

**Draft Red Herring Prospectus**

Dated: June 25, 2011

Please read Section 60B of the Companies Act, 1956

Draft Red Herring Prospectus shall be updated upon filing with RoC

100% Book Built Issue

ASIAN LOGISTICS LIMITED

We started as a partnership firm under the name Asian Roadways on January 1, 1987 and registered with the Registrar of Firms, Ahmedabad on April 26, 1988. The name of the firm was changed to Asian Logistics on April 27, 2006 and was registered with the Registrar of firms, Ahmedabad on May 2, 2006. It was converted into a public limited company under the name Asian Logistics Limited on May 11, 2006 and received the certificate of Commencement of Business on May 23, 2006.

Registered & Corporate Office: Asian House, Beside Shreenath Transport Nagar, Opp. Bharat Petrol Pump, Lambha, Aslali, Ahmedabad- 382 427

(For the details of change in our Registered Office, please refer to page no.7 of this Draft Red Herring Prospectus)

Tel No.: +91-79- 25731932, Fax No: +91-79-25731351; **Website:** www.asianlogisticsgroup.com; Email: info@asianlogisticsgroup.com

Contact Person: Mr. Muntaha Shaikh, CFO & Compliance Officer; Email: cfo@asianlogisticsgroup.com

Name of Promoters: Mr. Yusufbhai Shaikh and Mr. Arif Shaikh

PUBLIC ISSUE OF 30,61,000 EQUITY SHARES OF ₹ 10/- EACH FOR CASH AT A PRICE OF ₹ [•] PER EQUITY SHARE, AGGREGATING ₹ [•] LAKHS (THE "ISSUE"). THE ISSUE CONSTITUTES 25.06 % OF THE FULLY DILUTED POST ISSUE PAID-UP CAPITAL OF OUR COMPANY.

PRICE BAND: ₹ [•] TO [•] PER EQUITY SHARE OF FACE VALUE OF ₹ 10/- EACH

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

This Issue is being made through a 100% Book Building Process wherein not more than 50% of the Issue to Public shall be available for allocation on a proportionate basis to Qualified Institutional Buyers ("QIBs"). 5% of the QIB Portion shall be available for allocation on a proportionate basis to Mutual Funds only and the remainder shall be available for allotment on a proportionate basis to QIBs and Mutual Funds, subject to valid bids being received from them at or above the Issue Price. Further, not less than 15% of the Issue to Public shall be available for allocation on a proportionate basis to Non Institutional Bidders and not less than 35% of the Issue to Public shall be available for allocation on a proportionate basis to Retail Individual Bidders, subject to valid bids being received at or above the Issue Price.

In case of revision in the Price Band, the Bidding/Issue Period shall be extended for 3 additional working days after such revision of the Price Band, subject to the Bidding/Issue Period not exceeding 10 working days. Any revision in the Price Band, and the revised Bidding/Issue Period, if applicable, shall be widely disseminated by notification to the Bombay Stock Exchange Limited ("BSE") and the National Stock Exchange of India Limited ("NSE"), by issuing a press release and also by indicating the change on the website of the Book Running Lead Manager ("BRLM") and the terminals of the Syndicate Member.

All potential investors may participate in the Issue through an Application Supported by Blocked Amount ("ASBA") process providing details about the bank account which will be blocked by the Self Certified Syndicate Banks ("SCSBs") for the same. For details, please see the section titled "Issue Procedure" on page no. 138 of this Draft Red Herring Prospectus.

RISK IN RELATION TO THE FIRST ISSUE

This being the first issue of the Equity Shares of Asian Logistics Limited (our "Company"), there has been no formal market for the Equity Shares of our Company. **The face value of the Equity Shares of our Company is ₹ 10/- per Equity Share and the Issue Price of ₹ [•] per Equity Share is [•] times of the face value of the Equity Shares of our Company.** The Issue Price (as determined and justified by the Book Running Lead Manager and our Company as stated herein under the paragraph "Basis for Issue Price") should not be taken to be indicative of the market price of the Equity Shares after the Equity Shares are listed. No assurance can be given regarding an active 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 RISKS

Investment 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 risks involved. The Equity Shares issued in the Issue have not been recommended or approved by the Securities and Exchange Board of India ("SEBI") nor does SEBI guarantee the accuracy or adequacy of this Draft Red Herring Prospectus. **Specific attention of investors is invited to the section titled 'Risk Factors' beginning on page no. iii of this Draft Red Herring Prospectus.**

ISSUER'S ABSOLUTE RESPONSIBILITY

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

LISTING

The Equity Shares are proposed to be listed on the Bombay Stock Exchange Limited (BSE) and National Stock Exchange of India Limited (NSE). The in-principle approvals of the BSE and NSE for listing of Equity Shares have been received pursuant to letters dated [•] and [•] respectively. For the purpose of the Issue, the Designated Stock Exchange shall be the "BSE".

IPO GRADING

The Issue has been graded by ICRA and has been assigned "IPO GRADE [•]" indicating [•] vide its letter dated [•]. For more information on IPO Grading, please refer to the section titled "General Information" on page no. 11 of this Draft Red Herring Prospectus.

