SEBI (ICDR) Regulations, 2009. The Anchor Investor Bid/ Issue Period shall be one working day prior to the Bid/ Issue Opening Date.

Bids and any revision in Bids shall be accepted **only between 10.00 am and 3.00 pm** (Indian Standard Time) during the Bidding Period as mentioned above at the bidding centres mentioned on the Bid-cum-Application Form. Standardized cut-off time for uploading of bids on the bid/issue closing date is as under:

1. A standard cut-off time of 3.00 pm for acceptance of bids
2. A standard cut-off time of 4.00 pm for uploading of bids received from non retail applicants i.e. QIBs and HNIs.
3. A standard cut-off time of 5.00 pm for uploading of bids received from retail applicants, where the Bid Amount is up to Rs. 100,000 which may be extended up to such time as deemed fit by Stock Exchanges. Bids by 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. All times mentioned in the Red Herring Prospectus are Indian Standard Time. Bidders are cautioned that due to clustering of last day applications, as is typically experienced in public offerings, some Bids may not get uploaded on the last day. Such Bids that cannot be uploaded will not be considered for allocation under the Issue. If such Bids are not uploaded, our Company, the BRLMs and the Syndicate Member shall not be responsible. On the Bid/Issue Closing Date, extension of time will be granted by the Stock Exchanges only for uploading the Bids received from Retail Bidders after taking into account the total number of Bids received upto the closure of timings for acceptance of Bid-cum-Application Forms as stated herein and reported by the BRLMs to the Stock Exchanges within half an hour of such closure.

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

We reserve the right to revise the Price Band during the Bidding Period in accordance with SEBI (ICDR) Regulations, 2009. The cap on the Price Band should not be more than 20% of the floor

of the Price Band. Subject to compliance with the immediately preceding sentence, the floor of the Price and can move up or down to the extent of 20%.

In case of revision in the Price Band, the Bidding/Issue Period will be extended for three additional days after revision of 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 the BSE and the NSE, by issuing a public notice in two national newspapers one in English and other in Hindi, and also by indicating the change on the web sites of the BRLMs and at the terminals of the Syndicate and to the SCSBs.

ISSUE PROCEDURE FOR ASBA BIDDERS

SEBI, introduced a new mode of payment in public issues i.e., application supported by blocked amount wherein the application money remains blocked in the ASBA Bidder's Account until allotment in the public issue. Set forth below is the procedure for Bidding under the ASBA procedure, for the benefit of the Bidders.

This section is only to facilitate better understanding of aspects of the procedure for bidding which is specific to ASBA Bidders. ASBA Bidders should nonetheless read this document in entirety.

Our Company and the BRLMs are not liable for any amendments, modifications, or changes in applicable laws or regulations, which may occur after the date of the Red Herring Prospectus. ASBA Bidders are advised to make their independent investigations and to ensure that the ASBA Form is correctly filled up, as described in this section.

The list of banks who have been notified by SEBI to act as SCSBs for the ASBA Process are provided at <http://www.sebi.gov.in>. For details on designated branches of SCSB collecting the ASBA Form, please refer the above mentioned SEBI link.

ASBA Process

All Bidders other than QIB Bidders qualify as ASBA Investors and are eligible to submit their Bids through the ASBA process. Investors other than ASBA Investors are required to follow the process as mentioned under "Issue Procedure" on page 226 of the Red Herring Prospectus.

An ASBA Investor shall only use a Physical Bid-cum-Application Form Supported by Blocked Amounts ("Physical Bid Cum ASBA Form") or Electronic Bid-cum-Application Form Supported by Blocked Amounts ("Electronic Bid Cum ASBA Form") and collectively ("Bid Cum ASBA Form") available with the SCSB which shall be submitted either physically or electronically as the case may be through the internet banking facility, to the Designated Branches ("DB") of the SCSB with whom the bank account to be blocked, is maintained by such ASBA Investor.

SCSB is a bank, registered under the SEBI (Bankers to the Issue) Regulations 1996, which offers the facility of applying through the ASBA process and has its name included in the SEBI's list of SCSBs displayed on its website at <http://www.sebi.gov.in>. ASBA Bid-cum-Application Form can be accepted only by SCSBs. A SCSB shall identify its DBs at which an ASBA investor shall submit the ASBA Bid-cum-Application Forms and shall also identify the CB which shall act as a coordinating branch for the Registrar to the Issue, Stock Exchanges and BRLMs. The SCSB may identify new DBs for the purpose of ASBA process and intimate details of the same to SEBI, after which SEBI will add the DB to the list of SCSBs maintained by it. The ASBA investor should ensure that it has a Bank Account with the DB, to be eligible for making an application through ASBA. The Investor should check the SEBI website, <http://www.sebi.gov.in>, for details of the DBs.

A soft copy of the Abridged Prospectus would also be made available on the website of the SCSB, along with the Electronic Bid Cum ASBA Form, so as to enable an ASBA Investor to confirm that he/she has read and understood the terms and conditions of the Abridged Prospectus, before applying in the Issue.

ASBA Bid-cum-Application Form

The prescribed colour of Physical **ASBA Bid-cum-Application Form** is Pink. The BRLMs shall ensure that adequate arrangements are made to circulate copies of the Red Herring Prospectus and Physical 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

shall ensure that the SCSBs are provided with soft copies of the abridged prospectus and the Electronic ASBA Bid-cum-Application Form and that the same are made available on the websites of the SCSBs, Stock Exchange(s) and BRLMs.

ASBA Bidders, under the ASBA process, who would like to obtain the Red Herring Prospectus and/or the Physical Bid cum ASBA Form can obtain the same from the Designated Branches of the SCSBs or the BRLMs. ASBA Bidders can also obtain a copy of the abridged prospectus and/or the Electronic ASBA Bid-cum-Application Form in electronic form on the websites of the SCSBs.

An ASBA Investor shall only use the ASBA Bid-cum-Application Form for making a Bid in terms of the Red Herring Prospectus which shall be submitted either electronically or physically to the SCSB with whom the bank account to be blocked is maintained. The SCSB shall give an acknowledgement specifying the application number to the ASBA Investor as proof of having accepted the Bid in physical or electronic form. The SCSB shall then block the application money in the bank account of such ASBA Investor held with the SCSB specified in the ASBA Bid-cum-Application Form, on the basis of an authorisation to this effect given by the ASBA Investor and thereafter upload the ASBA Bid-cum-Application Form in the electronic bidding system of the Stock Exchange. In case sufficient funds are not available in the account of the ASBA Investor, SCSB shall reject the ASBA Bid and shall not upload such Bids with the Stock Exchanges.

Upon completing and submitting the ASBA Bid-cum-Application Form to a SCSB, either electronically or physically, as has been elaborated hereinbelow, the ASBA Investor is deemed to have authorized our Company to make the necessary changes in the Red Herring Prospectus and the ASBA Bid-cum-Application Form as would be required for filing the Prospectus with the RoC and as would be required by the RoC after such filing, without prior or subsequent notice of such changes to the ASBA Investor.

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) After determination of the Issue Price, the number of Equity Shares bid for by the ASBA Bidder at or above the Issue Price in case of Non Institutional and Retail Individual Bidders or at Cut-off Price by Retail Individual Bidders will be considered for allocation at par along with the Bidders in the respective categories 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.

Bidding

- a. The Price Band has been fixed at Rs.220 to Rs.230 per Equity Share, Rs. 220 being the floor of the Price-Band and Rs. 230 being the cap of the Price Band. The Bidders can bid at any price within the price Band, in multiples of Re. 1. The minimum application value shall be within the range of Rs.5,000 to Rs.7,000. The Company, in consultation with the BRLMs reserves the right to revise the Price Band, during the Bid/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.
- b. 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 a regional language newspaper and also by indicating the change on the websites of the BRLMs, SCSBs and at the terminals of the members of the Syndicate.
- c. The Company in consultation with the BRLMs, will finalise the Issue Price within the Price Band in accordance with this clause, without the prior approval of, or intimation to, the ASBA Bidders.
- d. 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.
- e. 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 a Bid cum ASBA 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 cum ASBA 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 Bidder's Account, the SCSB shall block an amount equivalent to the Bid Amount mentioned in the Bid cum ASBA Form till the Designated Date. On the Designated Date, the SCSBs shall transfer the amounts allocable to the ASBA Bidders from the respective ASBA Bidder's Account, in terms of the SEBI (ICDR) 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 Bid-cum-Application Form submitted by the respective ASBA Bidders, would be required to be blocked in the respective ASBA Accounts from the time of the submission of the ASBA Bid-cum-Application Form, whether in physical or electronic mode, 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 withdrawal of bids by ASBA Investor 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 bank 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 above mentioned 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 BRLMs 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, our management or any scheme or project of our Company.
- h. The SCSB may reject the ASBA Bid upon receipt of ASBA Bid-cum-Application Form, 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 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, in consultation with the BRLMs, the Company and the Designated Stock Exchange, based on the physical records of the ASBA Bid-cum-Application Forms shall be final and binding on all concerned.

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 Investors and Non Institutional Investors applying under the non ASBA process to determine the demand generated at different price levels. For further details, refer to the section titled "Issue Procedure" on page 226 of the Red Herring Prospectus.

Issuance of Confirmation of Allocation Note

The dispatch of the CAN to an ASBA Investor shall be deemed to be a valid, binding and irrevocable contract for the ASBA Investor, whose funds shall thereafter be unblocked by the SCSB and shall be transferred to the ASBA Public Issue Account for the payment of the entire Issue Price for allocation for all the Equity Shares transferred to such ASBA Investor.

Terms of Payment and Payment into the Public Issue Account by the SCSB

Once the Basis of Allotment is approved by the Designated Stock Exchange, the Registrar shall provide the following details to the SCSB, along with instructions to unblock the relevant bank accounts and transfer the requisite money to the ASBA Public Issue Account on a date falling within 15 days from the Bid/Issue closing date as informed by the Book Running Lead Manager.

- 1) Number of shares to be allotted against each valid ASBA
- 2) Amount to be transferred from the relevant bank account to the ASBA Public Issue Account, for each valid ASBA Bid-cum-Application Form
- 3) The date by which the funds referred to in sub-para (2) above, shall be transferred to the ASBA Public Issue Account
- 4) Details of rejected ASBAs, if any, along with reasons for rejection and details of withdrawn/unsuccessful ASBAs, if any, to enable SCSBs to unblock the respective bank accounts.

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 Public Issue Account, or until withdrawal/failure of the Issue or until rejection of the ASBA Bid, as the case may be.

Allotment of Equity Shares

- a. The 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 Public Issue Account on the Designated Date, to the extent applicable, the 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. As per the SEBI Regulations, Equity Shares will be issued, transferred and allotted only in the dematerialised form to the Allotees. Allotees will have the option to re-materialise the Equity Shares so Allotted, if they so desire, as per the provisions of the Companies Act and the Depositories Act.

General Instructions

DO's:

- a. Check if you are a Retail Individual Investor and Non Institutional 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 Pink in colour).
- d. 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.
- e. 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 the Company or Registrar or Lead Manager to the Issue.
- f. Ensure that the ASBA Bid-cum-Application Form is signed by the account holder in case the applicant is not the account holder.
- g. Ensure that you have mentioned the correct bank account No. in the ASBA Bid-cum-Application Form.
- h. Ensure that you have funds equivalent to the Bid amount mentioned in the ASBA Bid-cum-Application Form available in your bank account maintained with the SCSB before submitting the ASBA Bid-cum-Application Form to the respective Designated Branch of the SCSB.
- i. 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.
- j. Ensure that you receive an acknowledgement from the Designated Branch of the concerned SCSB for the submission of your ASBA Bid-cum-Application Form.
- k. Ensure that you have mentioned your Permanent Account Number ("PAN") allotted under the I.T. Act.
- l. Ensure that the name(s) given in the ASBA 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 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.
- m. 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 a QIB Bidder.
- b. Do not Bid or revise Bid price to less than the Floor Price or more than the cap price.
- c. 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.

- d. 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.
- e. Do not send your physical ASBA Bid-cum-Application Form by post; instead submit the same to a Designated Branch of the SCSB only.
- f. Do not fill up the ASBA Bid-cum-Application Form such that the bid amount against the number of Equity Shares Bid for exceeds the investment limit under the applicable laws or regulations or maximum amount permissible under the applicable regulations or under the terms of the Red Herring Prospectus.
- g. Do not submit the GIR number instead of the PAN Number.
- h. Do not instruct your respective banks to release the funds blocked in the bank account under the ASBA process.

Specific Instructions for ASBA Investors and grounds for rejection of Bids:

- Check whether you are eligible to apply as an ASBA Investor. If you are not covered by the definition of an “ASBA Investor”, the Bid shall be rejected
- Check all the details entered into the ASBA Bid-cum-Application Form are correct. If the DP ID, Client ID or PAN furnished by the ASBA Investor in his ASBA Bid-cum-Application Form is incorrect or incomplete, the ASBA shall be rejected and the Issuer or the SCSB shall not be liable for losses, if any. The Registrar to the Issue shall inform each SCSB about errors, if any, in the bid details, along with an advice to send the rectified data within the time as specified by the Registrar.
- The Registrar shall match the reconciled data with the depository’s database for correctness of DP ID, Client ID and PAN. In case any DP ID, Client ID or PAN mentioned in the bid file for ASBAs does not match with the one available in the depository’s database, such ASBA shall be rejected by the Registrar.
- The Registrar to the Issue shall reject multiple ASBAs determined as such, based on common PAN.
- Ensure that multiple ASBAs are not submitted
- Ensure that bids are submitted on ASBA Bid-cum-Application Forms meant only for ASBA Investor.
- Ensure that the ASBA Bid-cum-Application Form is signed by the account holder in case the applicant is not the account holder.
- Ensure that the bank account specified in the ASBA does have sufficient credit balance to meet the application money, in absence of which the application shall be rejected by the SCSB.
- Ensure that you have authorised the SCSB to do all acts as are necessary to make an application in this Issue, including uploading of his Bid, blocking or unblocking of funds in the bank account maintained with the SCSB specified in the ASBA, transfer of funds to the ASBA Public Issue Account on receipt of instruction from the Registrar to the Issue after finalisation of the basis of allotment entitling yourselves to receive shares on such transfer of funds, etc, failing which the ASBA Bid-cum-Application Form shall be rejected.

- ASBA Bid-cum-Application forms should bear the stamp of the Syndicate Member and / or Designated branch of SCSB. ASBA Bid-cum-Application forms which do not bear the stamp will be rejected.
- Ensure that you have authorised the Registrar to the Issue to issue instructions to the SCSB to remove the block on the funds in the bank account specified in the ASBA, upon finalisation of the basis of allotment and to transfer the requisite money to the Public Issue Account failing which the ASBA Bid-cum-Application Form shall be rejected.
- Ensure that you don't submit your Bid after the closing time of acceptance of Bids on the last day of the bidding period, in which case the same shall be rejected by the SCSB.

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 AND BENEFICIARY ACCOUNT NUMBER IN THE ASBA FORM. ASBA BIDDERS MUST ENSURE THAT THE NAME GIVEN IN THE ASBA FORM IS EXACTLY THE SAME AS THE NAME IN WHICH THE DEPOSITORY ACCOUNT IS HELD. IN CASE THE ASBA 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 FORM.

ASBA Bidders should note that on the basis of name of the ASBA Bidders, Depository Participant's name and identification number and beneficiary account number provided by them in the ASBA 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 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 Form, the ASBA Bidder is deemed to have authorized the Depositories to provide, upon request, to the Registrar to the Issue, the required Demographic Details as available on its records.

CAN/Allocation advice 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 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, our Company or the Registrar to the Issue 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 match 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 dematerialized form only.

ASBA Bids under Power of Attorney

In case an ASBA Bidder makes a Bid pursuant to a power of attorney, a certified copy of the power of attorney must be lodged along with the ASBA Form. Failing this, our Company, in consultation with the BRLMs, reserves the right to reject such Bids. Our Company, in its absolute discretion, reserves the right to relax the above condition of simultaneous lodging of the power of attorney along with the ASBA Form, subject to such terms and conditions that we, in consultation with the BRLMs may deem fit.

Revision of Price Band

SCSB shall ensure that information about revision in the Bidding Period or Price Band, as and when received, is communicated and effected to in its systems promptly, for information of ASBA Investors.

OTHER INSTRUCTIONS

Withdrawal of ASBA Bids

The ASBA Bidders can withdraw their Bids during the Bidding/Issue Period by submitting a request for the same to the SCSBs who shall do the requisite, including deletion of details of the withdrawn ASBA Form from the electronic bidding system of the Stock Exchanges and unblocking of the funds in the ASBA Account.

In case the ASBA Bidder wishes to withdraw the Bid after the Bid/Issue Closing Date, the same can be done by submitting a withdrawal request by the ASBA Bidder to the Registrar to the Issue. The Registrar to the Issue shall delete the withdrawn Bid from the Bid file and give instruction to the SCSB for unblocking the ASBA Account after 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.

Permanent Account Number

The ASBA Bidder or in the case of a Bid in joint names, each of the Bidders, should mention his/her PAN allotted under the I.T. Act on the ASBA form. **Applications without this information will be considered incomplete and are liable to be rejected by the SCSBs.** It is to be specifically noted that ASBA Bidders should not submit the GIR number instead of the PAN, as the Bid is liable to be rejected on this ground.

Other Information

In case of failure or withdrawal of the Issue, on receipt of appropriate instruction from the Book Running Lead Manager, the SCSB shall unblock the bank accounts latest by the next day of receipt of such instruction.

The SCSB shall not accept any Bid Cum ASBA after the closing time of acceptance of Bids on the last day of the Bidding period.

Unblocking of Funds

Once the Basis of Allotment is approved by the Designated Stock Exchange, the Registrar shall provide the following details to the Controlling Branch of each SCSB, along with instructions to unblock the relevant bank accounts and transfer the requisite money to the Public Issue account within the timelines specified in the ASBA process:

- 1) Number of shares to be allotted against each valid ASBA
- 2) Amount to be transferred from the relevant bank account to the Public Issue account, for each valid ASBA
- 3) The date by which the funds referred to in sub-para (b) above, shall be transferred to the Public Issue account
- 4) Details of rejected Bid Cum ASBA, if any, along with reasons for rejection and details of withdrawn/unsuccessful ASBAs, if any, to enable SCSBs to unblock the respective bank accounts. SCSB shall thereafter unblock the amounts blocked in the account of the ASBA Investor.

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 ASBA Account, the respective Designated Branch ascertains that sufficient funds are not available in the ASBA Account.

Further, in case any DP ID, Client ID or PAN mentioned in the ASBA Form does not match with one available in the depository's database, such ASBA Bid shall be rejected by the Registrar to the Issue.

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 Form number, details of Depository Participant, number of Equity Shares applied for, date of ASBA Form, name and address of the Designated Branch of the SCSB where the ASBA Bid was submitted and bank account number of the ASBA Account, with a copy to the relevant SCSB. 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 willful negligence on the part of any employee of the concerned SCSB, including its Designated Branches and the branches where the ASBA Accounts are held.

ASBA Bidders can contact the Compliance Officer, the Designated Branch of the SCSB where the ASBA 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 of the ASBA 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.

DISPOSAL OF APPLICATIONS AND APPLICATION MONEYS AND INTEREST IN CASE OF DELAY IN INSTRUCTIONS TO SCSBs BY THE REGISTRAR TO THE ISSUE

In accordance with the Companies Act, the requirements of the Stock Exchanges and SEBI (ICDR) Regulations, 2009, we undertake that:

- Allotment shall be made only in dematerialized form within 15 days from the Bid/Issue Closing Date;
- Instructions for unblocking of the ASBA Bidder's Bank Account shall be made; and
- We shall pay interest at 15% p.a. for any delay beyond the 15 day period mentioned above, if Allotment is not made and/or demat credits are not made to investors within the time period prescribed above or if instructions to SCSBs to unblock ASBA Accounts are not issued within 15 days of the Bid/Issue Closing Date.

Basis of Allocation and Method of Proportionate Basis of Allocation in the Issue

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 and Non Institutional Bidders. No preference shall be given vis-à-vis ASBA and other Bidders.