BOOK RUNNING LEAD MANAGER TO THE ISSUE

	ALMONDZ GLOBAL SECURITIES LIMITED Level-5, Grande Palladium, 175, C.S.T. Road, Kalina Santacruz (E), Mumbai – 400 098 Tel.: +91-22-6643 7600, Fax: +91-22-6643 7700 Website: www.almondzglobal.com Email : asian.ipo@almondz.com Investor Grievance Email Id: complaint@almondz.com Contact Person: Mr. Kaushal Patwa/Ms. Archana Dahake SEBI Registration No.: INM000000834
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REGISTRAR TO THE ISSUE

	LINK INTIME INDIA PRIVATE LIMITED C-13, Pannalal Silk Mills Compound, L.B.S. Marg, Bhandup (W), Mumbai 400 078. Tel.: +91-22-2596 0320, Fax: +91-22-2596 0329 Website: www.linkintime.co.in Email: all.ipo@linkintime.co.in Investor Grievance Email Id: all.ipo@linkintime.co.in Contact Person: Mr. Sanjog Sud SEBI Registration No: INR0000004058
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BID / ISSUE PROGRAMME

BID/ISSUE OPENS ON: [•]

BID/ISSUE CLOSES ON: [•]

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SECTION I - GENERAL

DEFINITIONS AND ABBREVIATIONS

Definitions

Term	Description
“Asian Logistics Limited” or “Asian” or “the Company” or “our Company”	Asian Logistics Limited, a public limited company incorporated under the Companies Act, 1956 having its registered office at Asian House, Beside Shreenath Transport Nagar, Opp. Bharat Petrol Pump, Lambha, Aslali, Ahmedabad- 382 427
“We” or “us” and “our”	Unless the context otherwise requires, refers to Asian Logistics Limited

Conventional or General Terms

Terms	Description
Articles/ Articles of Association	Articles of Association of Asian Logistics Limited, as amended
Auditor / Statutory Auditor	The Statutory Auditor of Asian Logistics Limited viz., M/s Kiritkumar & Co., Chartered Accountants
Board of Directors/ Board	The Board of Directors of Asian Logistics Limited
Companies Act	The Companies Act, 1956, as amended
Director(s)	The Director(s) of Asian Logistics Limited, unless otherwise specified
Equity Shares	Equity Shares of the Company of face value of ₹ 10 each unless otherwise specified in the context thereof
GIR Number	General Index Registry Number
Indian GAAP	Generally Accepted Accounting Principles in India
MOA/Memorandum/ Memorandum of Association	Memorandum of Association of Asian Logistics Limited, as amended
Peer Review Auditor	M/s SAP Associates, Chartered Accountants
Promoter(s)	Promoters of our Company being Mr. Yusufbhai Shaikh and Mr. Arif Shaikh
Promoter Group	The persons and entities constituting our Promoter Group pursuant to Regulation 2(1)(zb) of SEBI (ICDR) Regulations
Promoter Group Companies	KFC Industries Private Limited & KFC Exports Private Limited
Registered Office	The registered office of our Company situated at, Asian House, Beside Shreenath Transport Nagar, Opp. Bharat Petrol Pump, Lambha, Aslali, Ahmedabad- 382 427

Issue Related Terms

Term	Description
Allocation	unless the context otherwise requires, the allocation of Equity Shares

	pursuant to this Issue to the successful Bidders
Allot/ Allotment/ Allotted	unless the context otherwise requires, the allotment of Equity Shares pursuant to this Issue to successful Bidders
Allottee	The successful Bidder to whom the Equity Shares are/have been allotted
Application Supported by Blocked Amount/ ASBA	The application (whether physical or electronic) for subscribing to this Issue alongwith an authorization to SCSB to block the Bid Amount in their specified bank account maintained with the SCSB
ASBA Account	Account maintained by an ASBA Bidder with a SCSB which shall be blocked by such SCSB to the extent of the Bid Amount of the ASBA Bidder, as specified in the Bid cum ASBA Form
ASBA Bidder/ ASBA Investor	means any Investor/Bidder, who intends to bid/apply through ASBA process
ASBA Form/ Bid cum ASBA Form	The form, whether physical or electronic, used by an ASBA Bidder to make a Bid, which will be considered as the application for Allotment for the purpose of the Red Herring Prospectus and the Prospectus
ASBA Revision Form	The forms used by the ASBA Bidders to modify the quantity of Equity Shares or Bid Amount in any of their Bid cum ASBA Forms or any previous ASBA Revision Form(s)
Banker(s) to the Issue / Escrow Banker(s) to the Issue/ Escrow Collection Bank(s)	The banks which are clearing members and registered with SEBI as Bankers to the Issue with whom the Escrow Accounts will be opened, in this case being, [•]
Bid	An indication to make an offer during the Bidding Period by a Bidder pursuant to submission of the Bid cum Application Form or the Bid cum ASBA Form, as the case may be, to subscribe for or purchase the Equity Shares at a price within the Price Band, including all revisions and modifications thereto
Bid Amount	The highest value of the optional Bids indicated in the Bid cum Application Form and payable by the Bidder on submission of the Bid in the Issue
Bid cum Application Form/ Bid Form	The form used by the Bidder (including the format of such application form used by the ASBA Bidder, whether physical or electronic) to make a Bid which will be considered as the application for Allotment for the purpose of the Red Herring Prospectus and the Prospectus
Bid/Issue Closing Date	The date after which the Syndicate Members and SCSBs will not accept any Bids for the Issue, which shall be notified in an English National Newspaper, a Hindi National Newspaper and a Gujarati Newspaper with wide circulation
Bid/Issue Opening Date	The date on which the Syndicate Members and SCSBs shall start accepting Bids for the Issue, which shall be notified in an English National Newspaper, a Hindi National Newspaper and a Gujarati Newspaper with wide circulation
Bidder	Any prospective investor who makes a Bid pursuant to the terms of this Draft Red Herring Prospectus and the Bid cum Application Form or ASBA Form as the case may be
Bidding Period/ Issue	The period between the Bid/Issue Opening Date and the Bid/Issue

Period	Closing Date inclusive of both days and during which prospective Bidders can submit their Bids, including any revisions thereof
Book Building Process	Book Building route as provided in Schedule XI of the SEBI (ICDR) Regulations, in terms of which the Issue is being made
BRLM/Book Running Lead Manager	Book Running Lead Manager to the Issue, in this case being Almondz Global Securities Limited
CAN/Confirmation of Allocation Note	The note or advice or intimation of allocation of Equity Shares sent to the Bidders who have been allocated Equity Shares after the basis of allocation has been approved by the Designated Stock Exchange
Cap Price	The upper end of the Price Band including any revision thereof, above which the Issue Price will not be finalized and above which no Bids will be accepted
Controlling Branches	Such branches of the SCSBs which coordinate Bids under this Issue by ASBA Bidders with the Registrar to the Issue and the Stock Exchanges and a list of which is available at http://www.sebi.gov.in/pmd/scsb.pdf or at such other website as may be prescribed by SEBI from time to time
Cut-off Price	The Issue Price finalized by our Company in consultation with the BRLM and it shall be any price within the price band. Only Retail Individual Bidders are entitled to bid at Cut-off Price, for a Bid Amount not exceeding ₹ 2,00,000. Qualified Institutional Buyers and Non-Institutional Bidders are not entitled to bid at Cut-off Price
Depositories Act	The Depositories Act, 1996, as amended from time to time
Depository	A body corporate registered under the SEBI (Depositories and Participants) Regulations, 1996, as amended from time to time
Depository Participant/DP	A Depository Participant as defined under the Depositories Act
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 and a list of which is available on http://www.sebi.gov.in/pmd/scsb.pdf or at such other website as may be prescribed by SEBI from time to time
Designated Date	The date on which funds are transferred from the Escrow Account or the amount blocked by the SCSB is transferred from the ASBA Account, as the case may be, to the Public Issue Account or the Refund Account, as appropriate, after the Prospectus is filed with the Registrar of Companies, following which the Board of Directors shall allot the Equity Shares to successful Bidders
Designated Stock Exchange	Bombay Stock Exchange Limited
Draft Red Herring Prospectus/Draft RHP/DRHP	The Draft Red Herring Prospectus dated June 25, 2011 issued in accordance with Section 60B of the Companies Act and SEBI (ICDR) Regulations, approved by the Board of Directors and which does not contain complete particulars of the price at which the Equity Shares are offered and size of this Issue
Electronic ASBA	Submission of Bid cum ASBA Form electronically, by an ASBA Investor, through the internet banking facility offered by the SCSBs.
Eligible NRI(s)	NRI(s) from jurisdictions outside India where it is not unlawful to make

	an issue or invitation under the Issue and in relation to whom the Red Herring Prospectus constitutes an invitation to subscribe to the Equity Shares
Equity Shares	Equity shares of our Company of face value of ₹ 10/- each, unless otherwise specified
Escrow Account	Account opened with the Escrow Collection Bank(s) for the Issue and in whose favour the Bidder (excluding the ASBA 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, the Escrow Collection Bank(s), the BRLM, and the Syndicate Member(s) for collection of the Bid Amounts and for remitting refunds (if any) of the amounts collected, to the Bidders (excluding the ASBA Bidders) on the terms and conditions thereof
First Bidder	The Bidder whose name appears first in the Bid cum Application Form or Revision Form or the Bid cum ASBA Form or ASBA Revision Form
Floor Price	The lower end of the Price Band, at or above which the Issue Price will be finalized and below which no Bids will be accepted
Issue/Public Issue	Public Issue of 30,61,000 Equity Shares of ₹ 10/- each for cash at a Price of ₹ [•] Per Equity Share, aggregating ₹ [•] lakhs (The "Issue"). The Issue constitutes 25.06 % of the fully diluted post issue paid-up capital of our Company.
Issue Price	The final price at which the Equity Shares will be allotted in terms of the Red Herring Prospectus, as determined by our Company in consultation with BRLM on the Pricing Date
Issue Proceeds	The gross proceeds of this Issue that would be available to our Company after the final listing and trading approvals are received
Members of the Syndicate	The BRLM and the Syndicate Member(s)
Mutual Fund	A mutual fund registered with SEBI under the SEBI (Mutual Funds) Regulations, 1996
Mutual Funds Portion	5% of the QIB portion or 76,525 Equity Shares available for allocation to Mutual Funds only, out of the QIB Portion
Non-Institutional Bidders	All Bidders that are not eligible Qualified Institutional Buyers for this Issue, including affiliates of BRLM and Syndicate Member(s), or Retail Individual Bidders and who have bid for an amount more than ₹ 2,00,000 (but not including NRIs other than eligible NRIs)
Non-Institutional Portion	The portion of the Issue being not less than 4,59,150 Equity Shares, available for allocation to Non Institutional Bidders
Non Resident	A person resident outside India, as defined under FEMA and includes a Non Resident Indian, FIIs registered with SEBI and FVCIs registered with SEBI
NRI/ Non-Resident Indian	A person resident outside India, who is a citizen of India or a Person of Indian origin and shall have the same meaning as ascribed to such term in the Foreign Exchange Management (Deposit) Regulations, 2000 as amended
Physical ASBA	ASBA Forms submitted by an ASBA Investor physically with designated branches of the SCSBs or the Syndicate/sub-Syndicate