UNDERTAKING BY OUR COMPANY

We undertake as follows:

1. that the complaints received in respect of the Issue shall be attended to by our Company expeditiously and satisfactorily;
2. that all steps for completion of the necessary formalities for listing and commencement of trading at all Stock Exchanges where the Equity Shares are to be listed are taken within 7 working days of finalization of the basis of allotment;
3. that funds required for making refunds to unsuccessful applicants as per the mode(s) disclosed shall be made available to the Registrar to the issue by our Company.
4. that where refunds are made through electronic transfer of funds, a suitable communication shall be sent to the applicant within 15 days of closure of the issue, giving details of the bank where refunds shall be credited along with amount and expected date of electronic credit of refund.
5. that certificates of the securities/ refund orders to the non-resident Indians shall be dispatched within specified time.
6. that no further issue of securities shall be made till the securities offered through the Red Herring Prospectus are listed or till the application moneys are refunded on account of non-listing, under subscription, etc.
7. that adequate arrangements shall be made to collect all Applications Supported by Blocked Amount (ASBA) and to consider them similar to non-ASBA applications while finalizing the basis of allotment.

Our Company, in consultation with the BRLMs, reserves the right not to proceed with the Issue after the bidding and if so, the reason thereof shall be given as a public notice within two days of

the closure of the issue. The public notice shall be issued in the same newspapers where the pre-issue advertisement had appeared. The Stock Exchanges where the specified securities were proposed to be listed shall also be informed promptly.

If our Company withdraws the issue after closure of bidding, the issuer shall be required to file a fresh draft offer document with the Board.

UTILIZATION OF ISSUE PROCEEDS

The Board of Directors of our Company certifies that:

- i) All monies received out of this issue of Equity Shares to public shall be transferred to a separate bank account other than the bank account referred to in sub-section (3) of section 73 of the Companies Act, 1956;
- ii) Details of all monies utilized out of the issue referred to in sub-item (a) shall be disclosed and continue to be disclosed till the time any part of the issue proceeds remains unutilised under an appropriate separate head in the Balance Sheet of our Company indicating the purpose for which such monies had been utilized; and
- iii) Details of all unutilized monies out of the issue of Equity Shares, referred to in sub-item (i) shall be disclosed under an appropriate separate head in the Balance Sheet of our Company indicating the form in which such unutilized monies have been invested;

RESTRICTIONS ON FOREIGN OWNERSHIP OF INDIAN SECURITIES

Foreign investment in Indian securities is regulated through the industrial policy of Government of India, or the Industrial Policy and FEMA. While the Industrial Policy prescribes the limits and the conditions subject to which foreign investment can be made in different sectors of the Indian economy, FEMA regulates the precise manner in which such investment may be made.

Under the Industrial Policy, unless specifically restricted, foreign investment is freely permitted in all sectors of Indian economy up to any extent and without any prior approvals, but the foreign investor is required to follow certain prescribed procedures for making such investment. The government bodies responsible for granting foreign investment approvals are the Foreign Investment Promotion Board of Government of India (FIPB) and the RBI. As per current foreign investment policies, foreign direct investment in the sector in which our Company operates (Civil Construction) is allowed upto 100% under the automatic route.

RBI, *vide* its circular A.P (DIR Series) Circular No. 53 dated December 17, 2003, permitted FIIs to subscribe to shares of an Indian Company in the public issue without prior approval of RBI, so long as the price of Equity Shares to be issued is not less than the price at which the Equity Shares are issued to residents.

Investment by Non-Resident Indians

A variety of special facilities for making investments in India in shares of Indian Companies are available to individuals of Indian nationality or origin residing outside India ("NRIs"). These facilities permit NRIs to make portfolio investments in shares and other securities of Indian companies on a basis not generally available to other foreign investors. Under the portfolio investment scheme, NRIs are permitted to purchase and sell Equity Shares of our Company through a registered broker on the Stock Exchanges. NRIs collectively should not own more than 10% of the post-issue paid up capital of our Company. No single NRI may own more than 5% of the post-issue paid up capital of our Company. NRI investment in foreign exchange is now fully repatriable whereas investments made in Indian Rupees through rupee accounts remains non repatriable.

Investment by Foreign Institutional Investors

Foreign Institutional Investors ("FIIs") including institutions such as pension funds, investment trusts, asset management companies, nominee companies and incorporated, institutional portfolio managers can invest in all the securities traded on the primary and secondary markets in India. FIIs are required to obtain an initial registration from the SEBI and a general permission from the RBI to engage in transactions regulated under FEMA. FIIs must also comply with the provisions of the SEBI (Foreign Institutional Investors) Regulations, 1995, as amended from time to time. The initial registration and the RBI's general permission together enable the registered FII to buy (subject to the ownership restrictions discussed below) and sell freely securities issued by Indian companies, to realise capital gains or investments made through the initial amount invested in India, to subscribe or renounce rights issues for shares, to appoint a domestic custodian for custody of investments held and to repatriate the capital, capital gains, dividends, income received by way of interest and any compensation received towards sale or renunciation of rights issues of shares.

Ownership restrictions of FIIs

Under the portfolio investment scheme, the overall issue of Equity Shares to FIIs on a repatriation basis should not exceed 24% of post-issue paid-up capital of our Company. However, the limit of 24% can be raised up to the permitted sectoral cap for that Company after approval of the board of Directors and shareholders of our Company. The issue of Equity Shares to a single FII should

not exceed 10% of the post-issue paid-up capital of our Company. In respect of an FII investing in Equity Shares of a Company on behalf of its sub-accounts, the investment on behalf of each sub-account shall not exceed 10% of the total issued capital of that Company.

Registration of Equity Shares under US Laws

The Equity Shares have not been and will not be registered under the U.S. Securities Act 1933, as amended or any state securities laws in the United States and may not be offered or sold within the United States or to, or for the account or benefit of, 'U.S. persons' (as defined in Regulation S of the U.S. Securities Act, 1933), except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act. Accordingly, the Equity Shares will be offered and sold only (i) in the United States to 'qualified institutional buyers', as defined in Rule 144A of the Securities Act, and (ii) outside the United States in compliance with Regulation S and the applicable laws of the jurisdiction where those offers and sales occur.

The above information is given for the benefit of the Bidders and neither our Company nor the BRLMs are liable for any changes in the regulations after the date of the Red Herring Prospectus.

SECTION X- DESCRIPTION OF EQUITY SHARES AND TERMS OF THE ARTICLES OF ASSOCIATION

MAIN PROVISIONS OF ARTICLES OF ASSOCIATION OF OUR COMPANY

The Authorized capital of our Company is Rs. 25 crores divided into 2,50,00,000 Equity Shares of Rs. 10 each.

Title of Article	Article Number and contents
Share Capital	3. The Authorized Share Capital of the Company shall be as specified in Clause V of the Memorandum of Association of the Company. The Company may from time to time by Ordinary Resolution increase its authorized share capital by such sum and to be divided into Shares of such amount as may be specified in the resolution.
Increase of capital by the Company how carried into effect	4. The Company may in General Meeting from time to time by Ordinary Resolution increase its capital by creation of new Shares which may be unclassified and may be classified at the time of issue in one or more classes and of such amount or amounts as may be deemed expedient. The new Shares shall be issued upon such terms and conditions and with such rights and privileges annexed thereto as the resolution shall prescribe and in particular, such Shares may be issued with a preferential or qualified right to dividends and in the distribution of assets of the Company and with a right of voting at General Meeting of the Company in conformity with Section 87 and 88 of the Act. Whenever the capital of the Company has been increased under the provisions of this Article the Directors shall comply with the provisions of Section 97 of the Act
New Capital same as existing capital	5. Except so far as otherwise provided by the conditions of issue or by These Presents, any capital raised by the creation of new Shares shall be considered 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.
Non Voting Shares	6. The Board shall have the power to issue a part of authorised capital by way of non-voting Shares at price(s) premia, dividends, eligibility, volume, quantum, proportion and other terms and conditions as they deem fit, subject however to provisions of law, rules, regulations, notifications and enforceable guidelines for the time being in force.
Redeemable Preference Shares	7. Subject to the provisions of Section 80 of the Act, the Company shall have the power to issue preference shares which are or at the option of the Company, liable to be redeemed and the resolution authorising such issue shall prescribe the manner, terms and conditions of redemption.
Voting rights of preference shares	8. The holder of Preference Shares shall have a right to vote only on Resolutions, which directly affect the rights attached to his Preference Shares.
Provisions to apply on issue of Redeemable Preference Shares	9. On the issue of redeemable preference shares under the provisions of Article 7 hereof, the following provisions shall take effect: (a) No such Shares shall be redeemed except out of profits of which would otherwise be available for dividend or out of proceeds of a fresh issue of shares made for the purpose of the redemption. (b) No such Shares shall be redeemed unless they are fully paid. (c) The premium, if any payable on redemption shall have been provided for out of the profits of the Company or out of the Company's security premium account, before the Shares are redeemed. (d) Where any such Shares are redeemed otherwise then out of the proceeds of a fresh issue, there shall out of profits which would otherwise have been available for dividend, be transferred to a reserve fund, to be called "the Capital Redemption Reserve Account", a sum equal to the nominal amount of the

Title of Article	Article Number and contents
	<p>Shares redeemed, and the provisions of the Act relating to the reduction of the share capital of the Company shall, except as provided in Section 80 of the Act apply as if the Capital Redemption Reserve Account were paid-up share capital of the Company.</p> <p>(e) Subject to the provisions of Section 80 of the Act. The redemption of preference shares hereunder may be effected in accordance with the terms and conditions of their issue and in the absence of any specific terms and conditions in that behalf, in such manner as the Directors may think fit.</p>
Reduction of capital	<p>10.</p> <p>The Company may (subject to the provisions of section 78, 80 and 100 to 105, both inclusive, and other applicable provisions, if any, of the Act) from time to time by Special Resolution reduce</p> <p>(a) the share capital;</p> <p>(b) any capital redemption reserve account; or</p> <p>(c) any security premium account.</p> <p>in any manner for the time being, authorised by law and in particular capital may be paid off on the footing that it may be called up again or otherwise. This Article is not to derogate from any power the Company would have, if it were omitted.</p>
Purchase of own Shares	<p>11.</p> <p>The Company shall have power, subject to and in accordance with all applicable provisions of the Act, to purchase any of its own fully paid Shares whether or not they are redeemable and may make a payment out of capital in respect of such purchase.</p>
Sub-division consolidation and cancellation of Shares	<p>12.</p> <p>Subject to the provisions of Section 94 and other applicable provisions of the Act, the Company in General Meeting may, from time to time, sub-divide or consolidate its Shares, or any of them and the resolution whereby any Share is sub-divided may determine that, as between the holders of the Shares resulting from such sub-divisions, one or more of such Shares shall have some preference or special advantage as regards dividend, capital or otherwise over or as compared with the other(s). Subject as aforesaid, the Company in General Meeting may also cancel shares which have not been taken or agreed to be taken by any person and diminish the amount of its share capital by the amount of the Shares so cancelled.</p>

Title of Article	Article Number and contents
Modification of rights	<p>13.</p> <p>Whenever the capital, by reason of the issue of preference shares or otherwise, is divided into different classes of Shares, all or any of the rights and privileges attached to each class may, subject to the provisions of Sections 106 and 107 of the Act, be modified, commuted, affected, abrogated, dealt with or varied with the consent in writing of the holders of not less than three-fourth of the issued capital of that class or with the sanction of a Special Resolution passed at a separate General Meeting of the holders of Shares of that class, and all the provisions hereafter contained as to General Meeting shall <i>mutatis mutandis</i> apply to every such Meeting. This Article is not to derogate from any power the Company would have if this Article was omitted.</p> <p>The rights conferred upon the holders of the Shares (including preference shares, if any) of any class issued with preferred or other rights or privileges shall, unless otherwise expressly provided by the terms of the issue of Shares of that class, be deemed not to be modified, commuted, affected, dealt with or varied by the creation or issue of further Shares ranking <i>pari passu</i> therewith.</p>

Title of Article	Article Number and contents
Restriction on allotment and return of allotment	<p>14.</p> <p>The Board of Directors shall observe the restrictions on allotment of Shares to the public contained in Sections 69 and 70 of the Act, and shall cause to be made the returns as to allotment provided for in Section 75 of the Act.</p>

Title of Article	Article Number and contents
Further issue of shares	<p>15.</p> <p>(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:</p> <p>(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;</p> <p>(b) The offer aforesaid shall be made by a notice specifying the number of Shares offered and limiting a time not being less than fifteen days from the date of the offer and the offer, if not accepted, will be deemed to have been declined;</p> <p>(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 sub-clause (b) shall contain a statement of this right;</p> <p>(d) After the expiry of the time specified in the notice aforesaid, or on receipt of earlier intimation from the person to whom such notice is given that he declines to accept the Shares offered, the Board of Directors may dispose of them in such manner as they think most beneficial to the Company.</p> <p>(2) Notwithstanding anything contained in sub-clause (1), the further Shares aforesaid may be offered to any person(s) (whether or not those persons include the persons referred to in clause (a) sub-clause (1) hereof) in any manner whatsoever.</p> <p>(a) If a Special Resolution to that effect is passed by the Company in General Meeting; or</p> <p>(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 that General Meeting (including the casting vote, if any, of the Chairman) by 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.</p> <p>(3) Nothing in sub-clause (c) of (1) hereof shall be deemed;</p> <p>(a) To extend the time within which the offer should be accepted; or</p> <p>(b) To authorise any person to exercise the right of renunciation for a second time, on the ground that the person in whose favour the renunciation was first made has declined to take the Shares comprised in the renunciation.</p> <p>(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 debentures issued by the Company:</p> <p>(i) To convert such debentures or loans into Shares in the Company; or</p> <p>(ii) To subscribe for Shares in the Company</p> <p>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:</p> <p>(a) Either has been approved by the Central Government before the issue of the debentures or the raising of the loans or is in conformity with the Rules, if any, made by that government in this behalf; and</p> <p>(b) In the case of debentures or loans or other than debentures issued to, or loans obtained from government or any institution specified by the Central Government in this behalf, has also been approved by a Special Resolution passed by the Company in the General Meeting before the issue of the loans.</p>
Shares at the disposal of the Directors	<p>16.</p> <p>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 person, 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 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</p>

Title of Article	Article Number and contents
	allot Shares in the capital of the Company on payment in full or part of any property sold and transferred or for any services rendered to the Company in the conduct of its business and any Shares which may so be allotted may be issued as fully paid up Shares and if so issued, shall be deemed to be fully paid Shares. Provided that option or right to call for Shares shall not be given to any person or persons without the sanction of the Company in the General Meeting.
Power to offer Shares/options to acquire Shares	<p>16A</p> <p>(i) Without prejudice to the generality of the powers of the Board under Article 16 or in any other Article of these Articles of Association, the Board or any Committee thereof duly constituted may, subject to the applicable provisions of the Act, rules notified thereunder and any other applicable laws, rules and regulations, at any point of time, offer existing or further Shares (consequent to increase of share capital) of the Company, or options to acquire such Shares at any point of time, whether such options are granted by way of warrants or in any other manner (subject to such consents and permissions as may be required) to its employees, including Directors (whether whole-time or not), whether at par, at discount or at a premium, for cash or for consideration other than cash, or any combination thereof as may be permitted by law for the time being in force.</p> <p>(ii) In addition to the powers of the Board under Article 16A (i), the Board may also allot the Shares referred to in Article 16A (i) to any trust, whose principal objects would inter alia include further transferring such Shares to the Company's employees [including by way of options, as referred to in Article 16A (i)] in accordance with the directions of the Board or any Committee thereof duly constituted for this purpose. The Board may make such provision of moneys for the purposes of such trust, as it deems fit.</p> <p>(iii) The Board, or any Committee thereof duly authorised for this purpose, may do all such acts, deeds, things, etc. as may be necessary or expedient for the purposes of achieving the objectives set out in Articles 16A(i) and (ii) above.</p>
Application of premium received on Shares	<p>17.</p> <p>(1) where the Company issues Shares at a premium whether for cash or otherwise, a sum equal to the aggregate amount or value of the premium on these Shares shall be transferred to an account, to be called "the security premium account" and the provisions of the Act relating to the reduction of the share capital of the Company shall except as provided in this Article, apply as if the security premium account were paid up share capital of the Company.</p> <p>(2) The security premium account may, notwithstanding anything in clause (1) thereof be applied by the Company:</p> <p>(a) In paying up unissued Shares of the Company, to be issued to the Members of the Company as fully paid bonus;</p> <p>(b) In writing off the preliminary expenses of the Company;</p> <p>(c) In writing off the expenses of or the commission paid or discount allowed or any issue of Shares or debentures of the Company ; or</p> <p>(d) In providing for the premium payable on the redemption of any redeemable preference shares or of any debentures of the Company.</p>
Power also to Company in General Meeting to issue Shares	<p>18.</p> <p>In addition to and without derogating from the powers for that purpose conferred on the Board under these Articles, the Company in General Meeting may, subject to the provisions of Section 81 of the Act, determine that any Shares (whether forming part of the original capital or of any increased capital of the Company) shall be offered to such persons (whether Members or not) in such proportion and on such terms and conditions and either (subject to compliance with the provisions of Sections 78 and 79 of the Act) at a premium or at par or at a discount as such General Meeting shall determine and with full power to give any person (whether a Member or not) the option or right to call for or buy allotted Shares of any class of the Company either (subject to compliance with the provisions of Sections 78 and 79 of the Act) at a premium or at par or at a discount, such option being exercisable at such times and for such consideration as may be directed by such General Meeting or the Company in General Meeting may make any other provision whatsoever for the issue, allotment, or disposal of any Shares.</p>

Title of Article	Article Number and contents
Power of General Meeting to authorize Board to offer Shares/Options to employees	<p>18A</p> <p>Without prejudice to the generality of the powers of the General Meeting under Article 18 or in any other Article of these Articles of Association, the General Meeting may, subject to the applicable provisions of the Act, rules notified thereunder and any other applicable laws, rules and regulations, determine, or give the right to the Board or any Committee thereof to determine, that any existing or further Shares (consequent to increase of share capital) of the Company, or options to acquire such Shares at any point of time, whether such options are granted by way of warrants or in any other manner (subject to such consents and permissions as may be required) be allotted/granted to its employees, including Directors (whether whole-time or not), whether at par, at discount or a premium, for cash or for consideration other than cash, or any combination thereof as may be permitted by law for the time being in force. The General Meeting may also approve any Scheme/Plan/ other writing, as may be set out before it, for the aforesaid purpose. In addition to the powers contained in Article 18A(i), the General Meeting may authorise the Board or any Committee thereof to exercise all such powers and do all such things as may be necessary or expedient to achieve the objectives of any Scheme/Plan/other writing approved under the aforesaid Article.</p>
Shares at a discount	<p>19.</p> <p>The Company may issue at a discount Shares in the Company of a class already issued, if the following conditions are fulfilled, namely:</p> <p>(a) The issue of the Shares at discount is authorised by resolution passed by the Company in the General Meeting and sanctioned by the Company Law Board;</p> <p>(b) The resolution specifies the maximum rate of discount (not exceeding ten percent or such higher percentage as the Company Law Board may permit in any special case) at which the Shares are to be issued; and</p> <p>(c) The Shares to be issued at a discount are issued within two months after the date in which the issue is sanctioned by the Company Law Board or within such extended time as the Company Law Board may allow.</p>
Installments of Shares to be duly paid	<p>20.</p> <p>If by the conditions of any allotment of any Shares the whole or any part of the amount or issued price thereof shall, be payable by installments, every such installment shall when due, be paid to the Company by the person who for the time being and from time to time shall be the registered holder of the Shares or his legal representatives, and shall for the purposes of these Articles be deemed to be payable on the date fixed for payment and in case of non-payment the provisions of these Articles as to payment of interest and expenses forfeiture and like and all the other relevant provisions of the Articles shall apply as if such installments were a call duly made notified as hereby provided.</p>
The Board may issue Shares as fully paid-up	<p>21.</p> <p>Subject to the provisions of the Act and these Articles, the Board may allot and issue Shares in the Capital of the Company as payment for any property purchased or acquired or for services rendered to the Company in the conduct of its business or in satisfaction of any other lawful consideration. Shares which may be so issued may be issued as fully paid-up or partly paid up Shares.</p>
Acceptance of Shares	<p>22.</p> <p>Any application signed by or on behalf of an applicant for Share(s) in the Company, followed by an allotment of any Share therein, shall be an acceptance of Share(s) within the meaning of these Articles, and every person who thus or otherwise accepts any Shares and whose name is therefore placed on the Register of Members shall for the purpose of this Article, be a Member.</p>
Deposit and call etc., to be debt payable	<p>23.</p> <p>The money, if any which the Board of Directors shall on the allotment of any Shares being made by them, require or direct to be paid by way of deposit, call or otherwise, in respect of any Shares allotted by them shall immediately on the inscription of the name of the allottee in the Register of Members as the holder of such Shares, become a debt due to and recoverable by the Company from the allottee thereof, and shall be paid by him accordingly.</p>