	Members.
Price Band	Price band of a minimum price of ₹ [•] per Equity Share (Floor Price) and the maximum price of ₹ [•] per Equity Share (Cap Price), both inclusive and includes revisions thereof
Pricing Date	The date on which our Company, in consultation with the BRLM, finalizes the Issue Price
Prospectus	The Prospectus to be filed with the RoC in accordance with 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/ Issue Account	An account opened with Bankers to the Issue for the purpose of transfer of monies from the Escrow Accounts and from the accounts of the ASBA Bidders on the Designated Date
QIB Portion	Not more than 50% of the Issue being 15,30,500 Equity Shares of ₹ 10/- each available for allocation to QIB bidders
Qualified Institutional Buyers / QIBs	Public Financial Institutions as specified in Section 4A of the Companies Act, Foreign Institutional Investors and sub account registered with SEBI, other than a sub-account which is a foreign corporate or foreign individual, Scheduled Commercial Banks, Mutual Funds registered with SEBI, Venture Capital Funds registered with SEBI, Foreign venture capital funds registered with SEBI, Multilateral and bilateral development financial institutions, State Industrial Development Corporations, Insurance Companies registered with the Insurance Regulatory and Development Authority, Provident Funds with minimum corpus of ₹ 2500 lakhs, Pension Funds with minimum corpus of ₹ 2500 lakhs, National Investment Fund, set up by resolution no. F. No. 2/3/2005-DDII dated November 23, 2005 of the Government of India published in the Gazette of India, Insurance funds set up and managed by army, navy or air force of the Union of India and Insurance funds set up and managed by the Department of Posts, India
Red Herring Prospectus or RHP	The document issued in accordance with Section 60B of the Companies Act, which does not have complete particulars of the price at which the Equity Shares are issued and the size of Issue. The Red Herring Prospectus will be filed with the RoC at least three days before the Bid/Issue Opening Date and will become a Prospectus after filing with the RoC after Pricing Date.
Refund Account	An account opened with an Escrow Collection Bank, from which refunds of the whole or part of the Bid Amount (excluding to the ASBA Bidders), if any, shall be made
Refund Bank(s)	[•]
Refunds through electronic transfer of funds	Refunds through ECS, Direct Credit, RTGS or NEFT or the ASBA Process as applicable
Registrar/Registrar to the Issue	Link Intime India Private Limited
Retail Individual Bidders	Individual Bidders (including HUFs applying through their Karta and Eligible NRIs and does not include NRIs other than Eligible NRIs) who

	have made their bid for Equity Shares for a cumulative amount of not more than ₹ 2,00,000.
Retail Portion	The portion of the Issue being 10,71,350 Equity Shares available for allocation to Retail Individual Bidder(s)
Revision Form	The form used by the Bidders excluding ASBA Bidders, to modify the quantity of Equity Shares or the Bid Amount in any of their Bid cum Application Form or any previous Revision Form(s)
SEBI	The Securities and Exchange Board of India constituted under the SEBI Act, 1992
SEBI Act	Securities and Exchange Board of India Act, 1992, as amended
SEBI (ICDR) Regulations	Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009, as amended
SEBI Takeover Regulations	Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeover) Regulations, 1997, as amended
Securities Act	U.S. Securities Act, 1933, as amended
Stock Exchanges	The Bombay Stock Exchange Limited and the National Stock Exchange of India Limited
Self Certified Syndicate Bank / SCSB	SCSB is a bank, registered under the SEBI (Bankers to an Issue) Regulations, 1994, 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 on http://www.sebi.gov.in/pmd/scsb.pdf or at such other website as may be prescribed by SEBI from time to time
Sub-Syndicate Member(s)	A SEBI Registered member of BSE and/or NSE appointed by the BRLM and/or the Syndicate Member to act as sub-Syndicate Member in the Issue
Syndicate Agreement	The agreement to be entered into among our Company and Syndicate Member(s) in relation to the collection of Bids in the Issue (excluding Bids from the ASBA Bidders)
Syndicate ASBA	A Bid submitted by an ASBA Bidder through the Syndicate/sub-Syndicate Member instead of the Designated Branches
Syndicate ASBA Centres	Centres established by the Escrow Collection Banks at Mumbai, Chennai, Kolkatta, Delhi, Ahmedabad, Rajkot, Jaipur, Bangalore, Hyderabad, Pune, Baroda and Surat, and such other centres as may be prescribed by SEBI from time to time, wherein pursuant to the SEBI Circular dated April 29, 2011, bearing no. CIR/CFD/DIR/1/2011, ASBA Bidders are permitted to submit their Bids to the Syndicate/sub-Syndicate Members
Syndicate Member(s)	[•]
TRS or Transaction Registration Slip	The slip or document issued by the Syndicate Member to the Bidder as proof of registration of the Bid
Underwriter(s)	The BRLM and the Syndicate Member(s)
Underwriting Agreement	The Agreement among the Underwriter(s) and our Company to be entered into on or after the Pricing Date

Company and Industry Related Terms

Term	Description
CVs	Commercial Vehicles
FTL	Full Truck Load
IMaCS	ICRA Management Consulting Services Limited
JMFC	Judicial Magistrate First Class
LTL	Less than Truck Load
NHDP	National Highways Development Programme
VAT	Value Added Tax