Title of Article	Article Number and contents
Liability of Members	<p>24.</p> <p>Every Member, or his heirs, executors or administrators to the extent of his assets which come to their hands, shall be liable to pay to the Company the portion of the capital represented by his Share which may, for the time being, remain unpaid thereon in such amounts at such time or times and in such manner as the Board of Directors shall, from time to time, in accordance with the Company's requirements require or fix for the payment thereof.</p>
Dematerialization of securities	<p>25.(B)</p> <p>Either on the Company or on the investor exercising an option to hold his securities with a depository in a dematerialised form, the Company shall enter into an agreement with the depository to enable the investor to dematerialise the Securities, in which event the rights and obligations of the parties concerned shall be governed by the Depositories Act.</p>
Options to receive security certificates or hold securities with depository	<p>25.(C)</p> <p>Every person subscribing to securities offered by the Company shall have the option to receive the Security certificates or hold securities with a depository. Where a person opts to hold a Security with a depository, the Company shall intimate such depository the details of allotment of the Security, and on receipt of such information the depository shall enter in its record the name of the allotted as the Beneficial Owner of that Security.</p>
Securities in depositories to be in fungible form	<p>25.(D)</p> <p>All Securities held by a Depository shall be dematerialised and shall be in a fungible form; nothing contained in Sections 153, 153A, 153B, 187B, 187C and 372 of the Act shall apply to a Depository in respect of the Securities held by it on behalf of the Beneficial Owners.</p>
Rights of depositories and beneficial owners	<p>25.(E)</p> <p>(1) Notwithstanding anything to the contrary contained in the Articles, a Depository shall be deemed to be a registered owner for the purposes of effecting transfer of ownership of Security on behalf of the Beneficial Owner;</p> <p>(2) Save as otherwise provided in (1) above, the Depository as a registered owner shall not have any voting rights or any other rights in respect of Securities held by it;</p> <p>(3) Every person holding equity share capital of the Company and whose name is entered as Beneficial Owner in the Records of the Depository shall be deemed to be a Member of the Company. The Beneficial Owner shall be entitled to all the rights and benefits and be subjected to all the liabilities in respect of the Securities held by a Depository.</p>
Option to opt out in respect of any security	<p>25.(H)</p> <p>If a Beneficial Owner seeks to opt out of a Depository in respect of any Security, the Beneficial Owner shall inform the Depository accordingly. The Depository shall on receipt of information as above make appropriate entries in its Records and shall inform the Company. The Company shall, within thirty (30) days of the receipt of intimation from the 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.</p>
Share certificate	<p>26.</p> <p>(a) Every Member or allottee of Shares is entitled, without payment, to receive one certificate for all the Shares of the same class registered in his name.</p> <p>(b) Any two or more joint allottees or holders of Shares shall, for the purpose of this Article, be treated as a single Member and the certificate of any Share which may be the subject of joint ownership may be delivered to any one of such joint owners, on behalf of all of them.</p>
Limitation of time for issue of certificates	<p>26A.</p> <p>Every Member shall be entitled, without payment to one or more certificates in marketable lots, for all the shares of each class or denomination registered in his name, or if the directors so approve (upon paying such fee as the Directors so time determine) to several certificates, each for one or more of such shares and the</p>

Title of Article	Article Number and contents
	<p>Company shall complete and have ready for delivery such certificates within three months from the date of allotment, unless the conditions of issue thereof otherwise provide, or within two months of the receipt of application of registration of transfer, transmission, sub-division, consolidation or renewal of any of its Shares as the case may be. Every certificate of Shares shall be under the seal of the company and shall specify the number and distinctive numbers of Shares in respect of which it is issued and amount paid-up thereon and shall be in such form as the directors may prescribe and approve, provided that in respect of a Share or Shares held jointly by several persons, the Company shall not be bound to issue more than one certificate and delivery of a certificate of Shares to one or several joint holders shall be a sufficient delivery to all such holder.</p>
Renewal of share certificates	<p>27.</p> <p>No certificate of any Share or Shares shall be issued either in exchange for those, which are sub-divided or consolidated or in replacement of those which are defaced, torn or old, decrepit, worn out, or where the pages on the reverse for recording transfer have been duly utilised unless the certificate in lieu of which it is issued is surrendered to the Company.</p> <p>PROVIDED THAT no fee shall be charged for issue of new certificate in replacement of those which are old, decrepit or worn out or where the pages on the reverse for recording transfer have been fully utilized.</p>
Issue of new certificate in place of one defaced, lost or destroyed	<p>28.</p> <p>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.</p> <p>Provided that notwithstanding what is stated above the Directors shall comply with such rules or regulations or requirements of any Stock Exchange or the rules made under the Act or rules made under Securities Contracts (Regulation) Act, 1956 or any other Act, or rules applicable thereof in this behalf.</p> <p>The provision of this Article shall <i>mutatis mutandis</i> apply to Debentures of the Company.</p>
The first name joint holder deemed sole holder	<p>29.</p> <p>If any Share(s) stands in the name of two or more persons, the person first named in the Register of Members shall, as regards receipt of dividends or bonus or service of notice and all or any other matters connected with Company except voting at Meetings and the transfer of the Shares be deemed the sole holder thereof but the joint holders of a Share shall severally as well as jointly be liable for the payment of all incidents thereof according to the Company's Articles.</p>
Company not bound to recognize any interest in Shares other than of registered holder	<p>35.</p> <p>Except as ordered by a Court of competent jurisdiction or as by law required, the Company shall not be bound to recognize, even when having notice thereof any equitable, contingent, future or partial interest in any Share, or (except only as is by these Articles otherwise expressly provided) any right in respect of a Share other than an absolute right thereto, in accordance with these Articles, in the person from time to time registered as holder thereof but the Board shall be at liberty at their sole discretion to register any Share in the joint names of any two or more persons (but not exceeding 4 persons) or the survivor or survivors of them.</p>
	36.

Title of Article	Article Number and contents
Trust recognized	<p>(a) Except as ordered, by a Court of competent jurisdiction or as by law required, the Company shall not be bound to recognize, even when having notice thereof, any equitable, contingent, future or partial interest in any Share, or (except only as is by these Articles otherwise expressly provided) any right in respect of a Share other than an absolute right thereto, in accordance with these Articles, in the person from time to time registered as holder thereof but the Board shall be at liberty at their sole discretion to register any Share in the joint names of any two or more persons (but not exceeding 4 persons) or the survivor or survivors of them.</p> <p>(b) Shares may be registered in the name of an incorporated Company or other body corporate but not in the name of a minor or of a person of unsound mind (except in case where they are fully paid) or in the name of any firm or partnership.</p>
Funds of Company not to be applied in purchase of Shares of the Company	<p>38.</p> <p>No funds of the Company shall except as provided by Section 77 of the Act, be employed in the purchase of its own Shares, unless the consequent reduction of capital is effected and sanction in pursuance of Sections 78, 80 and 100 to 105 of the Act and these Articles or in giving either directly or indirectly and whether by means of a loan, guarantee, the provision of security or otherwise, any financial assistance for the purpose of or in connection with a purchase or subscription made or to be made by any person of or for any Share in the Company in its holding Company.</p>

UNDERWRITING AND BROKERAGE

Title of Article	Article Number and contents
Commission may be paid	<p>39.</p> <p>Subject to the provisions of Section 76 of the Act, the Company may at anytime pay commission to any person in consideration of his subscribing or agreeing to subscribe (whether absolutely or conditionally) for any Shares in or debentures of the Company but so that the commission shall not exceed in the case of the Shares five percent of the price at which the Shares are issued and in the case of debentures two and half percent of the price at which the debenture are issued. Such commission may be satisfied by payment of cash or by allotment of fully or partly paid Shares or debentures as the case may be or partly in one way and partly in the other.</p>
Brokerage	<p>40.</p> <p>The Company may on any issue of Shares or Debentures or on deposits pay such brokerage as may be reasonable and lawful.</p>
Commission to be included in the annual return	<p>41.</p> <p>Where the Company has paid any sum by way of commission in respect of any Shares or Debentures or allowed any sums by way of discount in respect to any Shares or Debentures, such statement thereof shall be made in the annual return as required by Part I of Schedule V to the Act.</p>

INTEREST OUT OF CAPITAL

Title of Article	Article Number and contents
Interest out of capital	<p>42.</p> <p>Where any Shares are issued for the purpose of raising money to defray the expenses of the construction of any work or building, or the provisions of any plant which cannot be made profitable for lengthy period, the Company may pay interest on so much of that share capital as is for the time being paid-up, for the period at the rate and subject to the conditions and restrictions provided by Section 208 of the Act and may charge the same to capital as part of the cost of construction of the work or building or the provisions of the plant.</p>

DEBENTURES

Title of Article	Article Number and contents
Debentures with voting rights not to be issued	<p>43.</p> <p>(a) The Company shall not issue any debentures carrying voting rights at any Meeting of the Company whether generally or in respect of particular classes of business.</p> <p>(b) The Company shall have power to reissue redeemed debentures in certain cases in accordance with Section 121 of the Act.</p> <p>(c) Payments of certain debts out of assets subject to floating charge in priority to claims under the charge may be made in accordance with the provisions of Section 123 of the Act.</p> <p>(d) Certain charges (which expression includes mortgage) mentioned in Section 125 of the Act, shall be void against the Liquidator or creditor unless registered as provided in Section 125 of the Act.</p> <p>(e) A contract with the Company to take up and pay debentures of the Company may be enforced by a decree for specific performance.</p> <p>(f) Unless the conditions of issue thereof otherwise provide, the Company shall (subject to the provisions of Section 113 of the Act) within three months after the allotment of its debentures or debenture-stock and within one month after the application for the registration of the transfer of any such debentures or debentures-stock have completed and ready for delivery the certificate of all debenture-stock allotted or transferred.</p> <p>(g) The Company shall comply with the provisions of Section 118 of the Act, as regards supply of copies of debenture Trust Deed and inspection thereof.</p> <p>(h) The Company shall comply with the provisions of Section 124 to 145 (inclusive) of the Act as regards registration of charges.</p>

CALLS

Title of Article	Article Number and contents
Directors may make calls	<p>44.</p> <p>(a) Subject to the provisions of Section 91 of the Act, the Board of Directors may from time to time by a resolution passed at a meeting of a Board (and not by a circular resolution) make such calls as it thinks fit upon the Members in respect of all moneys unpaid on the Shares or by way of premium, held by them respectively and not by conditions of allotment thereof made payable at fixed time and each Member shall pay the amount of every call so made on him to person or persons and at the times and places appointed by the Board of Directors. A call may be made payable by installments. A call may be postponed or revoked as the Board may determine. No call shall be made payable within less than one month from the date fixed for the payment of the last preceding call.</p> <p>(b) The joint holders of a Share shall be jointly and severally liable to pay all calls in respect thereof.</p>
Notice of call when to be given	<p>45.</p> <p>Not less than fourteen days notice in writing of any call shall be given by the Company specifying the time and place of payment and the person or persons to whom such call shall be paid.</p>
Call deemed to have been made	<p>46.</p> <p>A call shall be deemed to have been made at the time when the resolution authorising such call was passed at a meeting of the Board of Directors and may be made payable by the Members of such date or at the discretion of the Directors on such subsequent date as shall be fixed by the Board of Directors.</p>
Directors may extend time	<p>47.</p> <p>The Board of Directors may, from time to time at its discretion, extend the time fixed for the payment of any call and may extended such time to call or any of the Members, the Board of Directors may deem fairly entitled to such extension but no Member shall be entitled to such extension as of right except as a</p>

Title of Article	Article Number and contents
	matter of grace and favour.
Amount payable at fixed time or by installments to be treated as calls	48. If by the terms of issue of any Share or otherwise any amount is made payable at any fixed time or by installments at fixed time (whether on account of the amount of the Share or by way of premium) every such amount or installment shall be payable as if it were a call duly made by the Directors and of which due notice has been given and all the provisions herein contained in respect of calls shall apply to such amount or installment accordingly.
When interest on call or installment payable	49. If the sum payable in respect of any call or installment is not paid on or before the day appointed for the payment thereof, the holder for the time being or allottee of the Share in respect of which the call shall have been made or the installment shall be due, shall pay interest on the same at such rate not exceeding eighteen percent per annum as Directors shall fix from the day appointed for the payment thereof upto the time of actual payment but the Directors may waive payment of such interest wholly or in part.
Evidence in action by Company against share holder	50. On the trial of hearing of any action or suit brought by the Company against any Member or his Legal Representatives for the recovery of any money claimed to be due to the Company in respect of his Shares, it shall be sufficient to prove that the name of the Member in respect of whose Shares the money is sought to be recovered is entered on the Register of Members as the holder or as one of the holders at or subsequent to the date at which the money sought to be recovered is alleged to have become due on the Shares in respect of which the money is sought to be recovered, that the resolution making the call is duly recorded in the minute book and the notice of such call was duly given to the Member or his legal representatives sued in pursuance of these Articles and it shall not be necessary to prove the appointment of Directors who made such call, nor that a quorum of Directors was present at the Board meeting at which any call was made nor that the meeting at which any call was made was duly convened or constituted nor any other matter whatsoever but the proof of the matters aforesaid shall be conclusive evidence of the debt.
Payment in anticipation of calls may carry interest	51. 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. The Members shall not be entitled to any voting rights in respect of the moneys so paid by him until the same would but for such payment, become presently payable. The provisions of these Articles shall mutatis mutandis apply to the calls on Debentures of the Company.

LIEN

Title of Article	Article Number and contents
Partial payment not to preclude forfeiture	52. Neither the receipt by the Company of a portion of any money which shall, from time to time be due from any Member to the Company in respect of his Shares, either by way of principal or interest, or any indulgence granted by the Company in respect of the payment of such money, shall preclude the Company from thereafter proceeding to enforce a forfeiture of such Shares as hereinafter provided.
Company's lien on	53. The Company shall have first and paramount lien upon all Shares/

Title of Article	Article Number and contents
Shares/ Debentures	Debentures (other than fully paid up Shares/ Debentures) registered in the name of each Member (whether solely or jointly with others) and upon the proceeds of sale thereof, for all moneys (whether presently payable or not) called or payable at a fixed time in respect of such Shares/ Debentures and no equitable interest in any Share 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 exempt from the provisions of this Article.
As to enforcing lien by sale	54. The Company may sell, in such manner as the Board thinks fit, any Shares on which the Company has lien for the purpose of enforcing the same PROVIDED THAT no sale shall be made:- (a) Unless a sum in respect of which the lien exists is presently payable; or (b) Until the expiration of fourteen days after a notice in writing stating and demanding payment of such part of the amount in respect of which the lien exists as is /presently payable has been given to the registered holder for the time being of the Share or the person entitled thereto by reason of his death or insolvency. For the purpose of such sale the Board may cause to be issued a duplicate certificate in respect of such Shares and may authorise one of their members to execute a transfer there from behalf of and in the name of such Members (c) The purchaser shall not be bound to see the application of the purchase money, nor shall his title to the Shares be affected by any irregularity, or invalidity in the proceedings in reference to the sale.
Application of proceeds of sale	55. (a) The net proceeds of any such sale shall be received by the Company and applied in or towards satisfaction of such part of the amount in respect of which the lien exists as is presently payable, and (b) The residue if any, after adjusting costs and expenses if any incurred shall be paid to the person entitled to the Shares at the date of the sale (subject to a like lien for sums not presently payable as existed on the Shares before the sale).

FORFEITURE OF SHARES

Title of Article	Article Number and contents
If money payable on Shares not paid notice to be given	56. If any Member fails to pay the whole or any part of any call or any installments of a call on or before the day appointed for the payment of the same or any such extension thereof, the Board of Directors may, at any time thereafter, during such time as the call for installment remains unpaid, give notice to him requiring him to pay the same together with any interest that may have accrued and all expenses that may have been incurred by the Company by reason of such non-payment.
Sum payable on allotment to be deemed a call	57. For the purposes of the provisions of these Articles relating to forfeiture of Shares, the sum payable upon allotment in respect of a share shall be deemed to be a call payable upon such Share on the day of allotment.
Form of notice	58. The notice shall name a day, (not being less than fourteen days from the day of the notice) and a place or places on and at which such call in installment and such interest thereon at such rate not exceeding eighteen percent per annum as the Directors may determine and expenses as aforesaid are to be paid. The notice shall also state that in the event of the non-payment at or before the time and at the place appointed, Shares in respect of which the call was made or installment is payable will be liable to be forfeited.
	59.

Title of Article	Article Number and contents
In default of payment Shares to be forfeited	If the requirements of any such notice as aforesaid are not complied with, any Share or Shares in respect of which such notice has been given may at any time thereafter before payment of all calls or installments, interests and expenses due in respect thereof, be forfeited by a resolution of the Board of Directors to that effect. Such forfeiture shall include all dividends declared or any other moneys payable in respect of the forfeited Shares and not actually paid before the forfeiture.
Notice of forfeiture to a Member	60. When any Share shall have been so forfeited, notice of the forfeiture shall be given to the Member in whose name it stood immediately prior to the forfeiture, and an entry of the forfeiture, with the date thereof, shall forthwith be made in the Register of Members, but no forfeiture shall be in any manner invalidated by any omission or neglect to give such notice or to make any such entry as aforesaid.
Forfeited Shares to be the property of the Company and may be sold etc.	61. Any Share so forfeited, shall be deemed to be the property of the Company and may be sold, re-allotted or otherwise disposed of, either to the original holder or to any other person, upon such terms and in such manner as the Board of Directors shall think fit.
Member still liable for money owing at the time of forfeiture and interest	62. Any Member whose Shares have been forfeited shall notwithstanding the forfeiture, be liable to pay and shall forthwith pay to the Company on demand all calls, installments, interest and expenses owing upon or in respect of such Shares at the time of the forfeiture together with interest thereon from the time of the forfeiture until payment, at such rate not exceeding eighteen percent per annum as the Board of Directors may determine and the Board of Directors may enforce the payment of such moneys or any part thereof, if it thinks fit, but shall not be under any obligation to do so.
Effects of forfeiture	63. The forfeiture of a Share shall involve the extinction at the time of the forfeiture, of all interest in and all claims and demand against the Company in respect of the Share and all other rights incidental to the Share, except only such of those rights as by these Articles are expressly saved.
Power to annul forfeiture	64. The Board of Directors may at any time before any Share so forfeited shall have been sold, re-allotted or otherwise disposed of, annul the forfeiture thereof upon such conditions as it thinks fit.

Title of Article	Article Number and contents
Declaration of forfeiture	<p>65</p> <p>(a) A duly verified declaration in writing that the declarant is a Director, the Managing Director or the Manager or the Secretary of the Company, and that Share in the Company has been duly forfeited in accordance with these Articles, on a date stated in the declaration, shall be conclusive evidence of the facts therein stated as against all persons claiming to be entitled to the Share.</p> <p>(b) The Company may receive the consideration, if any, given for the Share on any sale, re-allotment or other disposal thereof and may execute a transfer of the Share in favour of the person to whom the Share is sold or disposed off.</p> <p>(c) The person to whom such Share is sold, re-allotted or disposed of shall thereupon be registered as the holder of the Share.</p> <p>(d) Any such purchaser or allottee shall not (unless by express agreement) be liable to pay calls, amounts, installments, interests and expenses owing to the Company prior to such purchase or allotment nor shall be entitled (unless by express agreement) to any of the dividends, interests or bonuses accrued or which might have accrued upon the Share before the time of completing such purchase or before such allotment.</p> <p>(e) Such purchaser or allottee shall not be bound to see to the application of the purchase money, if any, nor shall his title to the Share be effected by the irregularity or invalidity in the proceedings in reference to the forfeiture, sale re-allotment or other disposal of the Shares.</p>
Provisions of these articles as to forfeiture to apply in case of non payment of any sum.	<p>66.</p> <p>The provisions of these Articles as to forfeiture shall apply in the case of non-payment of any sum which by the terms of issue of a Share becomes payable at a fixed time, whether on account of the nominal value of Share or by way of premium, as if the same had been payable by virtue of a call duly made and notified.</p>
Cancellation of shares certificates in respect of forfeited Shares	<p>67.</p> <p>Upon sale, re-allotment or other disposal under the provisions of these Articles, the certificate or certificates originally issued in respect of the said Shares shall (unless the same shall on demand by the Company have been previously surrendered to it by the defaulting Member) stand cancelled and become null and void and of no effect and the Directors shall be entitled to issue a new certificate or certificates in respect of the said Shares to the person or persons entitled thereto.</p>
Evidence of forfeiture	<p>68.</p> <p>The declaration as mentioned in Article 65(a) of these Articles shall be conclusive evidence of the facts therein stated as against all persons claiming to be entitled to the Share.</p>
Validity of sale	<p>69.</p> <p>Upon any sale after forfeiture or for enforcing a lien in purported exercise of the powers hereinbefore given, the Board may appoint some person to execute an instrument of transfer of the Shares sold and cause the purchaser's name to be entered in the Register of Members in respect of the Shares sold, and the purchasers shall not be bound to see to the regularity of the proceedings or to the application of the purchase money, and after his name has been entered in the Register of Members in respect of such Shares, the validity of the sale shall not be impeached by any person and the remedy of any person aggrieved by the sale shall be in damages only and against the Company exclusively.</p>
Surrender of Shares	<p>70.</p> <p>The Directors may subject to the provisions of the Act, accept surrender or any share from any Member desirous of surrendering on such terms and conditions</p>

Title of Article	Article Number and contents
	as they think fit.