Abbreviations

Abbreviation	Full Form
A/c	Account
AGM	Annual General Meeting
AS	Accounting Standards as issued by the Institute of Chartered Accountants of India
BSE	Bombay Stock Exchange Limited
CAGR	Compounded Annual Growth Rate
CDSL	Central Depository Services (India) Limited
CIN	Corporate Identity Number
ECS	Electronic Clearing System
EOGM	Extraordinary General Meeting
EPS	Earning Per Share
ESOP	Employee Stock Option Plan
ESOS	Employee Stock Option Scheme
FCNR Account	Foreign Currency Non Resident Account
FEMA	Foreign Exchange Management Act, 1999, as amended, and the regulations framed there under
FIIIs	Foreign Institutional Investors (as defined under FEMA (Transfer or Issue of Security by a Person Resident outside India) Regulations, 2000) registered with SEBI under applicable laws in India
FIPB	Foreign Investment Promotion Board
FVCI	Foreign Venture Capital Investor, (as defined under SEBI (Foreign Institutional Investors) Regulations, 1995), registered with SEBI
FY/ Fiscal/ Financial Year	Period of twelve months ended March 31 of that particular year, unless otherwise stated
GDP	Gross Domestic Product
GoI/ Government	Government of India
HUF	Hindu Undivided Family
I.T. Act	Income Tax Act, 1961, as amended
IPC	Indian Penal Code
IPO	Initial Public Offering
MOU	Memorandum of Understanding

Abbreviation	Full Form
NA	Not Applicable
NAV	Net Asset Value
NEFT	National Electronic Funds Transfer
NPV	Net Present Value
NRI	Non Resident Indians
NRE Account	Non Resident External Account
NRO Account	Non Resident Ordinary Account
NSDL	National Securities Depository Limited
NSE	National Stock Exchange of India Limited
OCB	Overseas Corporate Bodies
p.a.	Per annum
PAN	Permanent Account Number
PAT	Profit After Tax
P/E Ratio	Price/Earnings Ratio
RBI	Reserve Bank of India
RoC	Registrar of Companies, Ahmedabad
RONW	Return on Net Worth
₹/ Rs./ INR	Rupees, the official currency of the Republic of India
RTGS	Real Time Gross Settlement
SCRA	Securities Contract (Regulation) Act, 1956, as amended
SCRR	Securities Contracts (Regulation) Rules, 1957, as amended
SICA	Sick Industrial Companies (Special Provisions) Act, 1985, as amended from time to time
u/s	Under Section
U.S./ US	United States of America
VCF	Venture Capital Fund as defined and registered with SEBI under SEBI (Venture Capital Funds) Regulations, 1996 as amended
w.e.f.	With effect from
YoY	Year over year

SECTION II: RISK FACTORS

CERTAIN CONVENTIONS; USE OF FINANCIAL INFORMATION AND MARKET DATA

In this Draft Red Herring Prospectus, unless the context otherwise requires, all references to one gender also refers to the other gender. All references to “India” contained in this Draft Red Herring Prospectus are to the Republic of India.

Fiscal year of our Company commences on April 1 and ends on March 31, so all references to a particular “fiscal year” or “Fiscal” are to the twelve-month period ended March 31 of that year, unless otherwise specified. In this Draft Red Herring Prospectus, any discrepancies in any table between the total and the sums of the amounts listed are due to rounding off.

For additional definitions, see the section titled ‘Definitions and Abbreviations’ beginning on page no. a of this Draft Red Herring Prospectus.

In the sections titled ‘Main Provisions of Articles of Association of the Company’, ‘Statement of Tax Benefits’, and ‘Financial Statements of the Company’ beginning on page nos. 183, 38 and 89 respectively of this Draft Red Herring Prospectus, defined terms have the meaning given to such terms of our Company in the sections titled ‘Statement of Tax Benefits’ and ‘Financial Statements of the Company’ respectively. Market data used throughout this Draft Red Herring Prospectus has been obtained from industry publications and internal company reports. Industry publications generally state that the information contained in those publications has been obtained from sources believed to be reliable but that their accuracy and completeness are not guaranteed and their reliability cannot be assured. Although our Company believes market data used in this Draft Red Herring Prospectus is reliable, it has not been independently verified. Similarly, internal Company reports, while believed by our Company to be reliable, have not been verified by any independent source.

FORWARD LOOKING STATEMENTS

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

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

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

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

RISK FACTORS

An investment in Equity Shares involves a high degree of risk. You should carefully consider all of the information in this Draft Red Herring Prospectus, including the risk and uncertainties described below, before making an investment in our equity shares. If any of the following risk actually occurs, our business, results of our operations and financial condition could suffer, the trading price of our equity shares could decline, and you may lose all or part of your investment.

The Draft Red Herring Prospectus also contains forward-looking statements that involve risks and uncertainties. Our actual results could differ materially from those anticipated in these forward-looking statements as a result of certain factors, including the considerations described below and elsewhere in the Draft Red Herring Prospectus.

Unless specified or quantified in the relevant risk factors mentioned below, the Company is not in a position to ascertain the financial and other implication of any of the other risks mentioned below.

Materiality

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

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


Internal Risk Factors


1. *We are in the process of obtaining non agricultural permission for our Registered Office. If the said permission is not granted, it may adversely affect our business operations.*

The property, on which our Registered Office is situated, was initially acquired by Mr. Arif Shaikh (erstwhile partner and now Promoter) on behalf of and for the benefit of the firm. This property was acquired with the intention of transferring the same in the name of the erstwhile firm after conversion of the said property into non-agricultural land. Thus, Mr. Arif Shaikh entered into an Agreement to Sell dated January 27, 2005 with the erstwhile partnership firm.

A permission was required from the Collector for conversion of the said property from agricultural to non-agricultural usage, however, no permission was obtained for using the said property for commercial purposes. We had obtained an order no. N.A./Unit-2/LAMBHA/CASE NO. 266, 302, 380/2006-07 dated December 29, 2009 from the Office of the Deputy Collector, Jilla Seva Sadan, Subhash Bridge Circle, Ahmedabad, which levied a penalty for commercial usage since year 1998-99. Pursuant to this Order, we had paid a penalty of ₹ 3.27 lakhs in September, 2010. Further, the said order also stated that within three months the construction standing on the said land shall be removed and same to be vacated or in three months the occupant shall obtain permission and get the plan approved from Ahmedabad Municipal Corporation. The said order also states that their office had issued a legal notice/show-cause notice to the erstwhile owners for taking necessary

action. We, our Promoters, either in their capacity as Promoter(s) of our Company or as partners of erstwhile firm, however, had not received any correspondence from any regulatory authorities in this regard. We have made an application dated February 11, 2011 for approval of plans for regularizing the construction standing on the said land. There is no assurance that we will receive the permission on time, or at all. Our failure to obtain the requisite permission may adversely affect our business operations.

2. *We do not own the trademark  and unauthorised parties may infringe upon or misappropriate our intellectual property. This could have a material adverse effect on our business which in turn may adversely affect our results of operations.*

The trademark  has not been registered by our Company. We have made an application for registration of our trademark under class 39 to the Registrar of Trade Marks, Ahmedabad by an application dated April 6, 2010. The application for our trademark has been objected by the Registrar of Trademarks, Mumbai and the examination report reflects that the Trade Mark application is open to objection on relative grounds of refusal under Section 11 of the Act because the same/similar trade mark(s) is/are already on record of the register for the same or similar goods/services. The same has been replied to by the Company vide its reply dated March 7, 2011. However, the same is pending further revert from the Registry. There is no assurance that the application for the registration of our trademark will be approved by the Trade Marks Registry, Ahmedabad. If we are unable to obtain registration of our trademark we may not be able to successfully enforce or protect our intellectual property rights and obtain statutory protections available under the Trade Mark Act, 1999, as otherwise available for registered marks. This could have a material adverse effect on our business, which in turn adversely affect our results of operations.

3. *We depend upon the attached carriers for a major part of our business. This may result in delays in delivering the goods on time, which in turn may lead to customer dissatisfaction and loss of further business.*

As on the date of this Draft Red Herring Prospectus we have a fleet of 21 vehicles and more than 500 attached carriers. The freight income from attached carriers accounted for 78.93% of the operating income for FY 2010-11. In the event of non availability of our own vehicles we depend upon these attached carriers. We do not own or control these transportation assets that deliver our customer goods and we do not employ the people directly involved in delivering the goods. We rely upon these attached carriers for delivering the goods of the customers and for providing information related to delivery and freight claims. Our reliance on hired transportation could cause delays in delivery of goods to our customers which could further result in claims from customers. If we are unable to source the attached carriers as and when needed and/ or fail to meet our commitments to our customers, it may lead to customer dissatisfaction and loss of further business, which in turn could adversely affect the business operations of our Company.

4. *We enter into agreements for use of attached carriers on hire basis. The non renewal or renewal on unfavourable terms may adversely affect our business operations.*

We operate with more than 500 attached carriers. A major part of our business depends on these carriers and we enter into agreements for the use of such carriers. These agreements are generally

entered for a period of one year. In the event that the agreement is not renewed on expiry or is renewed on unfavourable terms and conditions, our business operations may be adversely affected.

5. An upward trend in the prices of the fuel and our inability to pass the cost of fuel to our customers could adversely affect our operations and profitability

Fuel costs form an integral component of our operating cost. In the FY 2010-11, fuel cost comprised 56% of the total operating costs. Thus, our results of operation and financial condition depend substantially on the price of fuel. The prices of such fuels, which are petroleum products, in turn, depend on several factors beyond our control, including, inter alia:

- i. The international prices of crude oil and petroleum products,
- ii. Global and regional demand and supply conditions,
- iii. Geopolitical uncertainties,
- iv. Import cost of crude oil,
- v. Central and State government policies and regulations concerning pricing, subsidies,
- vi. Price and availability of alternative fuels and technologies,

The price of crude oil and petroleum products has risen significantly over the years.

In view of the above, we are exposed to the impact of frequent fluctuations in fuel prices. In the event of rise in fuel prices, we may not be able to pass on this increase in price to our customers either wholly or partly, which would adversely affect our profit margins. Further, we may not be able to accurately gauge or predict the volatility and trends in fuel price movements which may affect our business plans and prospects, growth estimates, financial condition and results of operations.

6. Our business completely relies on road transport and any disruptions/ delays could negatively affect us and lead to a loss of reputation and/ or profitability.

Our business completely relies on road network for its operations. There are various factors which affect road transport such as political unrest, communal riots, bad weather conditions, natural calamities, regional disturbances, negligent driving, improper conduct of the drivers, theft, accidents or mishaps, communal violence, third party negligence, pilferage, and other reasons. Some of these factors could cause extensive damage and affect our operations and/ or the condition of our fleet and thereby increase our maintenance and operational cost. Also, any such interruption or disruptions could cause delays in the delivery of our consignment at their destination and/ or also cause damage to the transported goods. We may be held liable to pay compensation for losses incurred by our customers in this regard, and/ or losses or injuries sustained by other third parties. Further, such delays and/ or damage may cause a loss of reputation, which, over a period of time could lead to a decline in business. In the event that the goods to be delivered are perishable in nature, any delay in the delivery of such goods also exposes us to additional losses and claims. Although, some of these risks are beyond our control, we may still be liable for the condition of these goods and their timely delivery and any disruptions/ delays could negatively affect us and lead to a loss of reputation and/ or profitability.