TRANSFER AND TRANSMISSION OF SHARES

Title of Article	Article Number and contents
No transfers to minors etc.	71. No Share which is partly paid-up or on which any sum of money is due shall in any circumstances be transferred to any minor, insolvent or person of unsound mind.
Instrument of transfer	72. The instrument of transfer shall be in writing and all provisions of Section 108 of the Companies Act, 1956 and statutory modification thereof for the time being shall be duly complied with in respect of all transfer of shares and registration thereof.
Application for transfer	73. (a) An application for registration of a transfer of the Shares in the Company may be either by the transferor or the transferee. (b) Where the application is made by the transferor and relates to partly paid Shares, the transfer shall not be registered unless the Company gives notice of the application to the transferee and the transferee makes no objection to the transfer within two weeks from the receipt of the notice (c) For the purposes of clause (b) above notice to the transferee shall be deemed to have been duly given if it is dispatched by prepaid registered post to the transferee at the address, given in the instrument of transfer and shall be deemed to have been duly delivered at the time at which it would have been delivered in the ordinary course of post.
Execution of transfer	74. The instrument of transfer of any Share shall be duly stamped and executed by or on behalf of both the transferor and the transferee and shall be witnessed. The transferor shall be deemed to remain the holder of such Share until the name of the transferee shall have been entered in the Register of Members in respect thereof. The requirements of provisions of Section 108 of the Companies Act, 1956 and any statutory modification thereof for the time being shall be duly complied with.
Transfer by legal representatives	75. A transfer of Share in the Company of a deceased Member thereof made by his legal representative shall, although the legal representative is not himself a Member be as valid as if he had been a Member at the time of the execution of the instrument of transfer.
Register of Members etc when closed	76. The Board of Directors shall have power on giving not less than seven days previous notice by advertisement in some newspaper circulating in the district in which the registered office of the Company is situated to close the Register of Members and/or the Register of debentures holders at such time or times and for such period or periods, not exceeding thirty days at a time, and not exceeding in the aggregate forty five days at a time, and not exceeding in the aggregate forty five days in each year as it may seem expedient to the Board.
Directors may refuse to register transfer	77. Subject to the provisions of Section 111A, 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 month from the date on which the instrument of transfer, or the intimation of such transmission, as the case may be, was delivered to Company, send notice of the refusal to the transferee and the transferor or to the person giving intimation of such transmission, as the case may be, giving reasons for such refusal. Provided that the registration of a transfer shall not be refused person or persons indebted to the Company on any account whatsoever except where the Company has a lien on Shares.

Title of Article	Article Number and contents
Death of one or more joint holders of Shares	<p>78.</p> <p>In case of the death of any one or more of the persons named in the Register of Members as the joint holders of any Share, the survivor or survivors shall be the only persons recognized by the Company as having any title or interest in such Share, but nothing herein contained shall be taken to release the estate of a deceased joint holder from any liability on Shares held by him with any other person.</p>
Titles of Shares of deceased Member	<p>79.</p> <p>The Executors or Administrators of a deceased Member or holders of a Succession Certificate or the Legal Representatives in respect of the Shares of a deceased Member (not being one of two or more joint holders) shall be the only persons recognized by the Company as having any title to the Shares registered in the name of such Members, and the Company shall not be bound to recognize such Executors or Administrators or holders of Succession Certificate or the Legal Representative unless such Executors or Administrators or Legal Representative shall have first obtained Probate or Letters of Administration or Succession Certificate as the case may be from a duly constituted Court in the Union of India provided that in any case where the Board of Directors in its absolute discretion thinks it, the Board upon such terms as to indemnity or otherwise as the Directors may deem proper dispense with production of Probate or Letters of Administration or Succession Certificate and register Shares standing in the name of a deceased Member, as a Member. However, provisions of this Article are subject to Sections 109A and 109B of the Companies Act.</p>
Notice of application when to be given	<p>80.</p> <p>Where, in case of partly paid Shares, an application for registration is made by the transferor, the Company shall give notice of the application to the transferee in accordance with the provisions of Section 110 of the Act.</p>
Registration of persons entitled to Shares otherwise than by transfer (Transmission Clause)	<p>81.</p> <p>Subject to the provisions of the Act and Article 78 hereto, any person becoming entitled to Share in consequence of the death, lunacy, bankruptcy insolvency of any Member or by any lawful means other than by a transfer in accordance with these Articles may, with the consent of the Board (which it shall not be under any obligation to give), upon producing such evidence that he sustains the character in respect of which he proposes to act under this Article or of such title as the Board thinks sufficient, either be registered himself as the holder of the Share or elect to have some person nominated by him and approved by the Board registered as such holder; provided nevertheless, that if such person shall elect to have his nominee registered as a holder, he shall execute an instrument of transfer in accordance with the provisions herein contained, and until he does so, he shall not be freed from any liability in respect of the Shares. This clause is hereinafter referred to as the "Transmission Clause".</p>
Refusal to register nominee	<p>82.</p> <p>Subject to the provisions of the Act and these Articles, the Directors shall have the same right to refuse to register a person entitled by transmission to any Share of his nominee as if he were the transferee named in an ordinary transfer presented for registration.</p>
Person entitled may receive dividend without being registered as a Member	<p>83.</p> <p>A person entitled to a Share by transmission shall subject to the right of the Directors to retain dividends or money as is herein provided, be entitled to receive and may give a discharge for any dividends or other moneys payable in respect of the Share.</p>
No fee on transfer or transmissions	<p>84.</p> <p>No fee shall be charged for registration of transfer, transmission, Probate, Succession Certificate & Letters of Administration, Certificate of Death or Marriage, Power of Attorney or other similar document.</p>
Transfer to be presented with	<p>85.</p> <p>Every instrument of transfer shall be presented to the Company duly stamped for registration accompanied by such evidence as the Board may require to prove</p>

Title of Article	Article Number and contents
evidence of title	the title of the transferor, his right to transfer the Shares and generally under and subject to such conditions and regulations as the Board may, from time to time prescribe, and every registered instrument of transfer shall remain in the custody of the Company until destroyed by order of the Board.
Company not liable for disregard of a notice prohibiting registration of transfer	86. The Company shall incur no liability or responsibility whatsoever in consequence of its registering or giving effect to any transfer of Shares made or purporting to be made by any apparent legal owner thereof (as shown or appearing in the Register of Members) to the prejudice of persons having or claiming any equitable right, title or interest to or in the said Shares, notwithstanding that the Company may have had notice of such equitable right, title or interest or notice prohibiting registration of such transfer, and may have entered such notice, or referred thereto, in any book of the Company, and the Company shall not be bound to be required to regard or attend to give effect to any notice which may be given to it of any equitable right, title or interest or be under any liability whatsoever for refusing or neglecting to do so, though it may have been entered or referred to in some book of the Company, but the Company shall nevertheless be at liberty to regard and attend to any such notice and give effect thereto if the Board shall so think fit.

SHARE WARRANTS

Title of Article	Article Number and contents
Power to issue share warrants	87. The Company may issue warrants subject to and in accordance with provisions of Sections 114 and 115 of the Act and accordingly the Board may in its discretion with respect to any Share which is fully paid upon application in writing signed by the persons registered as holder of the Share, and authenticated by such evidence(if any) as the Board may, from time to time, require as to the identity of the persons signing the application and on receiving the certificate (if any) of the Share, and the amount of the stamp duty on the warrant and such fee as the Board may, from time to time, require, issue a share warrant.
Deposit of share warrants	88. (a) The bearer of a share warrant may at any time deposit the warrant at the Office of the Company, and so long as the warrant remains so deposited, the depositor shall have the same right of signing a requisition for call in a meeting of the Company, and of attending and voting and exercising the other privileges of a Member at any meeting held after the expiry of two clear days from the time of deposit, as if his name were inserted in the Register of Members as the holder of the Share included in the deposit warrant (b) Not more than one person shall be recognized as depositor of the Share warrant (c) The Company shall, on two day's written notice, return the deposited share warrant to the depositor
Privileges and disabilities of the holders of share warrant	89. (a) Subject as herein otherwise expressly provided, no person, being a bearer of a share warrant, shall sign a requisition for calling a meeting of the Company or attend or vote or exercise any other privileges of a Member at a meeting of the Company, or be entitled to receive any notice from the Company. (b) The bearer of a share warrant shall be entitled in all other respects to the same privileges and advantages as if he were named in the Register of Members as the holder of the Share included in the warrant, and he shall be a Member of the Company.
Issue of new share warrant coupons	90. The Board may, from time to time, make bye-laws as to terms on which (if it shall think fit), a new share warrant or coupon may be issued by way of renewal in case of defacement, loss or destruction.

CONVERSION OF SHARES INTO STOCK AND RECONVERSION

Title of Article	Article Number and contents
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Title of Article	Article Number and contents
Share may be converted into stock	91. The Company may, by Ordinary Resolution: Convert any fully paid up Share into stock, and reconvert any stock into fully paid-up Shares.
Transfer of stock	92. The several holders of such stock may transfer there respective interest therein or any part thereof in the same manner and subject to the same regulations under which the stock arose might before the conversion, have been transferred, or as near thereto as circumstances admit. PROVIDED THAT the Board may, from time to time, fix the minimum amount of stock transferable, so however that such minimum shall not exceed the nominal amount of the Shares from which stock arose.
Right of stock holders	93. The holders of stock shall, according to the amount of stock held by them, have the same right, privileges and advantages as regards dividends, voting at meeting of the Company, and other matters, as if they held them Shares from which the stock arose; but no such privilege or advantage (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.
Regulation applicable to stock and share warrant	94. Such of the regulations of the Company as are applicable to the paid up Shares shall apply to stock and the words "Share" and "Share holder" in these regulations shall include "stock" and "stock holder" respectively.

BORROWING POWERS

Title of Article	Article Number and contents
Power to borrow	95. Subject to the provisions of Sections 58A, 292 and 370 of the Act and these Articles, the Board of Directors may, from time to time at its discretion by a resolution passed at a meeting of the Board, borrow, accept deposits from Members either in advance of calls or otherwise and generally raise or borrow or secure the payment of any such sum or sums of money for the purposes of the Company from any source. PROVIDED THAT, where the moneys to be borrowed together with the moneys already borrowed (apart from temporary loans obtained from the Company's bankers in the ordinary course of business) exceed the aggregate of the paid up capital of the Company and its free reserves (not being reserves set apart for any specific purpose) the Board of Directors shall not borrow such money without the sanction of the Company in General Meeting. No debts incurred by the Company in excess of the limit imposed by this Article shall be valid or effectual unless the lender proves that he advanced the loan in good faith and without knowledge that the limit imposed by this Article had been exceeded.
The payment or repayment of moneys borrowed	96. The payment or repayment of moneys borrowed as aforesaid may be secured in such manner and upon such terms and conditions in all respects as the Board of Directors may think fit, and in particular in pursuance of a resolution passed at a meeting of the Board (and not by circular resolution) by the issue of bonds, debentures or debentures stock of the Company, charged upon all or any part of the property of the Company, (both present and future), including its un-called capital for the time being and the debentures and the debenture stock and other securities may be made assignable free from any equities between the Company and the person to whom the same may be issued.
Bonds, Debentures, etc. to be subject to control of Directors	97. Any bonds, debentures, debenture-stock or other securities issued or to be issued by the Company shall be under the control of the Directors who may issue them upon such terms and condition and in such manner and for such consideration as they shall consider to be for the benefit of the Company.

Title of Article	Article Number and contents
Terms of issue of Debentures	98. Any Debentures, Debenture-stock or other securities may be issued at a discount, premium or otherwise and may be issued on condition that they shall be convertible into Shares of any denomination, and with any privileges and conditions as to redemption, surrender, drawing, allotment of Shares, attending (but not voting) at the General Meeting, appointment of Directors and otherwise; However, Debentures with the right to conversion into or allotment of Shares shall be issued only with the consent of the Company in the General Meeting by a Special Resolution.
Mortgage of uncalled capital	99. If any uncalled capital of the Company is included in or charged by mortgage or other security, the Directors may, subject to the provisions of the Act and these Articles, make calls on the Members in respect of such uncalled capital in trust for the person in whose favour such mortgage or security has been executed.

MEETING OF MEMBERS

Title of Article	Article Number and contents
Statutory meeting	100. The statutory meeting shall be held in accordance with the provisions of Section 165 of the Act within a period of not less than one month and not more than six months from the date on which the Company shall be entitled to commence business.
Annual General Meeting	101. The Company shall in each year hold a General Meeting as its Annual General Meeting in addition to any other Meeting in that year. All General Meetings other than Annual General Meetings shall be called Extra-ordinary General Meetings. An Annual General Meeting of the Company shall be held within six months after the expiry of each financial year, provided that not more than fifteen months shall lapse between the date of one Annual General Meeting and that of next. Nothing contained in the foregoing provisions shall be taken as affecting the right conferred upon the Register under the provisions of Section 166 (1) of the Act to extend the time with which any Annual General Meeting may be held. Every Annual General Meeting shall be called at a time during business hours, on a day that is not a public holiday, and shall be held at the office of the Company or at some other place within the city in which the Registered Office of the Company is situated as the Board may determine and the notices calling the Meeting shall specify as the Annual General Meeting. Then company may in any one Annual General Meeting fix the time for its subsequent Annual General Meeting. Every Member of the Company shall be entitled to attend, either in person or by proxy and the Auditors of the Company, shall have the right to attend and be heard at any General Meeting which he attends on any part of the business which concerns him as an Auditor. At every Annual General Meeting of the Company there shall be laid on the table the Director's Report and audited statement of accounts, the Proxy Register with proxies and the Register of Director's Shareholding, which Registers shall remain open and accessible during the continuance of the Meeting. The Board shall cause to be prepared the annual list of Members, summary of share capital, balance sheet and profit and loss account and forward the same to the Registrar in accordance with Sections 159, 161 and 220 of the Act.
Report statement and registers to be laid before the Annual General Meeting	102. The Company shall in every Annual General Meeting in addition to any other Report or Statement lay on the table the Director's Report and audited statement of accounts, Auditor's Report (if not already incorporated in the audited statement of accounts), the Proxy Register with proxies and the Register of Director's Shareholdings, which Registers shall remain open and accessible during the continuance of the Meeting.
Extra-Ordinary	103. All General Meeting other than Annual General Meeting shall be called Extra-Ordinary

Title of Article	Article Number and contents
General Meeting	General Meeting.
Requisitionists' meeting	<p>104.</p> <p>(1) Subject to the provisions of Section 188 of the Act, the Directors shall on the requisition in writing of such number of Members as is hereinafter specified and (unless the General Meeting otherwise resolves) at the expense of the requisitionists:-</p> <p>(a) Give to the Members of the Company entitled to receive notice of the next Annual General Meeting, notice of any resolution which may properly be moved and is intended to be moved at that meeting.</p> <p>(b) Circulate to the Members entitled to have notice of any General Meeting sent to them, any statement of not more than one thousand words with respect to the matter referred to in any proposed resolution or any business to be dealt with at that Meeting.</p> <p>(2) The number of Members necessary for a requisition under clause (1) hereof shall be</p> <p>(a) Such number of Members as represent not less than one-twentieth of the total voting power of all the Members having at the date of the resolution a right to vote on the resolution or business to which the requisition relates; or</p> <p>(b) not less than one hundred Members having the rights aforesaid and holding Shares in the Company on which there has been paid up an aggregate sum of not less than Rupees one lac in all.</p> <p>(3) Notice of any such resolution shall be given and any such statement shall be circulated, to Members of the Company entitled to have notice of the Meeting sent to them by serving a copy of the resolution or statement to each Member in any manner permitted by the Act for service of notice of the Meeting and notice of any such resolution shall be given to any other Member of the Company by giving notice of the general effect of the resolution in any manner permitted by the Act for giving him notice of meeting of the Company. The copy of the resolution shall be served, or notice of the effect of the resolution shall be given, as the case may be in the same manner, and so far as practicable, at the same time as notice of the Meeting and where it is not practicable for it to be served or given at the time it shall be served or given as soon as practicable thereafter.</p> <p>(4) The Company shall not be bound under this Article to give notice of any resolution or to circulate any statement unless:</p> <p>(a) A copy of the requisition signed by, the requisitionists (or two or more copies which between them contain the signature of all the requisitionists) is deposited at the Registered Office of the Company.</p> <p>(i) In the case of a requisition, requiring notice of resolution, not less than six weeks before the Meeting.</p> <p>(ii) the case of any other requisition, not less than two weeks before the Meeting, and</p> <p>(b) There is deposited or tendered with the requisition sum reasonably sufficient to meet the Company expenses in giving effect thereto.</p> <p>PROVIDED THAT if after a copy of the requisition requiring notice of a resolution has been deposited at the Registered Office of the Company, and an Annual General Meeting is called for a date six weeks or less after such copy has been deposited, the copy although not deposited within the time required by this clause, shall be deemed to have been properly deposited for the purposes also thereof.</p> <p>(5) The Company shall also not be bound under this Article to circulate any statement, if on the application either of the Company or of any other person who claims to be aggrieved, the Court is satisfied that the rights conferred by this Article are being abused to secure needless publicity for defamatory matter.</p> <p>(6) Notwithstanding anything in these Articles, the business which may be dealt with at Annual General Meeting shall include any resolution for which notice is given in accordance with this Article, and for the purposes of this clause, notice shall be deemed to have been so given, notwithstanding the accidental omission in giving it to one or more Members.</p>
Extra-Ordinary General Meeting by Board and by requisition	<p>105.</p> <p>(a) The Directors may, whenever they think fit, convene an Extra-Ordinary General Meeting and they shall on requisition of the Members as herein provided, forthwith proceed to convene Extra-Ordinary General Meeting of the Company.</p> <p>(b) If at any time there are not within India sufficient Directors capable of acting to form a quorum, or if the number of Directors be reduced in number to less than the</p>

Title of Article	Article Number and contents
When a Director or any two Members may call an Extra Ordinary General Meeting	minimum number of Directors prescribed by these Articles and the continuing Directors fail or neglect to increase the number of Directors to that number or to convene a General Meeting, any Director or any two or more Members of the Company holding not less than one-tenth of the total paid up share capital of the Company may call for an Extra-Ordinary General Meeting in the same manner as nearly as possible as that in which meeting may be called by the Directors.
Contents of requisition, and number of requisitionists required and the conduct of Meeting	<p>106.</p> <p>(1) In case of requisition the following provisions shall have effect:</p> <p>(a) The requisition shall set out the matter for the purpose of which the Meeting is to be called and shall be signed by the requisitionists and shall be deposited at the Registered Office of the Company.</p> <p>(b) The requisition may consist of several documents in like form each signed by one or more requisitionists.</p> <p>(c) The number of Members entitled to requisition a Meeting in regard to any matter shall be such number as hold at the date of the deposit of the requisition, not less than one-tenth of such of the paid-up share capital of the Company as that date carried the right of voting in regard to that matter.</p> <p>(d) Where two or more distinct matters are specified in the requisition, the provisions of sub-clause (3) shall apply separately in regard to such matter, and the requisition shall accordingly be valid only in respect of those matters in regard to which the conditions specified in that clause are fulfilled.</p> <p>(e) If the Board does not within twenty-one days from the date of the deposit of a valid requisition in regard to any matters, proceed, duly to call a Meeting for the consideration of those matters on a day not later than forty-five days from the date of the deposit of the requisition, the Meeting may be called:</p> <p>(i) By the requisitionists themselves ; or</p> <p>(ii) by such of the requisitionists as represent either a majority in value of the paid up share capital held by all of them or not less than one tenth of the paid-up share capital of the Company as is referred to in sub clauses (c) of clause (1) which ever is less. PROVIDED THAT for the purpose of this sub-clause, the Board shall, in the case of a Meeting at which a resolution is to be proposed as a Special Resolution, be deemed not to have duly convened the Meeting if they do not give such notice thereof as is required by sub-section (2) of Section 189 of the Act.</p> <p>(2) A meeting called under sub-clause (c) of clause (1) by requisitionists or any of them:</p> <p>(a) shall be called in the same manner as, nearly as possible, as that in which meeting is to be called by the Board; but</p> <p>(b) shall not be held after the expiration of three months from the date of deposit of the requisition. PROVIDED THAT nothing in sub-clause (b) shall be deemed to prevent a Meeting duly commenced before the expiry of the period of three months aforesaid, from adjourning to some days after the expiry of that period.</p> <p>(3) Where two or more Persons hold any Shares in the Company jointly; a requisition or a notice calling a Meeting signed by one or some only of them shall, for the purpose of this Article, have the same force and effect as if it has been signed by all of them.</p> <p>(4) Any reasonable expenses incurred by the requisitionists by reason of the failure of the Board to duly to call a Meeting shall be repaid to the requisitionists by the Company; and any sum repaid shall be retained by the Company out of any sums due or to become due from the Company by way of fees or other remuneration for their services to such of the Directors as were in default.</p>
Length of notice of Meeting	<p>107.</p> <p>(1) A General Meeting of the Company may be called by giving not less than twenty-one days notice in writing.</p> <p>(2) A General Meeting may be called after giving shorter notice than that specified in clause (1) hereof, if consent is accorded thereto:</p> <p>(i) In the case of Annual General Meeting by all the Members entitled to vote thereat; and</p> <p>(ii) In the case of any other Meeting, by Members of the Company holding not less than ninety-five percent of such part of the paid up share capital of the Company as gives a right to vote at the Meeting.</p>