7. Our goods transport business is subject to certain taxes, which may significantly affect our profits

Our goods transport business has a multiplicity of taxes as taxes are levied at the Union level, State level and at the local administration. The various taxes include: national tax by the Union Government; Motor Vehicle Tax, and goods tax by the State Government and octroi and tolls by the local body. For example, we have to pay local tax to Gujarat government every six months for each of our vehicles purchased in Gujarat and to Andhra Pradesh government every three months for each of our vehicles purchased in Andhra Pradesh. Apart from this we also have to pay national tax every year for each of our owned vehicles to the central government. Any increase in rates of any of these taxes may adversely affect our profitability.

8. *We do not verify the contents of the parcels transported by us exposing us to the risks associated with transport of hazardous and/or illegal goods, which could adversely affect our operations and also our reputation.*

We undertake transport of various goods viz. ceramics, glass, chemicals etc. as part of our goods transport business. However, we do not independently verify the contents of parcels being transported. We also do not have any tools/equipments to check all the consignments before they are loaded into our vehicles. Therefore, we cannot guarantee that these consignments carried by us do not contain any hazardous/illegal goods. In the event that such goods are found in our vehicles, our vehicles may be confiscated, which could in turn, adversely affect our operations and also our reputation.

9. *The transport industry is affected by numerous factors that are out of our control.*

Businesses operating in the transport industry are affected by numerous factors that are out of their control, including weather conditions, both as currently experienced and as might be experienced due to climate change, traffic conditions, road closures and construction-related and other delays. Further, time-consuming and complex border-crossing procedures cause significant journey time delays and poor journey time reliability on road movements. These events cause additional costs, both in terms of actual fees and charges for services provided, and as a result of time delays and unreliability in delivery. We cannot assure you that these factors and conditions will not delay our goods and passengers, impact our ability to operate without disruption or otherwise have a material adverse effect on our business, financial condition and results of operations. In addition, many local, state and central transportation authorities levy tolls on vehicles for their use of highways and other roads. As the need for improvements to these highways and other roads arise, we expect that many of these tolls may be increased and that other transportation authorities will levy additional tolls and fees on vehicles for use of the roadways. We cannot assure you that we will be able to pass any portion these expenses on to our customers, and any failure to do so could have a material adverse effect on our business, financial condition and results of operations.

10. *We may source our vehicles from various states and thus are exposed to different tax regimes that may affect our costs and profitability of the Company.*

We propose to increase our fleet size through the proposed expansion. We may source these vehicles from various states and may be exposed to different tax regimes in different states which may adversely affect our costs and profitability.

11. We operate in a highly competitive industry and, if we are unable to adequately address factors that may adversely affect our revenue and costs on account of increased competition, our business could suffer.

We operate in a very fragmented and competitive industry. Increased competition may lead to revenue reductions, reduced profit margins, or a loss of market share, any one of which could harm our business. There are many factors that could impair our ability to maintain our current profitability, including the following:

- (a) competition with other companies offering transportation services, some of which may develop a broader coverage network, a wider range of services, and greater capital resources than we do;
- (b) reduction by our competitors of their freight rates to gain business, especially during times of declining growth rates in the economy, which may limit our ability to maintain or increase freight rates, maintain our operating margins, or maintain significant growth in our business;
- (c) solicitation by customers of bids from multiple carriers for their transportation needs and the resulting depletion of freight rates or loss of business to competitors;
- (d) development of an operational model similar to ours by a competitor with sufficient financial resources and comparable experience in the logistics services industry;
- (e) establishment of better relationships by our competitors with their customers; and
- (f) The small unorganized players at a regional level may not comply with applicable statutory and regulatory requirements and due to which they may be able to operate at lower cost and consequently offer lower prices than us.

If we are unable to effectively compete with other participants in the goods transport industry, whether on the basis of pricing, services or otherwise, we may be unable to retain existing customers or attract new customers, which could have a material adverse effect on our business, financial condition and results of operations.

12. The success of our transport business is dependent on our ability to maintain the level of service we currently provide to our customers and to anticipate and respond to their requirements as well as any technological advancement. Any failure to maintain the service/anticipate and respond to their requirements could adversely impact our operations, growth and profitability.

Despite the greater potential benefits from adopting new technologies in a more competition, fragmented market size, and smaller size of operations have resulted in most Indian road transport operators lagging in their adoption of new technologies. On the other hand; manufacturers, retailers and logistics companies are becoming increasingly aware of the importance of time in the supply chain. It can result in additional costs due to the need for expensive stockholding. Also, shortening product life-cycles are making it increasingly important for producers and retailers to get products to market as quickly as possible. As a result, larger buyers of transport services are

rationalising and reducing the number of transport and logistics service providers they deal with, in much the same way as they have rationalised their production and warehousing operations.

Further, the success of our transport business is dependent on several factors viz. reliability, delivery time, adopting to technological advancement, security and personalized service. Our business may suffer if we are not able to maintain the level of service provided by us to our customers. Any failure to adequately anticipate, understand and address our customer needs, could adversely impact our operations, growth and profitability.

13. None of our drivers is on our payroll and we do not enter into any agreement/contract with them. Any inability to hire experienced drivers, will adversely affect our business, financial condition and results of operations.

We rely significantly on our drivers. None of our drivers is on our payroll and we do not enter into any agreement/contract with them. There has been a significant increase in the demand for experienced drivers in the recent years. Our industry suffers from high turnover of drivers. Any inability on our part to hire experienced drivers will adversely affect our business, financial condition and results of operations.

14. We are dependent on various third parties for the timely supply of vehicles and equipments required by us. Any delay in supply, non-availability or increase in prices could adversely affect our business operations and profitability.

We depend on various third parties for the vehicles, other equipments and spare parts. The failure of the suppliers to deliver the vehicles and equipments on time and as per our requirements could adversely affect our business operations. Also, any increase in the prices of these vehicles, associated taxes etc. may affect our profitability. Thus, any delay in supply, non-availability or increase in prices could adversely affect our business operations and profitability.