Title of Article	Article Number and contents
	<p>PROVIDED THAT where any Members of the Company are entitled to vote only on some resolution, or resolutions to be moved at a Meeting and not on the others, those Members shall be taken into account for the purposes of this clause in respect of the former resolutions and not in respect of the later.</p>
<p>Contents and manner of service of notice</p>	<p>108</p> <p>(1) Every notice of a Meeting of the Company shall specify the place and the day and hour of the Meeting and shall contain a statement of the business to be transacted thereat.</p> <p>(2) Subject to the provisions of the Act notice of every General Meeting shall be given;</p> <p>(a) to every Member of the Company, in any manner authorised by sub-sections (1) to (4) Section 53 of the Act;</p> <p>(b) to the persons entitled to a Share in consequence of the death, or insolvency of a Member, by sending it through post in a prepaid letter addressed to them by name or by the title of representative of the deceased, or assignees of the insolvent, or by like description, at the address, if any in India supplied for the purpose by the persons claiming to be so entitled or until such an address has been so supplied, by giving the notice in any manner in which it might have been given if the death or insolvency had not occurred; and</p> <p>(c) to the Auditor or Auditors for the time being of the Company in any manner authorized by Section 53 of the Act in the case of Members of the Company</p> <p>PROVIDED THAT, where the notice of a Meeting is given by advertising the same in a newspaper circulating in the neighborhood of Registered Office of the Company under sub-section (3) of Section 53 of the Act, the statement of material facts referred to in Section 173 of the Act need not be annexed to the notice as required by that Section, but it shall be mentioned in the advertisement that the statement has been forwarded to the Members of the Company.</p> <p>(3) Every notice convening a Meeting of the Company shall state with reasonable prominence that a Member entitled to attend and vote at the Meeting is entitled to appoint one or more proxies to attend and vote instead of himself and that a proxy need not be a Member of the Company.</p>
<p>Special and ordinary business and explanatory statement</p>	<p>109.</p> <p>(1)(a) In the case of an Annual General Meeting all business to be transacted at the Meeting shall be deemed special, with the exception of business relating to</p> <p>(i) the consideration of the accounts, balance sheet the reports of the Board of Directors and Auditors;</p> <p>(ii) the declaration of dividend;</p> <p>(iii) the appointment of Directors in the place, of those retiring; and</p> <p>(iv) the appointment of, and the fixing of the remuneration of the Auditors, and</p> <p>(b) In the case of any other meeting, all business shall be deemed special</p> <p>(2) Where any items of business to be transacted at the Meeting of the Company are deemed to be special as aforesaid, there shall be annexed to the notice of the Meeting a statement setting out all material facts concerning each such item, of business, including in particular the nature of the concern or interest, if any, therein of every Director.</p> <p>PROVIDED THAT, where any such item of special business at the Meeting of the Company relates to or affects, any other company, the extent of shareholding interest in that other company of every Director of the Company shall also be set out in the statement, if the extent of such shareholding interest is not less than twenty percent of the paid up-share capital of the other company.</p> <p>(3) Where any item of business consists of the according of approval to any document by the Meeting, the time and place where the document can be inspected shall be specified in the statement aforesaid.</p>
<p>Omission to give notice not to invalidate proceedings</p>	<p>110.</p> <p>The accidental omission to give such notice as aforesaid to or non-receipt thereof by, any Member or other person to whom it should be given, shall not invalidate the proceedings of any such Meeting.</p>

MEETING OF MEMBERS

Title of Article	Article Number and contents
Notice of business to be given	111. No General Meeting, Annual or Extra-Ordinary shall be competent to enter upon, discuss or transact any business which has not been mentioned in the notice or notices convening the Meeting.
Quorum	112. Five Members entitled to vote and present in person shall be quorum for General Meeting and no business shall be transacted at the General Meeting unless the quorum requisite is present at the commencement of the Meeting. A body corporate being a Member shall be deemed to be personally present if it is represented in accordance with Section 187 of the Act. The President of India or the Governor of a State being a Member of the Company shall be deemed to be personally present if it is presented in accordance with Section 187 of the Act.
If quorum not present when Meeting to be dissolved and when to be adjourned	113. If within half an hour from the time appointed for holding a Meeting of the Company, a quorum is not present, the Meeting, if called by or upon the requisition of the Members shall stand dissolved and in any other case the Meeting shall stand, adjourned to the same day in the next week or if that day is a public holiday until the next succeeding day which is not a public holiday, at the same time and place or to such other day and at such other time and place as the Board may determine. If at the adjournment meeting also, a quorum is not present within half an hour from the time appointed for holding the Meeting, the Members present shall be a quorum and may transact the business for which the Meeting was called.
Resolution passed at adjourned Meeting	114. Where a resolution is passed at an adjourned Meeting of the Company, the resolution for all purposes is treated as having been passed on the date on which it was in fact passed and shall not be deemed to have been passed on any earlier date.
Chairman of General Meeting.	115. At every General Meeting the Chair shall be taken by the Chairman of the Board of Directors. If at any Meeting, the Chairman of the Board of Directors is not present within ten minutes after the time appointed for holding the Meeting or though present, is unwilling to act as Chairman, the Vice Chairman of the Board of Directors would act as Chairman of the Meeting and if Vice Chairman of the Board of Directors is not present or, though present, is unwilling to act as Chairman, the Directors present may choose one of themselves to be a Chairman, and in default or their doing so or if no Directors shall be present and willing to take the Chair, then the Members present shall choose one of themselves, being a Member entitled to vote, to be Chairman.
Act for resolution sufficiently done or passed by Ordinary Resolution unless otherwise required.	115(A) Any act or resolution which, under the provisions of these Articles or of the Act, is permitted or required to be done or passed by the Company in General Meeting shall be sufficiently done so or passed if effected by an Ordinary Resolution unless either the Act or the Articles specifically require such act to be done or resolution be passed by a Special Resolution.
Business confined to election of Chairman whilst the Chair is vacant	116. No business shall be discussed at any General Meeting except the election of a Chairman whilst the Chair is vacant.
Chairman may adjourn Meeting	117. (a) The Chairman may with the consent of Meeting at which a quorum is present and shall if so directed by the Meeting adjourn the Meeting from time to time and from place to place. (b) No business shall be transacted at any adjourned Meeting other than the business left unfinished at the Meeting from which the adjournment took place. (c) When a Meeting is adjourned for thirty days or more notice of the adjourned Meeting shall be given as in the case of an original Meeting. (d) Save as aforesaid, it shall not be necessary to give any notice of an

Title of Article	Article Number and contents
	adjournment of or of the business to be transacted at any adjourned Meeting.
How questions are decided at Meetings	118. Every question submitted to a General Meeting shall be decided in the first instance by a show of hands unless the poll is demanded as provided in these Articles.
Chairman's declaration of result of voting on show of hands	119. A declaration by the Chairman of the Meeting that on a show of hands, a resolution has or has not been carried either unanimously or by a particular majority, and an entry to that effect in the book containing the minutes of the proceeding of the Company's General Meeting shall be conclusive evidence of the fact, without proof of the number or proportion of votes cast in favour of or against such resolution.
Demand of poll	120. Before or on the declaration of the result of the voting on any resolution on a show of hands a poll may be ordered to be taken by the Chairman of the Meeting on his own motion and shall be ordered to be taken by him on a demand made in that behalf 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 not being 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 has been paid up. The demand for a poll may be withdrawn at any time by the Person or Persons who made the demand.
Time of taking poll	121. A poll demanded on a question of adjournment or election of a Chairman shall be taken forthwith. A poll demanded on any other question shall be taken at such time not being later than forty-eight hours from the time when the demand was made and in such manner and place as the Chairman of the Meeting may direct and the result of the poll shall be deemed to be the decision of the Meeting on the resolution on which the poll was taken.
Chairman's casting vote	122. In the case of equality of votes the Chairman shall both on a show of hands and on a poll (if any) have a casting vote in addition to the vote or votes to which he may be entitled as a Member.
Appointment of scrutineers	123. Where a poll is to be taken, the Chairman of the Meeting shall appoint two scrutineers to scrutinise the vote given on the poll and to report thereon to him. One of the scrutineers so appointed shall always be a Member (not being an officer or employee of the Company) present at the Meeting, provided such a Member is available and willing to be appointed. The Chairman shall have power, at any time before the result of the poll is declared, to remove a scrutineer from office and fill vacancies in the office of the scrutineer arising from such removal or from any other cause.

DIRECTORS

Title of Article	Article Number and contents
Number of Directors	144. Until otherwise determined by a General Meeting of the Company and subject to the provisions of Section 252 of the Act, the number of Directors shall not be less than three and not more than twelve.
First Directors	145. The persons hereinafter named are the present Directors of the Company:- (1) Mr. Rajesh G. Uchil (2) Mr. Harish G. Uchil (3) Mr. Shabbir Sayad
Debenture Directors	146. Any Trust Deed for securing Debentures may if so arranged, provide for the appointment, from time to time by the Trustees thereof or by the holders of Debentures, of some person to be a Director of the Company and may empower

Title of Article	Article Number and contents
	<p>such Trustees or holder of Debentures, from time to time, to remove and re-appoint any Director so appointed. The Director appointed under this Article is herein referred to as "Debenture Director" and the term "Debenture Director" means the Director for the time being in office under this Article. The Debenture Director shall not be liable to retire by rotation or be removed by the Company. The Trust Deed may contain such ancillary provisions as may be agreed between the Company and the Trustees and all such provisions shall have effect notwithstanding any of the other provisions contained herein.</p>
<p>Nominee Director or Corporation Director</p>	<p>147.</p> <p>a) Notwithstanding anything to the contrary contained in these Articles, so long as any moneys remain owing by the Company to any Finance Corporation or Credit Corporation or to any Financing company or body, (which corporation or body is hereinafter in this Article referred to as "the corporation") out of any loans granted or to be granted by them to the Company or so long as the corporation continue to hold Debentures in the Company by direct subscription or private placement, or so long as the Corporation holds Shares in the Company as a result of underwriting or direct subscription 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, the Corporation shall have a right to appoint from time to time any person or persons as a Director, whole time or non-whole time (which Director or Directors is/are hereinafter referred to as "Nominee Director(s)") on the Board of the Company and to remove from such office any persons so appointed and to appoint any person or persons in his/ their places.</p> <p>b) The Board of Directors of the Company shall have no power to remove from office the Nominee Director(s). Such Nominee Director(s) shall not be required to hold any Share qualification in the Company. Further Nominee Director shall not be liable to retirement by rotation of Directors. Subject as aforesaid, the Nominee Directors(s) shall be entitled to the same rights and privileges and be subject to the obligations as any other Director of the Company.</p> <p>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 and the Nominee Director/s so appointed in exercise of the said power, shall <i>ipso facto</i> vacate such office immediately on the moneys owing by the Company to the Corporation being paid off</p> <p>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 all the Meetings of the Committee of which the Nominee Director(s) is/are Member(s) as also the minutes of such Meetings. The Corporation shall also be entitled to receive all such notices and minutes.</p> <p>e) The sitting fees in relation to such Nominee Director(s) shall also accrue to the Corporation and the same shall accordingly be paid by the Company directly to the Corporation. Any other fees, commission, moneys or remuneration in any form is payable to the Nominee Director of the Company, such fees, commission, moneys and remuneration in relation to such Nominee Director(s) shall accrue to the Corporation and the same shall accordingly be paid by the Company directly to the Corporation. Any expenses that may be incurred by the Corporation or such Nominee Director(s), in connection with their appointment or Directorship, shall also be paid or reimbursed by the Company to the Corporation or as the case may be to such Nominee Director/s provided that if any such Nominee Director/s is/are an officer(s) of the Corporation..</p> <p>Provided also that in the event of the Nominee Director(s) being appointed as Whole-time Director(s); such Nominee Director/s shall exercise such power and duties as may be approved by the lenders and have such rights as are usually exercised or available to a whole-time Director in the management of the affairs of Company. Such Nominee Director shall be entitled to receive such remuneration, fees, commission and moneys as may be approved by the Corporation(s) nominated by him.</p>
<p>Special Director</p>	<p>148.</p> <p>In connection with any collaboration arrangement with any company or corporation</p>

Title of Article	Article Number and contents
	<p>or any firm or person for supply of technical know-how and/or machinery or technical advice the directors may authorize such company , corporation ,firm or person herein-after in this clause referred to as “collaboration” to appoint from time to time any person as director of the company (hereinafter referred to as “special director”) and may agree that such special director shall not be liable to retire by rotation and need not possess any qualification shares to qualify him for office of such director, so however that such special director shall hold office so long as such collaboration arrangement remains in force unless otherwise agreed upon between the Company and such collaborator under the collaboration arrangements or at any time thereafter.</p> <p>The collaborators may at any time and from time to time remove any such special director appointed by it and may at the time of such removal and also in the case of death or resignation of the person so appointed, at any time appoint any other person as special director in his place and such appointment or removal shall be made in writing signed by such company or corporation or any partner or such person and shall be delivered to the Company at its registered office.</p> <p>It is clarified that every collaborator entitled to appoint a director under this article may appoint one such person as a director and so that if more then one collaborator is so entitled there may be at any time as may special directors as the collaborators eligible to make the appointment.</p>
Limit on number of retaining Directors	<p>149.</p> <p>The provisions of Articles 146, 147,148 and 149 are subject to the provisions of Section 256 of the Act and number of such Directors appointed under Article 147 shall not exceed in the aggregate one third of the total number of Directors for the time being in office.</p>
Directors may fill in vacancies	<p>151.</p> <p>The Directors shall have power at any time and from time to time to appoint any person to be a Director to fill a casual vacancy. Such casual vacancy shall be filled by the Board of Directors at a meeting of the Board. Any person so appointed shall hold office only upto the date to which the Director in whose place he is appointed would have held office, if it had not been vacated as aforesaid. However, he shall then be eligible for re-election.</p>
Additional Directors	<p>152.</p> <p>The Directors shall have the power at any time and from time to time to appoint any other person to be a Director as an addition to the Board (“Additional Director”) so that the total number of Directors shall not at any time exceed the maximum fixed by these Articles. Any person so appointed as an Additional Director to the Board shall hold his office only upto the date of the next Annual General Meeting and shall be eligible for election at such Meeting.</p>
Qualification shares	<p>153.</p> <p>A Director need not hold any qualification shares.</p>
Directors' sitting fees	<p>154.</p> <p>The fees payable to a Director for attending each Board meeting shall be such sum as may be fixed by the Board of Directors not exceeding such sum as may be prescribed by the Central Government for each of the meetings of the Board or a Committee thereof and adjournments thereto attended by him. The Directors, subject to the sanction of the Central Government (if any required) may be paid such higher fees as the Company in General Meeting shall from time to time determine.</p>
Disqualification of the Director	<p>162.</p> <p>A person shall not be capable of being appointed Director of the Company if:-</p> <ul style="list-style-type: none"> (a) he has been found to be of unsound mind by a Court of competent jurisdiction and the finding is in force; (b) he is an undischarged insolvent; (c) he has applied to be adjudged an insolvent and his application is pending; (d) he has been convicted by a Court of any offence involving moral turpitude sentenced in respect thereof to imprisonment for not less than six months and a

Title of Article	Article Number and contents
	<p>period of five years has not elapsed from the date of expiry of the sentence;</p> <p>(e) he has not paid any call in respect of Shares of the Company held by him whether alone or jointly with others and six months have lapsed from the last day fixed for the payment of the call; or</p> <p>(f) an order disqualifying him for appointment as Director has been passed by a Court in pursuance of Section 203 of the Act and is in force; unless the leave of the Court has been obtained for his appointment in pursuance of that Section.</p>
Vacation of office by Directors	<p>163. The office of Director shall become vacant if:-</p> <p>(a) he is found to be of unsound mind by a Court of competent jurisdiction; or</p> <p>(b) he applies to be adjudged an insolvent; or</p> <p>(c) he is adjudged an insolvent; or</p> <p>(d) he is convicted by a Court of any offence involving moral turpitude and sentenced in respect thereof to imprisonment for less than six months; or</p> <p>(e) he fails to pay any call in respect of Shares of the Company held by him, whether alone or jointly with others within six months from the last date fixed for the payment of the call unless the Central Government, by a notification in the Official Gazette removes the disqualification incurred by such failure; or</p> <p>(f) absents himself from three consecutive meetings of the Board of Directors, or from all meetings of the Board for a continuous period of three months, whichever is longer, without obtaining leave of absence from the Board; or</p> <p>(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</p> <p>(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</p> <p>(i) he becomes disqualified by an order of the Court under Section 203 of the Act; or</p> <p>(j) he is removed by an Ordinary Resolution of the Company before the expiry of his period of notice; or</p> <p>(k) if by notice in writing to the Company, he resigns his office, or</p> <p>(l) having been appointed as 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.</p>
Vacation of office by Directors (contd.)	<p>164.</p> <p>Notwithstanding anything contained in sub-clauses (c), (d) and (i) of Article 162 hereof, the disqualification referred to in these clauses shall not take effect:</p> <p>(a) for thirty days from the date of the adjudication, sentence or order;</p> <p>(b) where any appeal or petition is preferred within thirty days aforesaid against the adjudication, sentence or conviction resulting in the sentence or order until the expiry of seven days from the date on which such appeal or petition is disposed of; or</p> <p>(c) where within the seven 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.</p>
Removal of Directors	<p>165.</p> <p>(a) The Company may subject to the provisions of Section 284 and other applicable provisions of the Act and these Articles by Ordinary Resolution remove any Director not being a Director appointed by the Central Government in pursuance of Section 408 of the Act before the expiry of his period of office.</p> <p>(b) Special Notice as provided by these Articles or Section 190 of the Act, shall be required of any resolution to remove a Director under the Article or to appoint some other person in place of a Director so removed at the Meeting at which he is</p>

Title of Article	Article Number and contents
	<p>removed.</p> <p>(c) On receipt of notice of a resolution to remove a Director under this Article; the Company shall forthwith send a copy; thereof to the Director concerned and the Director (whether or not he is a Member of a Company) shall be entitled to be heard on the resolution at the Meeting.</p> <p>(d) where notice is given of a resolution to remove a Director under this Article and the Director concerned makes with respect thereto representations in writing to the Company (not exceeding reasonable length) and requests their notification to Members of the Company, the Company shall, unless the representations are, received by it too late for it to do so:</p> <p>(i) in the notice of the resolution given to the Members of the Company state the fact of the representations having been made, and</p> <p>(ii) send a copy of the representations to every Member of the Company to whom notice of the Meeting is sent (before or after the representations by the Company) and if a copy of the representations is not sent as aforesaid because they were received too late\ or because of the Company's default the Director may (without prejudice to his right to be heard orally) require that the representation shall be read out at the Meeting; provided that copies of the representation need not be sent or read out at the Meeting if on the application, either of the Company or of any other person who claims to be aggrieved by the Court is satisfied that the rights concerned by this sub-clause are being abused to secure needless publicity for defamatory matter.</p> <p>(e) A vacancy created by the removal of the Director under this Article may, if he had been appointed by the Company in General Meeting or by the Board, in pursuance of Article 153 or Section 262 of the Act be filled by the appointment of another Director in his place by the Meeting at which he is removed, provided special notice of the intended appointment has been given under Article 163 hereof. A Director so appointed shall hold office until the date upto which his predecessor would have held office if he had not been removed as aforesaid.</p> <p>(f) If the vacancy is not filled under sub-clause(e), it may be filled as a casual vacancy in accordance with the provisions, in so far as they are applicable of Article 153 or Section 162 of the Act, and all the provisions of that Article and Section shall apply accordingly</p> <p>(g) A Director who was removed from office under this Article shall not be re-appointed as a Director by the Board of Directors.</p> <p>(h) Nothing contained in this Article shall be taken:-</p> <p>(i) as depriving a person removed hereunder of any compensation or damages payable to him in respect of the termination of his appointment as Director, or</p> <p>(ii) as derogating from any power to remove a Director which may exist apart from this Article.</p>
Interested Directors not to participate or vote in Board's proceedings	<p>166.</p> <p>No Director shall as a Director take part in the discussion of or vote on any contract arrangement or proceedings entered into or to be entered into by or on behalf of the Company, if he is in any way, whether directly or indirectly, concerned or interested in such contract or arrangement, not shall his presence count for the purpose of forming a quorum at the time of any such discussion or voting, and if he does vote, his vote shall be void. Provided however, that nothing herein contained shall apply to:-</p> <p>(a) any contract of indemnity against any loss which the Directors, or any one or more of them, may suffer by reason of becoming or being sureties or a surety for the Company;</p> <p>(b) any contract or arrangement entered into or to be entered into with a public company or a private company which is a subsidiary of a public company in which the interest of the Director consists solely;</p> <p>(i) in his being:</p> <p>(a) a director of such company; and</p> <p>(b) the holder of not more than shares of such number of value therein as is</p>

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	requisite to qualify him for appointment as a director, thereof, he having been nominated as director by the company, or (ii) in his being a member holding not more than two percent of its paid-up share capital.
Director may be director of companies promoted by the Company	167. A Director may be or become a director of any company promoted by the Company, or in which it may be interested as a vendor, shareholder, or otherwise and no such Director shall be accountable for any benefit received as director or shareholder of such company except in so far Section 309(6) or Section 314 of the Act may be applicable.

ROTATION AND APPOINTMENT OF DIRECTORS

Title of Article	Article Number and contents
Rotation of Directors	169. Not less than two third of the total number of Directors shall (a) be persons whose period of the office is liable to termination by retirement by rotation and (b) save as otherwise expressly provided in the Articles be appointed by the Company in General Meeting.
Retirement of Directors	170. Subject to the provisions of Articles 148 and 150, the non-retiring Directors should be appointed by the Board for such period or periods as it may in its discretion deem appropriate.
Retiring Directors	171. Subject to the provisions of Section 256 of the Act and Articles 146 to 153, at every Annual General Meeting of the Company, one-third or such of the Directors for the time being as are liable to retire by rotation; or if their number is not three or a multiple of three the number nearest to one-third shall retire from office. The Debenture Directors, Nominee Directors, Corporation Directors, Managing Directors if any, subject to Article 184, shall not be taken into account in determining the number of Directors to retire by rotation. In these Articles a "Retiring Director" means a Director retiring by rotation.
Appointment of Technical or Executive Directors	172. a) The Board of Directors shall have the right from time to time to appoint any person or persons as Technical Director or Executive Director/s and remove any such persons from time to time without assigning any reason whatsoever. A Technical Director or Executive Director shall not be required to hold any qualification shares and shall not be entitled to vote at any meeting of the Board of Directors. b) Subject to the provisions of Section 262 of the Act, if the office of any Director appointed by the Company in General Meeting vacated before his term of office will expire in the normal course, the resulting casual vacancy may in default of and subject to any regulation in the Articles of the Company be filled by the Board of Directors at the meeting of the Board and the Director so appointed shall hold office only up to the date up to which the Director in whose place he is appointed would have held office if had not been vacated as aforesaid.
Ascertainment of Directors retiring by rotation and filling of vacancies	173. Subject to Section 288 (5) of the Act, the Directors retiring by rotation under Article 174 at every Annual General Meeting shall be those, who have been longest in office since their last appointment, but as between those who became Directors on the same day, those who are to retire shall in default of and subject to any agreement amongst themselves be determined by the lot.
Eligibility for re-election	174. A retiring Director shall be eligible for re-election and shall act as a Director through out and till the conclusion of the Meeting at which he retires.
Company to fill vacancies	175. Subject to Sections 258, 259 and 294 of the Act, the Company at the General Meeting, at which a Director retires in manner aforesaid, may fill up the vacancy by appointing the retiring Director or some other person thereto.
Provision in	176. (a) If the place of retiring Director is not so filled up and the Meeting has not expressly

Title of Article	Article Number and contents
default of appointment	<p>resolved not to fill the vacancy, the Meeting shall stand adjourned till the same day in the next week, at the same time and place, or if that day is a public holiday, till the next succeeding day which is not a public holiday, at the same time and place.</p> <p>(b) If at the adjourned Meeting also, the place of the retiring Director is not filled up and the Meeting also has not expressly resolved not to fill the vacancy, the retiring Director shall be deemed to have been re-appointed at the adjourned Meeting, unless:</p> <p>(i) at that Meeting or the previous Meeting a resolution for the re-appointment of such Director has been put to the Meeting and lost.</p> <p>(ii) the retiring Director has by a notice in writing addressed to the Company or its Board of Directors expressed his unwillingness to be so re-appointed.</p> <p>(iii) he is not qualified or is disqualified for appointment</p> <p>(iv) a resolution, whether Special or Ordinary is required for his appointment or re-appointment by virtue of any provisions of the Act, or</p> <p>(v) the provision of the sub-section (2) of section 263 of the Act is applicable to the case.</p>
Company may increase or reduce the number of Directors or remove any Director	<p>177.</p> <p>Subject to the provisions of Section 252,255 and 259 of the Act, the Company may by Ordinary Resolution from time to time, increase or reduce the number of Directors and may alter qualifications.</p>
Appointment of Directors to be voted individually	<p>178.</p> <p>(a) No motion, at any General Meeting of the Company shall be made for the appointment of two or more persons as Directors of the Company by a single resolution unless a resolution that it shall be so made has been first agreed to by the Meeting without any vote being given against it.</p> <p>(b) A resolution moved in contravention of clause (a) hereof shall be void, whether or not objection was taken at the time of its being so moved, provided where a resolution so moved has passed no provisions or the automatic re-appointment of retiring Directors in default of another appointment as therein before provided shall apply.</p> <p>(c) For the purposes of this Article, a motion for approving a person's appointment, or for nominating a person for appointment, shall be treated as a motion for his appointment.</p>

MANAGING DIRECTOR

Title of Article	Article Number and contents
Powers to appoint Managing Director	<p>182.</p> <p>Subject to the provisions of Section 267, 268, 269, 316 and 317 of the Act, the Board may, from time to time, appoint one or more Directors to be Managing Director or Managing Directors or Whole time Directors of the Company, for a fixed term not exceeding five years as to the period for which he is or they are to hold such office, and may, from time to time (subject to the provisions of any contract between him or them and the Company) remove or dismiss him or them from office and appoint another or others in his or their place or places.</p> <p>(a) The Managing Director shall perform such functions and exercise such powers as are delegated to him by the Board of Directors of the Company in accordance with the provisions of the Companies Act, 1956.</p> <p>(b) Subject to the provisions of Sections 255 of the Act, the Managing Director shall not be while he continues to hold that office, subject to retirement by rotation.</p>
Special position of Managing Director	<p>184.</p> <p>Subject to any contract between him and the Company, a Managing or Whole time Director shall not, while he continues to hold that office, be subject to retirement by rotation and he shall not be reckoned as a Director for the purpose of determining the rotation of retirement of Directors or in fixing the number of Directors to retire but (subject to the provision of any contract between him and the Company), he shall be subject to the same provisions as to resignation and removal as the Directors of the</p>

Title of Article	Article Number and contents
	Company and shall, <i>ipso facto</i> and immediately, cease to be a Managing Director if he ceases to hold the office of Director from any cause.
	186. The Company's General Meeting may also from time to time appoint any Managing Director or Managing Directors or Whole time Director or Whole time Directors of the Company and may exercise all the powers referred to in these Articles.
	187. Receipts signed by the Managing Director for any moneys, goods or property received in the usual course of business of the Company or for any money, goods, or property lent to or belonging to the Company shall be an official discharge on behalf of and against the Company for the money, funds or property which in such receipts shall be acknowledged to be received and the persons paying such moneys shall not be bound to see to the application or be answerable for any misapplication thereof. The Managing Director shall also have the power to sign and accept and endorse cheques on behalf of the Company.
	188. The Managing Director shall be entitled to sub-delegate (with the sanction of the Directors where necessary) all or any of the powers, authorities and discretions for the time being vested in him in particular from time to time by the appointment of any attorney or attorneys for the management and transaction of the affairs of the Company in any specified locality in such manner as they may think fit.
	189. Notwithstanding anything contained in these Articles, the Managing Director is expressly allowed generally to work for and contract with the Company and especially to do the work of Managing Director and also to do any work for the Company upon such terms and conditions and for such remuneration (subject to the provisions of the Act) as may from time to time be agreed between him and the Directors of the Company.
Appointment and powers of Manager	189A The Board may, from time to time, appoint any Manager (under Section 2(24) of the Act) to manage the affairs of the Company. The Board may from time to time entrust to and confer upon a Manager such of the powers exercisable under these Articles by the Directors, as they may think fit, and may, confer such powers for such time and to be exercised for such objects and purposes, and upon such terms and conditions and with such restrictions as they think expedient.

POWERS OF THE BOARD

Title of Article	Article Number and contents
General powers of management vested in the Board of Directors	203. The Board may exercise all such powers of the Company and do all such acts and things as are not, by the Act, or any other Act or by the Memorandum or by the Articles of the Company required to be exercised by the Company in General Meeting, subject nevertheless to these Articles, to the provisions of the Act, or any other Act and to such regulations being not inconsistent with the aforesaid Articles, as may be prescribed by the Company in General Meeting but no regulation made by the Company in General Meeting shall invalidate any prior act of the Board which would have been valid if that regulation had not been made. Provided that the Board shall not, except with the consent of the Company in General Meeting :- (a) sell, lease or otherwise dispose of the whole, or substantially the whole, of the undertaking of the Company, or where the Company owns more than one undertaking of the whole, or substantially the whole, of any such undertaking; (b) remit, or give time for the repayment of, any debt due by a Director, (c) invest otherwise than in trust securities the amount of compensation received by the Company in respect of the compulsory acquisition or any such undertaking as is

Title of Article	Article Number and contents
	<p>referred to in clause (a) or of any premises or properties used for any such undertaking and without which it cannot be carried on or can be carried on only with difficulty or only after a considerable time;</p> <p>(d) borrow moneys where the moneys to be borrowed together with the moneys already borrowed by the Company (apart from temporary loans obtained from the Company's bankers in the ordinary course of business), will exceed the aggregate of the paid-up capital of the Company and its free reserves that is to say, reserves not set apart for any specific purpose;</p> <p>(e) contribute to charitable and other funds not directly relating to the business of the Company or the welfare of its employees, any amounts the aggregate of which will, in any financial year, exceed fifty thousand rupees or five per cent of its average net profits as determined in accordance with the provisions of Section 349 and 350 of the Act during the three financial years immediately preceding whichever is greater, provided that the Company in the General Meeting or the Board of Directors shall not contribute any amount to any political party or for any political purposes to any individual or body;</p> <p>(i) Provided that in respect of the matter referred to in clause (d) and clause (e) such consent shall be obtained by a resolution of the Company which shall specify the total amount upto which moneys may be borrowed by the Board under clause (d) of as the case may be total amount which may be contributed to charitable or other funds in a financial year under clause (e)</p> <p>(ii) Provided further that the expression "temporary loans" in clause (d) above shall mean loans repayable on demand or within six months from the date of the loan such as short term cash credit arrangements, the discounting of bills and the issue of other short term loans of a seasonal character, but does not include loans raised for the purpose of financing expenditure of a capital nature.</p>
<p>Certain powers to be exercised by the Board only at Meetings</p>	<p>204.</p> <p>(1) Without derogating from the powers vested in the Board of Directors under these Articles, the Board shall exercise the following powers on behalf of the Company and they shall do so only by means of resolutions passed at the meeting of the Board;</p> <p>(a) the power to make calls, on shareholders in respect of money unpaid on their Shares,</p> <p>(b) the power to issue Debentures,</p> <p>(c) the power to borrow moneys otherwise than on Debentures,</p> <p>(d) the power to invest the funds of the Company, and</p> <p>(e) the power to make loans</p> <p>Provided that the Board may, by resolution passed at a Meeting, delegate to any Committee of Directors, the Managing Director, the Manager or any other principal officer of the Company, the powers specified in sub-clause (c) (d) and (e) to the extent specified below:</p> <p>(2) Every resolution delegating the power referred to in sub-clause (1) (c) above shall specify the total amount outstanding at any one time, upto which moneys may be borrowed by the delegate.</p> <p>(3) Every resolution delegating the power referred to in sub-clause (1) (d) above shall specify the total amount upto which the funds of the Company may be invested, and the nature of the investments which may be made by the delegate.</p> <p>(4) Every resolution delegating the power referred to in sub-clause (1) (e) above shall specify the total amount upto which loans may be made and the maximum amount of loans which may be made for each such purpose in individual cases.</p>
<p>Certain powers of the Board</p>	<p>205.</p> <p>Without prejudice to the general powers conferred by the last preceding Article and so as not in any way to limit or restrict those powers, and without prejudice to the other powers conferred by these Articles, but subject to the restrictions contained in the last preceding Article, it is hereby declared that</p>

Title of Article	Article Number and contents
	<p>the Directors shall have the following powers, that is to say, power:</p> <ol style="list-style-type: none"> 1. To pay the cost, charges and expenses preliminary and incidental to the promotion, formation, establishment and registration of the Company. 2. To pay and charge to the capital account of the Company any commission or interest lawfully payable thereon under the provisions of Sections 76 and 208 of the Act. 3. Subject to Section 292 and 297 and other provisions applicable of the Act to purchase or otherwise acquire for the Company any property, right or privileges which the Company is authorized to acquire, at or for such price or consideration and generally on such terms and conditions as they may think fit and in any such purchase or other acquisition to accept such title as the Directors may believe or may be advised to be reasonably satisfactory. 4. At their discretion and subject to the provisions of the Act to pay for any property, rights or privileges acquired by or services rendered to the Company, either wholly or partially in cash or in share, bonds, debentures, mortgages, or otherwise securities of the Company, and any such Shares may be issued either as fully paid-up or with such amount credited as paid-up thereon as may be agreed upon and any such bonds, debentures, mortgages or other securities may be either specifically charged upon all or any part of the property of the Company and its uncalled capital or not so charged. 5. To secure the fulfillment of any contracts or engagement entered into by the Company by mortgage or charge of all or any of the property of the Company and its uncalled capital for the time being or in such manner as they may think fit. 6. To accept from any Member, as far as may be permissible by law to a surrender of his Shares or any part thereof, on such terms and conditions as shall be agreed. 7. To appoint any person to accept and hold in trust for the Company any property belonging to the Company, in which it is interested, or for any other purpose and to execute and do all such deeds and things as may be required in relation to any trust, and to provide for the remuneration of such trustee or trustees. 8. To institute, conduct, defend, compound or abandon any legal proceedings by or against the Company or its officers or otherwise concerning the affairs of the Company, and also to compound and allow time for payment or satisfaction of any debts due and of any claim or demands by or against the Company and to refer any differences to arbitration and observe and perform any awards made thereon either according to Indian law or according to foreign law and either in India or abroad and to observe and perform or challenge any award made thereon. 9. To act on behalf of the Company in all matters relating to bankruptcy and insolvency, winding up and liquidation of companies. 10. To make and give receipts, releases and other discharges for moneys payable to the Company and for the claims and demands of the Company. 11. Subject to the provisions of Sections 291, 292, 295, 370, 372 and all other applicable provisions of the Act, to invest and deal with any moneys of the Company not immediately required for the purpose thereof upon such security (not being Shares of this Company), or without security and in such manner as they may think fit and from time to time vary or realise such investments. Save as provided in Section 49 of the Act, all investments shall be made and held in the Company's own name. 12. To execute in the name and on behalf of the Company in favour of any Director or other person who may incur or be about to incur any personal liability whether as principal or surety, for the benefit of the Company, such mortgages of the Company's property (present and future) as they think fit, and any such mortgage may contain a power of sale and such other powers, provisions, covenants and agreements as shall be agreed upon. 13. To open bank account and to determine from time to time who shall be entitled to sign, on the Company's behalf, bills, notes, receipts, acceptances, endorsements, cheques, dividend warrants, releases,

Title of Article	Article Number and contents
	<p>contracts and documents and to give the necessary authority for such purpose.</p> <p>14. To distribute by way of bonus amongst the staff of the Company a Share or Shares in the profits of the Company and to give to any, Director, officer or other person employed by the Company a commission on the profits of any particular business or transaction, and to charge such bonus or commission as a part of the working expenses of the Company.</p> <p>15. To provide for the welfare of Directors or ex-Directors or employees or ex-employees of the Company and their wives, widows and families or the dependents or connections of such persons, by building or contributing to the building of houses, dwelling or chawls, or by grants of moneys, pension, gratuities, allowances, bonus or other payments, or by creating and from time to time subscribing or contributing, to provide other associations, institutions, funds or trusts and by providing or subscribing or contributing towards place of instruction and recreation, hospitals and dispensaries, medical and other attendance and other assistance as the Board shall think fit and subject to the provision of Section 293(1)(e) of the Act, to subscribe or contribute or otherwise to assist or to guarantee money to charitable, benevolent, religious, scientific, national or other institutions or object which shall have any moral or other claim to support or aid by the Company, either by reason of locality of operation, or of the public and general utility or otherwise.</p> <p>16. Before recommending any dividend, to set aside out of the profits of the Company such sums as they may think proper for depreciation or to depreciation fund, or to an insurance fund, or as reserve fund or any special fund to meet contingencies or to repay redeemable preference shares or debentures or debenture stock, or for special dividends or for equalising dividends or for repairing, improving, extending and maintaining any of the property of the Company and for such other purposes (including the purpose referred to in the preceding clause), as the Board may in their absolute discretion, think conducive to the interest of the Company and subject to Section 292 of the Act, to invest several sums so set aside or so much thereof as required to be invested, upon such investments (other than Shares of the Company) as they may think fit, and from time to time to deal with and vary such investments and dispose of and apply and expend all or any such part thereof for the benefit of the Company, in such a manner and for such purposes as the Board in their absolute discretion, think conducive to the interest of the Company notwithstanding that the matters to which the Board apply or upon which they expend the same or any part thereof or upon which the capital moneys of the Company might rightly be applied or expended; and to divide the general reserve or reserve fund into such special funds as the Board may think fit with full power to transfer the whole or any portion of reserve fund or division of a reserve fund and with full power to employ the assets constituting all or any of the above funds, including the depreciation fund, in the business of the Company or in the purchase or repayment of redeemable preference shares or debentures or debenture stock, and without being bound to keep the same separate from the other assets and without being bound to pay interest on the same with power however, to the Board at their discretion to pay or allow to the credit of such funds interest at such rate as the Board may think proper.</p> <p>17. To appoint, and at their discretion, remove or suspend, such general managers, managers, secretaries, assistants, supervisors, scientists, technicians, engineers, consultants, legal, medical or economic advisors, research workers, laborers, clerks, agents and servants for permanent, temporary or special services as they may from time to time think fit and to determine their powers and duties, and fix their salaries or emoluments or remuneration, and to require security in such instances and to such amount as they may think fit. And also from time to time to provide for the management and transaction of the affairs of the Company in any specified locality in India or elsewhere in such manner as they think and the provisions contained in the four next following sub-clauses shall be without</p>

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	<p>prejudice to the general conferred by this sub-clause.</p> <p>18. To appoint or authorize appointment of officers, clerks and servants for permanent or temporary or special services as the Board may from time to time think fit and to determine their powers and duties and to fix their salaries and emoluments and to require securities in such instances and of such amounts as the Board may think fit and to remove or suspend any such officers, clerks and servants. Provided further that the Board may delegate matters relating to allocation of duties, functions, reporting etc. of such persons to the Managing Director or Manager.</p> <p>19. From time to time and at any time to establish any local Board for managing any of the affairs of the Company in any specified locality in India or elsewhere and to appoint any person to be members of such local Boards, and to fix their remuneration or salaries or emoluments.</p> <p>20. Subject to Section 292 of the Act, from time to time and at any time to delegate to any person so appointed any of the powers, authorities and discretions for the time being vested in the Board, other than their power to make calls or to make loans or borrow money, and to authorize the members for the time being of any such local Board, or any of them to fill up any vacancies therein and to act notwithstanding vacancies, and any such appointment or delegation may be made on such terms and subject to such terms and subject to such conditions as the Board may think fit, and Board may at any time remove any person so appointed, and may annul or vary any such delegation.</p> <p>21. At any time and from time to time by Power of Attorney under the Seal of the Company, to appoint any person or person to be the Attorney or Attorneys of the Company, for such purposes and with such powers, authorities and discretions (not exceeding those vested in or exercisable by the Board under these presents and subject to the provisions of Section 292 of the Act) and for such period and subject to such conditions as the Board may from time to time think fit; and any such appointment may (if the Board thinks fit) be made in favour of any company, or the shareholders, directors, nominees, or managers of any company or firm or otherwise in favour of any fluctuating body of persons whether nominated directly or indirectly by the Board and such Power of Attorney may contain such powers for the protection or convenience of persons dealing with such Attorneys as the Board may think fit, and may contain powers enabling any such delegates or attorneys as aforesaid to sub-delegate all or any of the powers authorities and discretions for the time being vested in them.</p> <p>22. Subject to Sections 294 and 297 and other applicable provisions of the Act, for or in relation to any of the matters aforesaid or, otherwise for the purposes of the Company to enter into all such negotiations and contracts and rescind and vary all such contracts, and execute and do all such acts, deeds and things in the name and on behalf of the Company as they may consider expedient.</p> <p>23. From time to time to make, vary and repeal bye-laws for the regulations of the business of the Company, its officers and servants.</p> <p>24. To purchase or otherwise acquire any land, buildings, machinery, premises, hereditaments, property, effects, assets, rights, credits, royalties, business and goodwill of any joint stock company carrying on the business which the Company is authorized to carry on in any part of India.</p> <p>25. To purchase, take on lease, for any term or terms of years, or otherwise acquire any factories or any land or lands, with or without buildings and out-houses thereon, situated in any part of India, at such price or rent and under and subject to such terms and conditions as the Directors may think fit. And in any such purchase, lease or other acquisition to accept such title as the Directors may believe or may be advised to be reasonably satisfactory.</p> <p>26. To insure and keep insured against loss or damage by fire or otherwise for such period and to such extent as it may think proper all or any part of the buildings, machinery, goods, stores, produce and other movable property of the Company, either separately or co jointly, also to insure all or any</p>

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	<p>portion of the goods, produce, machinery and other articles imported or exported by the Company and to sell, assign, surrender or discontinue any policies of assurance effected in pursuance of this power.</p> <p>27. To purchase or otherwise acquire or obtain license for the use of and to sell, exchange or grant license for the use of any trade mark, patent, invention or technical know-how.</p> <p>28. To sell from time to time any articles, materials, machinery, plants, stores and other articles and thing belonging to the Company as the Board may think proper and to manufacture, prepare and sell waste and by-products.</p> <p>29. From time to time to extend the business and undertaking of the Company by adding, altering or enlarging all or any of the buildings, factories, workshops, premises, plant and machinery, for the time being the property of or in the possession of the Company, or by erecting new or additional buildings, and to expend such sum of money for the purpose aforesaid or any of them as they be thought necessary or expedient.</p> <p>30. To undertake on behalf of the Company any payment of rents and the performance of the covenants, conditions and agreements contained in or reserved by any lease that may be granted or assigned to or otherwise acquired by the Company and to purchase the reversion or reversions, and otherwise to acquire on free hold sample of all or any of the lands of the Company for the time being held under lease or for an estate less than freehold estate.</p> <p>31. To improve, manage, develop, exchange, lease, sell, resell and re-purchase, dispose off, deal or otherwise turn to account, any property (movable or immovable) or any rights or privileges belonging to or at the disposal of the Company or in which the Company is interested.</p> <p>32. To let, sell or otherwise dispose of subject to the provisions of Section 293 of the Act and of the other Articles any property of the Company, either absolutely or conditionally and in such manner and upon such terms and conditions in all respects as it thinks fit and to accept payment in satisfaction for the same in cash or otherwise as it thinks fit.</p> <p>33. Generally subject to the provisions of the Act and these Articles, to delegate the powers/authorities and discretions vested in the Directors to any person(s), firm, company or fluctuating body of persons as aforesaid.</p> <p>34. To comply with the requirements of any local law which in their opinion it shall in the interest of the Company be necessary or expedient to comply with.</p>

DIVIDENDS AND CAPITALISATION OF RESERVES

Title of Article	Article Number and contents
Division of profits	<p>212.</p> <p>(a) Subject to the rights of persons, if any, entitled to Shares with special rights as to dividends, all dividends shall be declared and paid according to the amounts paid or credited as paid on the Shares in respect whereof the dividend is paid but if and so long as nothing is paid upon any of Share in the Company, dividends may be declared and paid according to the amounts of the Shares;</p> <p>(b) No amount paid or credited as paid on a Share in advance of calls shall be treated for the purpose of this Article as paid on the Shares.</p>
The Company at General Meeting may declare dividend	<p>213.</p> <p>The Company in General Meeting may declare dividends, to be paid to Members according to their respective rights and interest in the profits and may fix the time for payment and the Company shall comply with the provisions of Section 207 of the Act, but no dividends shall exceed the amount recommended by the Board of Directors. However, the Company may declare a smaller dividend than that recommended by the Board in General Meeting.</p>

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Dividends out of profits only	214. No dividend shall be payable except out of profits of the Company arrived at the manner provided for in Section 205 of the Act.
Interim dividend	215. The Board of Directors may from time to time pay to the Members such interim dividends as in their judgment the position of the Company justifies.
Debts may be deducted	216. (a) The Directors may retain any dividends on which the Company has a lien and may apply the same in or towards the satisfaction of the debts, liabilities or engagements in respect of which the lien exists. (b) The Board of Directors may retain the dividend payable upon Shares in respect of which any person is, under the Transmission Article, entitled to become a Member or which any person under that Article is entitled to transfer until such person shall become a Member or shall duly transfer the same.
Capital paid-up in advance to carry interest, not the right to earn dividend	217. Where the capital is paid in advance of the calls upon the footing that the same shall carry interest, such capital shall not, whilst carrying interest, confer a right to dividend or to participate in profits.
Dividends in proportion to amounts paid-up	218. All dividends shall be apportioned and paid proportionately to the amounts paid or credited as paid on the Shares during any portion or portions of the period in respect of which the dividend is paid, but if any Share is issued on terms provided that it shall rank for dividends as from a particular date such Share shall rank for dividend accordingly.
No Member to receive dividend while indebted to the Company and the Company's right in respect thereof	219. No Member shall be entitled to receive payment of any interest or dividend or bonus in respect of his Share or Shares, whilst any money may be due or owing from him to the Company in respect of such Share or Shares (or otherwise however either alone or jointly with any other person or persons) and the Board of Directors may deduct from the interest or dividend to any Member all such sums of money so due from him to the Company.
Effect of transfer of Shares	220. A transfer of Shares shall not pass the right to any dividend declared therein before the registration of the transfer.
Dividend to joint holders	221. Any one of several persons who are registered as joint holders of any Shares may give effectual receipts for all dividends or bonus and payments on account of dividends in respect of such Shares.
Dividend how remitted	222. The dividend payable in cash may be paid by cheque or warrant sent through post directly to registered address of the shareholder entitled to the payment of the dividend or in case of joint holders to the registered address of that one of the joint holders who is first named on the Register of Members or to such person and to such address as the holder or joint holders may in writing direct. The Company shall not be liable or responsible for any cheque or warrant or pay slip or receipt lost in transit or for any dividend lost, to the Member or person entitled thereto by forged endorsement of any cheque or warrant or forged signature on any pay slip or receipt or the fraudulent recovery of the dividend by any other means.
Notice of dividend	223. Notice of the declaration of any dividend whether interim or otherwise shall be given to the registered holders of Share in the manner herein provided.
Reserves	224. The Directors may, before recommending or declaring any dividend set aside out of the profits of the Company such sums as they think proper as reserve or reserves, which shall, at the discretion of the Directors, be applicable for meeting

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	contingencies or for any other purposes to which the profits of the Company may be properly applied and pending such application, may at the like discretion, either be employed in the business of the Company or be invested in such investments (other than Shares of the Company) as the Directors may from time to time think fit.
Dividend to be paid within time required by law.	<p>225.</p> <p>The Company shall pay the dividend, or send the warrant in respect thereof to the shareholders entitled to the payment of dividend, within such time as may be required by law from the date of the declaration unless:-</p> <p>(a) where the dividend could not be paid by reason of the operation on any law; or</p> <p>(b) where a shareholder has given directions regarding the payment of the dividend and those directions cannot be complied with; or</p> <p>(c) where there is dispute regarding the right to receive the dividend; or</p> <p>(d) where the dividend has been lawfully adjusted by the Company against any sum due to it from shareholder; or</p> <p>(e) where for any other reason, the failure to pay the dividend or to post the warrant within the period aforesaid was not due to any default on the part of the Company.</p>
Unpaid or unclaimed dividend	<p>226.</p> <p>Where the Company has declared a dividend but which has not been paid or claimed within 30 days from the date of declaration, to any shareholder entitled to the payment of dividend, the Company shall within seven days from the date of expiry of the said period of thirty days, transfer the total amount of dividend which remains unpaid or unclaimed within the said period of thirty days, to a special account to be opened by the Company in that behalf in any scheduled bank, to be called “ (name of company) _____ (year) Unpaid Dividend Account”.</p> <p>Any money transferred to the unpaid dividend account of a company which remains unpaid or unclaimed for a period of seven years from the date of such transfer, shall be transferred by the company to the Fund known as Investor Education and Protection Fund established under section 205C of the Act.</p> <p>No unclaimed or unpaid dividend shall be forfeited by the Board.</p>
Set-off of calls against dividends	<p>227.</p> <p>Any General Meeting declaring a dividend may on the recommendation of the Directors make a call on the Members of such amount as the Meeting fixes but so that the call on each Member shall not exceed the dividend payable to him, and so that the call be made payable at the same time as the dividend, and the dividend may, if so arranged between the Company and the Members, be set off against the calls.</p>
Dividends in cash	<p>228.</p> <p>No dividends shall be payable except in cash, provided that nothing in this Article shall be deemed to prohibit the capitalization of the profits or reserves of the Company for the purpose of issuing fully paid up bonus Shares or paying up any amount for the time being unpaid on any Shares held by Members of the Company.</p>
Capitalization	<p>229.</p> <p>(1) The Company in General Meeting may, upon the recommendation of the Board, resolve:</p> <p>(a) That 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</p> <p>(b) that such sum be accordingly set free for distribution in the manner specified in clause (2) amongst the Members who would have been entitled thereto, if</p>

Title of Article	Article Number and contents
	<p>distributed by way of dividend and in the same proportion.</p> <p>(2) The sum aforesaid shall not be paid in cash but shall be applied, subject to the provisions contained in clause (3) either in or towards;</p> <p>(a) paying up any amount for the time being unpaid on any Shares held by such Members respectively, or</p> <p>(b) paying up in full unissued Shares of the Company to be allocated and distributed, credited as fully paid up, to and amongst Members in the proportion aforesaid, or</p> <p>(c) partly in the way specified in sub clause (a) and partly in that specified in sub-clause(b)</p> <p>(3) A security premium account and capital redemption reserve account may, for the purpose of this Article, only be applied in the paying up of unissued Shares to be issued to Members of the Company as fully paid bonus shares.</p>
Board to give effect	<p>230.</p> <p>The Board shall give effect to the resolution passed by the Company in pursuance of above Article.</p>
Fractional certificates	<p>231.</p> <p>(1) Whenever such a resolution as aforesaid shall have been passed, the Board shall;</p> <p>(a) make all appropriations and applications of the undivided profits resolved to be capitalized thereby and all allotments and issues of fully paid Shares and</p> <p>(b) Generally do all acts and things required to give effect thereto.</p> <p>(2)The Board shall have full power:</p> <p>(a) to make such provision by the issue of fractional cash certificate or by payment in cash or otherwise as it thinks fit, in the case of Shares becoming distributable in fractions, also</p> <p>(b) to authorize any person to enter, on behalf of all the Members entitled thereto, into an agreement with the Company providing for the allotment to them respectively, credited as fully paid up, of any further Shares to which they may be entitled upon such capitalization or (as the case may require) for the payment by the Company on their behalf by the application thereof of the respective proportions of the profits resolved to be capitalized of the amounts remaining unpaid on their existing Shares.</p> <p>(3) Any agreement made under such authority shall be effective and binding on all such Members.</p> <p>(4)That for the purpose of giving effect to any resolution, under the preceding paragraph of this Article, the Directors may give such directions as may be necessary and settle any question or difficulties that may arise in regard to any issue including distribution of new Shares and fractional certificates as they think fit.</p>

ACCOUNTS

Statements of accounts to be furnished to General Meeting	<p>234.</p> <p>The Board of Directors shall from time to time in accordance with Sections 210, 211, 212, 216 and 217 of the Act, cause to be prepared and laid before each Annual General Meeting a profit and loss account for the financial year of the Company and a balance sheet made up as at the end of the financial year which shall be a date which shall not precede the day of the Meeting by more than six months or such extended period as shall have been granted by the Registrar under the provisions of the Act.</p>
Accounts to be audited	<p>236.</p> <p>Once at least in every year the accounts of the Company shall be examined, balanced and audited and the correctness of the profit and loss Account and the balance sheet ascertained by one or more Auditor or Auditors.</p>

REGISTERS AND DOCUMENTS

Title of Article	Article Number and Contents
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Title of Article	Article Number and Contents
Registers and documents to be maintained by the Company	<p>243.</p> <p>The Company shall keep and maintain registers, books and documents required by the Act or these Articles, including the following:</p> <ul style="list-style-type: none"> (a) Register of investments made by the Company but not held in its own name, as required by Section 49(7) of the Act (b) Register of mortgages and charges as required by Section 143 of the Act and copies of instruments creating any charge requiring registration according to Section 136 of the Act. (c) Register and index of Members and debenture holders as required by Sections 150, 151 and 152 of the Act. (d) Foreign register, if so thought fit, as required by Section 157 of the Act (e) Register of contracts, with companies and firms in which Directors are interested as required by Section 301 of the Act. (f) Register of Directors and Secretaries etc. as required by Section 303 of the Act. (g) Register as to holdings by Directors of Shares and/or Debentures in the Company as required by Section 307 of the Act. (h) Register of investments made by the Company in Shares and Debentures of the bodies corporate in the same group as required by Section 372(2) of the Act. (i) Copies of annual returns prepared under Section 159 of the Act together with the copies of certificates and documents required to be annexed thereto under Section 161 of the Act. (j) Register of loans, guarantees, or securities given to the other companies under the same management as required by Section 370 of the Act.
Inspection of Registers	<p>244.</p> <p>The registers mentioned in clauses (f) and (i) of the foregoing Article and the minutes of all proceedings of General Meetings shall be open to inspection and extracts may be taken there from and copies thereof may be required by any Member of the Company in the same manner to the same extent and on payment of the same fees as in the case of the Register of Members of the Company provided for in clause (c) thereof. Copies of entries in the registers mentioned in the foregoing article shall be furnished to the persons entitled to the same on such days and during such business hours as may be consistent with the provisions of the Act in that behalf as determined by the Company in General Meeting.</p>

WINDING UP

Title of Article	Article Number and Contents
Distribution of assets	<p>245.</p> <p>If the Company shall be wound up, and the assets available for distribution among the Members as such shall be insufficient to repay the whole of the paid up capital, such assets shall be distributed so that as nearly as may be the losses shall be borne by the Members in the proportion to the capital paid up or which ought to have been paid up at the commencement of the winding up, on the Shares held by them respectively, and if in the winding up the assets available for distribution among the Members shall be more than sufficient to repay the whole of the capital paid up at the commencement of the winding up, the excess shall be distributed amongst the Members in proportion to the capital at the commencement of the winding up, paid up or which ought to have been paid up on the Shares held by them respectively. But this Article is to be without prejudice to the rights of the holders of Shares issued upon special terms and conditions.</p>
Distribution in specie or kind	<p>246.</p> <p>If the Company shall be wound up, whether voluntarily or otherwise, the Liquidator may, with the sanction of a Special Resolution, divide amongst the contributories in specie or kind, any part of the assets of the Company and may, with the like sanction, vest any part of the assets of the Company in trustees upon such trusts for the benefit of the contributories or any of them, as the liquidator, with the like sanction, shall think fit.</p> <p>If thought expedient any such division may subject to the provisions of the Act be otherwise than in accordance with the legal rights of the contributions (except where</p>

Title of Article	Article Number and Contents
	<p>unalterably fixed by the Memorandum of Association and in particular any class may be given preferential or special rights or may be excluded altogether or in part but in case any division otherwise than in accordance with the legal rights of the contributories, shall be determined on any contributory who would be prejudicial thereby shall have a right to dissent and ancillary rights as if such determination were a Special Resolution passed pursuant to Section 494 of the Act.</p> <p>(c) In case any Shares to be divided as aforesaid involve a liability to calls or otherwise any person entitled under such division to any of the said Shares may within ten days after the passing of the Special Resolution by notice in writing direct the Liquidator to sell his proportion and pay him the net proceeds and the Liquidator shall, if practicable act accordingly.</p>
Right of shareholders in case of sale	<p>247. A Special Resolution sanctioning a sale to any other Company duly passed pursuant to Section 494 of the Act may subject to the provisions of the Act in like manner as aforesaid determine that any Shares or other consideration receivable by the liquidator be distributed against the Members otherwise than in accordance with their existing rights and any such determination shall be binding upon all the Members subject to the rights of dissent and consequential rights conferred by the said sanction.</p>
Directors and others right to indemnity	<p>248. Subject to the provisions of Section 201 of the Act, every Director of officer, or servant of the Company or any person (whether an officer of the Company or not) employed by the Company as Auditor, shall be indemnified by the Company against and it shall be the duty of the Directors, out of the funds of the Company to pay all costs, charges, losses and damages which any such person may incur or become liable to pay by reason of any contract entered into or any act, deed, matter or thing done, concurred in or omitted to be done by him in any way in or about the execution or discharge of his duties or supposed duties (except such if any as he shall incur or sustain through or by his own wrongful act, neglect or default) including expenses, and in particular and so as not to limit the generality of the foregoing provisions against all liabilities incurred by him as such Director, officer or Auditor or other office of the Company in defending any proceedings whether civil or criminal in which judgment is given in his favour, or in which he is acquitted or in connection with any application under Section 633 of the Act in which relief is granted to him by the Court.</p>
Director, officer not responsible for acts of others	<p>249. Subject to the provisions of Section 201 of the Act no Director, Auditor or other officer of the Company shall be liable for the acts, receipts, neglects, or defaults of any other Director or officer or for joining in any receipt or other act for conformity or for any loss or expenses happening to the Company through the insufficiency or deficiency of the title to any property acquired by order of the Directors for on behalf of the Company or for the insufficiency or deficiency of any security in or upon which any of the moneys of the Company shall be invested for any loss or damages arising from the insolvency or tortuous act of any person, firm or Company to or with whom any moneys, securities or effects shall be entrusted or deposited or any loss occasioned by any error of judgment, omission, default or oversight on his part of for any other loss, damage, or misfortune whatever shall happen in relation to execution of the duties of his office or in relation thereto unless the same shall happen through his own dishonesty.</p>

SECRECY CLAUSE

Title of Article	Article Number and Contents
Secrecy Clause	<p>250. Every Director/Manager, Auditor, treasurer, trustee, member of a committee, officer, servant, agent, accountant or any other person-employed in the business of the Company shall, if so required by the Director, before entering upon his duties, sign a declaration pledging himself, to observe a strict secrecy respecting all transactions and affairs of the Company with the Company customers and the state of the accounts with individuals and in matter thereto and shall by such declaration pledge</p>

	himself not to reveal any of the matters which may come to his knowledge in discharge of his duties except when required to do so by the Directors or by law or by the person to whom such matters relate and except so far as may be necessary in order to comply with any of the provisions in these presents contained.
No Member to enter the premises of the Company without permission	251. No Member or other person (not being a Director) shall be entitled to visit or inspect any property or premises of the Company without the permission of the Board of Directors or Managing Director, or to inquire discovery of or any information respecting any details of the Company's trading or any matter which is or may be in the nature of a trade secret, mystery of trade, secret process or any other matter which relate to the conduct of the business of the Company and which in the opinion of the Directors, it would be inexpedient in the interest of the Company to disclose.

SECTION XI - 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 contracts entered into more than two (2) years before the date of filing of the Red Herring Prospectus) which are or may be deemed material have been entered or are to be entered into by our Company. These contracts, copies of which will be attached to the copy of the Red Herring Prospectus will be delivered to the RoC for registration and also the documents for inspection referred to hereunder, may be inspected at the Registered Office of our Company located at 5th Floor, B – Wing, Trade Star Building, Andheri Kurla Road, Andheri (East), Mumbai - 400059, Maharashtra, India, from date of filing the Red Herring Prospectus with RoC to Bid / Issue Closing Date on working days from the date of filing of the Red Herring Prospectus until the date of closure of the Issue.

MATERIAL CONTRACTS

1. Memorandum of Understanding dated September 22, 2009 between our Company and the BRLMs appointing them as the Book Running Lead Managers to the Issue.
2. Memorandum of Understanding dated March 26, 2009 between our Company and Link Intime India Private Limited appointing them as Registrar to this Issue.
3. Tripartite Agreement dated September 24, 2009 among our Company, NSDL and Link Intime India Private Limited.
4. Tripartite Agreement dated September 24, 2009 among our Company, CDSL and Link Intime India Private Limited.
5. Escrow Agreement dated [●] between our Company, the BRLMs, Syndicate Member, Escrow Collection Banks and the Registrar to the Issue.
6. Syndicate Agreement dated [●] between our Company, BRLMs, and the Syndicate Member.
7. Underwriting Agreement dated [●] between our Company, BRLMs and the Syndicate Member.

MATERIAL DOCUMENTS

1. The Memorandum and Articles of Association of our Company, as amended from time to time.
2. Copy of Certificate of Incorporation dated September 20, 1999, issued by the Asst. Registrar of Companies, Maharashtra, Mumbai.
3. Copy of fresh Certificate of Incorporation dated March 05, 2009, issued by the Deputy Registrar of Companies, Maharashtra, Mumbai, consequent change in constitution of our Company from private limited to public limited.
4. Extra Ordinary General Meeting resolution dated August 11, 2009 and the resolution of the Board dated July 13, 2009, authorising the Issue.
5. Resolutions for increase in remuneration of our current Executive Directors, namely Mr. Rajesh G. Uchil, Chairman, Mr. M.S. Sayad, Vice Chairman and Mr. Harish G. Uchil, Managing Director and Chief Executive Officer.

6. Copy of agreement dated July 26, 2006 for succession of business of M/s Rajesh G. Uchil & Co., between Rajesh G. Uchil & Co. and our Company.
7. Copy of Restated Audit report by the statutory auditor, M/s. Anil Nair & Associates, Chartered Accountants dated January 05, 2010 included in the Red Herring Prospectus and copies of the Balance Sheet referred in the said report.
8. Copy of Certificate dated September 10, 2009 from the statutory auditors, M/s. Anil Nair & Associates, Chartered Accountants, detailing the tax benefits.
9. Copy of the Certificate from the statutory auditors, M/s. Anil Nair & Associates, Chartered Accountants, dated January 06, 2010 regarding the sources and deployment of funds as on January 06, 2010.
10. IPO Grading Report issued by Brickwork Ratings India Private Limited dated November 05, 2009.
11. Consents in writing from our Directors, Company Secretary and Compliance Officer, Statutory Auditors, Bankers to our Company, Bankers to the Issue, Book Running Lead Manager(s), Syndicate Member(s), Underwriter(s), IPO Grading Agency, Registrar of the Issue, Legal Advisor to the Issue to act in their respective capacities.
12. Copy of Share Subscription Agreement dated August 28, 2008 between HT Media Limited and our Company and Promoters of our Company.
13. No-objection certificate from HT Media Limited for the proposed Issue vide their letter dated September 18, 2009.
14. Copy of Share Subscription Agreement dated October 26, 2007 between our Company and Carwin Mercantiles Private Limited.
15. No-objection certificate from Carwin Mercantiles Private Limited for the proposed Issue vide their letter dated September 18, 2009.
16. Initial listing applications dated September 25, 2009 filed with the BSE and the NSE.
17. In-principle listing approvals from BSE and NSE dated November 12, 2009 and respectively November 30, 2009.
18. Due Diligence Certificate dated September 24, 2009 to SEBI from Saffron Capital Advisors Private Limited and Centrum Capital Limited, the Book Running Lead Managers.
19. SEBI observation letter no. CFD/DIL/ISSUES/SK/AT/188959/2009 dated December 30, 2009.
20. Reply by BRLMs dated January 11, 2010 for the above SEBI observation letter.

Any of the contracts or documents mentioned in the 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.

SECTION XII - DECLARATION

We, the Directors of our Company, hereby declare that, all the relevant provisions of the Companies Act, 1956, SEBI (ICDR) Regulations, 2009 and the guidelines issued by the Government of India as the case may be, have been complied with and no statement made in the Red Herring Prospectus is contrary to the provisions of the Companies Act, the Securities and Exchange Board of India Act, 1992 or rules or guidelines issued thereunder, as the case may be. We further certify that all the disclosures and statements made in the Red Herring Prospectus are true and correct.

SIGNED BY ALL THE DIRECTORS OF AQUA LOGISTICS LIMITED

Mr. Rajesh G. Uchil

Mr. M.S. Sayad

Mr. Harish G. Uchil

Mr. V.S. Narayanan

Mr. B.S. Radhakrishanan

Mr. Ravi Sharma

SIGNED BY CHIEF FINANCIAL OFFICER

Mr. C.R. Karikal Valavan

SIGNED BY THE COMPANY SECRETARY AND COMPLIANCE OFFICER

Mr. Bhupendra N. Shah

Place: Mumbai

Date: January 12, 2010

November 5th, 2009

To,

The Managing Director
Aqua Logistics Ltd
Mumbai

Dear Sir,

Sub: Grading IPO for Rs 150 Crs

Thank you for giving us an opportunity to undertake grading of your company's IPO for Rs 150 Crs. Based on the information provided by you, as well as available in public sources, the matter was placed before our External rating committee.

We are pleased to inform you that Aqua Logistics Ltd IPO for Rs 150 Crs Issue has been assigned **BWR IPO Grade 3** (Pronounced BWR IPO Grade Three) grading by the said committee in its meeting on the 4th instant. IPO issue with this grading is considered to offer **average** fundamentals.

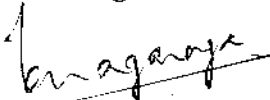
Brickwork grading model, has, interalia, factored ownership, management quality financials, nature of industry, business prospects in grading the IPO.

The Grading is valid for Six months from date of mandate. The above Grading is subject to terms and conditions that were agreed in your mandate dated 05/10/09 and other correspondence.

Kindly let us have your acceptance for the above grading. Should you need any clarification please call us.

Please furnish the details of your IPO programme under the above issue.

Best Regards,

A handwritten signature in black ink, appearing to read "V. Nagaraja".

V. Nagaraja
Head-Rating Administration.

Aqua Logistics Limited**IPO Grading: BWR IPO Grade 3 (Average Fundamental)**

Brickwork Ratings (BWR) has assigned BWR IPO Grade 3 to the proposed IPO of Aqua Logistics Limited (AL). Brickwork Ratings' BWR IPO Grade 3 indicates average fundamentals for the issue in relation to its peers. BWR assigns IPO grading on a scale of IPO Grade 5 to IPO Grade 1, with Grade 5 signifying strong fundamentals and Grade 1 signifies poor fundamentals of the issue in relation to its peers.

The grading factors Aqua Logistics Limited's (AL) end-to-end logistics solutions and supply chain domain including freight forwarding, 3PL (third-party logistics) services, supply chain consulting, logistics execution and project logistics. The grading is constrained by lack of own assets like warehouses or trucks, highly competitive and unorganized industry with multiple players, company's track record of negative cash flows from operating activities and lower profit margins than peers and creation of 6 group companies in same/ complimentary line of activity.

Company Profile:

AL started as a freight forwarding company as Aqua Logistics Private Limited on September 20, 1999. In 2003, AL bagged its first project logistics order from ABB Limited and the first contract logistics order from Tellabs India Private Limited. Over the period the company has increased its presence in various parts of the country by opening branch offices. Internationally AL has arrangement with 3PL partners and vendors. The company's logistic services all three modes of transportation- surface, air and sea.

In 2006, AL acquired the entire business of the firm; M/s. Rajesh G. Uchil & Co., a partnership firm established in the year 1989. AL became a public limited company in March, 2009.

Management:

Aqua Logistics is founded by Mr. Gopalkrishna Uchil, aged 72 years. Mr Gopalkrishna Uchil has an experience of over 30 years in the field of Logistics. Prior to being an entrepreneur, he was heading the logistics division of a textile company. His has good experience and understanding of international trade and regulatory environment in India has contributed to the company's growth.

Mr Rajesh G Uchil aged 43 years is the Chairman for AL. He holds Bachelors Degree in Commerce. Mr Rajesh started as an entrepreneur as a custom house agent and then in the logistics industry. He has over 20 years experience in logistics. Mr Rajesh Uchil is the son of Mr Gopalkrishna Uchil.

Mr M.S. Sayad aged 49 years is the Vice Chairman of the Company. Mr Sayad is a commerce graduate. He has 20 years experience in the operations, finance and strategy in steel, finance and electronics.

Mr. Harish G. Uchil, age 40 years, is the Managing Director and Chief Executive Officer of AL. He holds a Bachelors Degree in Engineering from the University of Pune. Mr Harish joined his brother Mr Rajesh G. Uchil freight forwarding business in 2001.

Mr. V. S. Narayanan, Independent, Director holds a Bachelors degree in Commerce and Law from the University of Mumbai. He has over three decades of experience in the field of investment banking, legal and compliance. Mr Narayanan joined the board as additional director in May 2009.

Mr. B.S. Radhakrishnan, Independent Director holds a Bachelors degree in Science from the University of Madras. He has a long standing experience of over two decades in the media and entertainment industry. Mr Radhakrishnan joined the board as additional director in March 2009.

Mr. Ravi Sharma, Independent Director holds a Masters Degree in Commerce from the University of Rajasthan and has a Post Graduate Diploma in Management from Institute of Management Development and Research, Pune. He has over 6 years of experience in the financial services sector. Mr Sharma joined the board as additional director in March 2009.

Objectives of the Issue:

Aqua Logistics is raising equity funds to purchase cranes, trailers, LCV, barge, tug and other equipments needed for executing logistic operations for heavy and over sized cargoes. The company plans to open new offices in Dubai and Kolkata, Mumbai and Delhi.

AL expansion plans include acquisition of a company based out of SE Asia at a cost estimated at Rs 35 crores. For the FY 2010, the company has estimated working capital gap at Rs 103.6 crs. The gap is partially funded by Rs 30 crores limit by Bank of India and Rs 45 crores from the present IPO proceeds. AL has not tied up the balance working capital requirement of Rs 26.64 crores and plans to fund it by bill discounting.

Table 1: Breakup of total project cost

Particulars	Total Amount (in Rs. crores)
Purchase of Specialized Equipments	30.51
Expansion and Establishment of Offices	17.12
Proposed Acquisitions	35.00
Additional Working Capital Requirement	45.00
General corporate purposes	10.37
Public Issue Expenses	12.00
Total	150.00

The project is in a preliminary stage with AL having spent Rs 15.87 Lacs towards the project implementation. The company has neither placed order for the specialized equipment nor identified specific acquisition target.

Project Funding:

To meet the funding requirements, AL plans to raise Rs. 150 Crores by issue of equity shares having FV of Rs.10/- at a premium to be decided later and internal accrual. The promoters are not participating in the public issue.

The funds requirement for the project is neither appraised nor funded by any term lending / financial institution. In absence of participation by term lending / financial institution the utilization of issue proceeds will be by the company.

The promoters and promoter group' Pre- Issue equity holding is at 65.62 % of the issued capital. Post-issue no of shares is to be decided later after on face value of Rs 10 per share. The details are as follows.

Table 2: Shareholding Pattern

	Pre-Issue (%)	Pre-Issue No. of Shares	Post Issue* No. of Shares	Post issue holding cost/share (Rs.)
Mr. Rajesh G. Uchil	14.32	19,50,634	19,50,634	1.87
Mr. M. S. Sayad	10.57	14,40,800	14,40,800	7.61
Mr. Harish G. Uchil	15.09	20,56,534	20,56,534	2.16
Mr. Gopalkrishna G. Uchil	15.23	20,75,332	20,75,332	1.74
Mrs. Priti Rajesh Uchil	2.57	3,50,000	3,50,000	-
Mrs. Nisha Sayad	2.57	3,50,000	3,50,000	-
Employees	1.34	1,82,000	1,82,000	-
Venture Capital Holding	33.05	45,03,303	[.]	-
GRAND TOTAL	100	1,36,25,270	[.]	-

*The final Post Issue Shareholding pattern will be determined after the Book-Building Process.

Share holders' agreements:

AL had shareholders agreement with Carwin Mercantiles (P) Limited ("Carwin") dated October 26, 2007. According to said agreement Carwin has agreed to subscribe at a price per share of Rs. 100, aggregating to Rs 10 Crores. As per the agreement condition AL assures the Carwin that the initial public issue of shares would come at a price not less than that Rs. 200 per share and if in case the issue prices is below Rs. 200 per share then the Carwin has the option to sell the shares at any time prior to the IPO to the Company at a price of Rs. 200 per share. AL has Vide letter dated September 18, 2009 with Carwin, accorded their no-objection for the Issue, further as per the letter Carwin has waived all special rights, privileges and restrictive covenants granted to AL as per the said Agreement.

AL has Share Subscription Agreement with HT Media Limited dated August 28, 2008. According to said agreement AL has agreed to issue and allot to HT Media on a preferential basis 1,00,000 (one Lac) Equity Shares of Rs. 10 each fully paid up (the "Subscription Shares") at a price per share of Rs. 500 aggregating to Rs 5 crores constituting 0.86% of the issued and paid-up equity share capital of the Company. In the event that the Company issues any further shares or any convertible instrument in its proposed IPO at a price lower than the Subscription Price, then the Promoters shall, jointly and severally within a period of 45 days of the allotment of shares in such Fresh Offering at such lower price, transfer such number of Shares held by the

Promoters to HT Media at zero consideration, as may be required, in a manner that would render the average price of the HT Media Subscription Shares and Shares transferred by Promoters to be equal to the price at which the Shares are issued and allotted at the Fresh Offering by the Company.

Further, HT Media vide their letter dated September 18, 2009, have issued a no-objection certificate for the Issue.

Corporate Governance:

AL is compliant with provisions of Clause 49 of the Listing Agreement. Aqua Logistics has an optimum combination of executive and nonexecutive Directors. The company has six Directors on the Board that includes three promoter directors and three Independent Directors. The Board members have expertise in different sectors which fit the company's needs.

Aqua logistics has 6 group companies. Group companies like Aqua Management Consulting, Aqua Specialized Transport support the logistics business of AL. The extent of related party transaction has grown significantly and was at Rs 11.57 crs as of 2009. These transactions generally represent compensation for services, loans and advances.

Industry Risk:

Logistics as any industry has different parts of value chain. The transporters and freight forwarding business is highly un-organised and has multiple players across the country. Hence, the intensity of the competition is very high. However, in 3PL (third-party logistics) services has only organised players. 3PL segment faces significant competition from MNCs like AFL, DHL and Indian big companies like Reliance Logistics, Patel logistics which own warehouses and have transport fleet. The 3PL competition is expected intensify. However, some of the business lines like specialized transport and consulting for Supply Chain Management still has lower competition.

Internationally, the logistics industry is a very fragmented. In 2006, the world's largest share was maintained at 6.2 percent by DHL Exel Supply Chain. All other major providers had market shares of between 1 percent and 2 percent.

The annual logistics cost of the world is INR 90 trillion globally and INR 4 trillion in India. Automotive, IT hardware and FMCG have emerged as the major users of 3PL services. Information Technology helps in the precise monitoring of cargo at every stage of its journey. Multi-modal services help in providing turnkey solutions to clients. The consistent 8% p.a growth rate that India is likely to witness in the near future will help the logistics sector to reach a size of \$125 bn in 2010 and \$180 bn in 2012.

The warehousing industry is a crucial component of the logistics value chain. Warehousing is typically used for stockpiling for managing demand-supply gaps over a long period. The Indian warehousing sector will be worth \$55 billion by 2010-11 with around 45 million sq ft warehousing space expected to be developed in the country in next five years supplemented by around 110 logistics parks.

Business Risk:

Aqua logistics is headquartered in Mumbai and has presence in major locations such as New Delhi, Chennai, Bangalore, Ludhiana, Baroda, Cochin and Pune. They have three main lines of business viz. freight services, contract and project logistics. Aqua Logistics's business model is

not being followed by listed logistics companies in India. Most of the other listed peers own assets like warehouses or trucks.

Aqua logistics top five clients contribute approximately 30% of their revenues for FY 2009. Any decline in quality standards, growing competition and any change in the demand for services by these customers may adversely affect their ability to retain them.

Aqua logistics is relatively new in 3PL business with no established brand presence. This may require competitive pricing for the services. The company follows 'asset light' approach and has depends on outsourcing the services to third parties for equipment and to services its clients. This constrains the ability of the AL to competitively price its services compared to its peers. The dependence on third party services may also result in delays, claims etc by its clients.

Financial Performance:

AL has notched more than 100% growth each of the previous 4 years. It compares favorably with the sales growth of its peers. In FY2009, sales growth was 96% to Rs 213.4 crore compared to Rs 108.9 crore in FY2008, is significantly higher than its peers. However, a high percentage of their income is in form of book debts which hampers their cash generation ability. Net profit increased by 99% from Rs 5.6 crores in FY08 to Rs 11.1 crores in FY09.

In FY 2009 the return on capital employed (ROCE) is 20%. The company expects to maintain ROCE not below 15%. This is due to asset light model adopted by AL. AL has a total debt to total equity (D/E) ratio of 0.75 which is in line with its peers. AL has negative Cash Flow from Operation (CFO) in the past 5 years. Its CFO is negative due to significant increase in Working Capital (WC) requirements which has mostly been funded through stake sale by the promoters. During FY2008, AL has received WC funding line from Bank of India. They expect to utilize part of IPO proceeds to fund their growing WC needs. AL's Operating Profitability Margins (OPM) and Net Profitability Margins (NPM) slightly below its peers.

Table 3: Profit and Loss (Consolidated) Amount in Rs Crores

	2009	2008	2007
Sales:			
Income from Operations	213.4	109	43
Operation Cost	175.5	84.3	33.3
Personnel Cost	10.6	7.6	2.9
Administrative Expenses	5.0	4.0	2.0
Earnings Before Depreciation Interest & Tax	22.3	13.0	4.8
Other Income	0.7	0.2	0.0
Less: Depreciation	1.1	0.6	0.1
Less : Interest & Financial Charges	4.7	3.8	0.8
Net Profit before tax	17.1	8.8	3.9
Profit after Tax (PAT)	11.1	5.6	2.9

Table 4: Financial Performance Amount in Rs Crores

	2009	2008	2007	2006
Sales Growth	96%	153%	350%	160%
NPM	5.2%	5.2%	6.8%	-9.0%
OPM	10.2%	11.6%	11.0%	0.4%

RoCE	21.8%	25.8%	26.6%	5.7%
PBIT	218.61	126.21	47.36	3.913
Debt/Equity	0.75	0.24	1.24	0.56
Interest Coverage	4.71	3.41	6.07	7.58
CFO	(23.83)	(11.09)	(6.21)	(1.18)
DSO (Days of Sales Outstanding)	100.76	108.54	114.38	120.5

Other factors:

Changes in the accounting policy:

In FY2006, AL changed the method of Depreciation from written down value method to straight line method. Straight line method back loads depreciation charges reflecting higher profits in earlier years as compared to WDV. A sum of Rs. 6.92 lacs was written back to profit and loss account and charge of depreciation for 2006 was lower by Rs. 9.00 lacs. Besides that there have been no significant changes in accounting policy.

Compliance and Litigation:

Litigations with government bodies:

- AL has been issued Notice of Demand for the assessment year 2006-07 under Section 156 of the Income Tax Act, 1962 ("IT Act"), together with assessment order dated May04, 2008 under Section 143(3) of the IT Act, from the Income Tax Officer 8(1)1, Mumbai. The said notice is for demand of Rs. 8, 29,547.

Litigations with business associates:

- AL has Two Litigation by Business associates, with a total claim of Rs 57 Lacs.

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