15. Any disproportionate increase in labour costs including increase in wage/salary demand, labour unrest or claims arising from accidents may adversely affect our business operations and financial conditions.

Our increasing business operations may require our employee strength to increase in future. At present, our Company's employees are not represented by any labour unions. Though in the past we have not experienced any labour unrest, there is no assurance that we will not experience the same at any time in the future. Also, there is a possibility that the labour costs increase disproportionately due to increase in wage/salary demand. In the event we are unable to pass on the increased costs to our customers, our business operations and financial conditions may be adversely affected.

16. 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, stagnancy in freight rate movements, downturns in business cycles of our customers, fuel shortages, price increases by carriers, interest rate fluctuations, and other

economic factors beyond our control. In such events, the operating expenses are higher, and if we are unable to pass through to our customers the amount of higher transportation costs our gross profits and income from operations may decrease. If economic recession or a downturn in our customers business cycles causes a reduction in the volume of goods transported by those customers, our operating results could also be adversely affected.

17. Our Company operates under several regulatory 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 regulatory licenses and approvals for operating our business. It is subject to a number of transportation laws and regulations which are liable to change based on new legislation and regulatory initiatives. We are required to comply with various regulations in connection with restrictions which specify the actual weight to be carried by our vehicles, permissible emission limits or restrictions on the age of vehicles operating within certain states. Many of these approvals require renewal from time to time. The 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.

Also, we require certain approvals/licenses for our proposed transport yards at Ahmedabad & Vijayawada and for the new vehicles purchased. The applications for renewal or grant of such licenses/approvals will be made to the respective authorities as and when required. There can be no assurance that the relevant authority will issue/renew any of such licenses/approvals. If we do not receive the requisite approvals/licenses, our operations may be adversely affected.

For details of all such licences/approvals relating to the existing business and proposed expansion, please refer to the section titled 'Government Approvals / Licensing Arrangements' on page no. 120 of this Draft Red Herring Prospectus.

18. We have applied for certain approvals / registrations. Our failure to get such approvals / registrations may have an adverse impact on our business operations.

We have applied for registration of Establishment under Andhra Pradesh Shops and Establishments Act, 1988 for our booking office situated at Hyderabad and for registration under Motor Transport Workers Act, 1961. We may not be able to obtain the said registrations which may have an adverse effect on our business operations and results of operations.

19. Our booking office at Hyderabad is on leave & license. Discontinuation of this agreement or renewal on unfavourable terms may require us to vacate the premises which may have adverse effect on our business continuity and profitability.

Our booking office at Hyderabad is on leave & license till March 31, 2012. If the owner of the premises of our booking office at Hyderabad does not renew the agreement or renews the agreement on such terms and conditions unfavourable to us, we may suffer disruption in our operations, which could have a material adverse effect on our business operations and financial condition.

- 20. We have not entered into any long-term contracts with any of our customers and typically operate on the basis of orders, which could adversely impact our revenues and profitability.***

We do not have any long-term contracts with our customers and any change in the customer preferences or requirements could adversely affect the business of our Company. Although we believe that we have satisfactory business relations with our customers and have received continued business from them in the past, there is no certainty that the same will continue in the years to come and may affect our profitability.

- 21. In the past, our Company has sought and been granted compounding for non-compliance with the Companies Act.***

Our Company, alongwith Mr. Arif Shaikh, Chairman & Managing Director applied to the Company Law Board at Mumbai for compounding for non-compliance of Sections 383A of the Companies Act, for appointment of Company Secretary and 269 of the Companies Act for appointment of Managing Director. Our Company has paid an amount of ₹ 0.70 lakh as penalty towards the above mentioned offenses on February 12, 2011. We have received the orders dated March 15, 2011 from the Company law Board granting the compounding for non compliance of Section 383A and 269 of the Companies Act. While these past contraventions of the Companies Act have been compounded by the Company Law Board, there can be no assurance that we will be able to compound future contraventions, if any.

- 22. We have not yet placed orders for 100% of vehicles required by us. Further, neither we have identified any land nor entered into any agreement / memorandum of understanding for purchase of land for the proposed transport yards for which funds are being raised through this Issue. Any delay in placing the orders or supply of the vehicles or acquisition of land may result in time and cost overruns, and may adversely affect our profitability.***

The net proceeds of the Issue are proposed to fund the planned expansion as explained in the section "Objects of the Issue" beginning on page no. 26 of this Draft Red Herring Prospectus. We have not yet placed orders for the vehicles aggregating to ₹ 2102.85 lakhs (constituting 79.04% of the total capital expenditure for the proposed expansion) required by us. We are therefore subject to risks on account of inflation in the price of the commercial vehicles. Further, neither we have identified any land nor entered into any agreement/memorandum of understanding for purchase of lands for our proposed transport yards at Ahmedabad and Vijayawada, which has been estimated at a cost of ₹ 373.29 lakhs. Any delay in placing the orders or supply of these vehicles or acquisition of lands may delay the implementation schedule, resulting in time and cost overruns and could also adversely affect the profitability.

- 23. We have not appointed any Independent agency for appraisal of our proposed expansion. The cost of our proposed expansion is based on our own estimates which may vary depending upon factors like increase in prices due to which the cost of our proposed expansion may be adversely affected, in turn affecting our financial operations***

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. The deployment of funds is entirely at the discretion of our Board of Directors within the parameters as

mentioned in the section titled “Objects of the Issue” beginning on page no. 26 of this Draft Red Herring Prospectus and is not subject to any monitoring by any independent agency. All the figures included under the section titled “Objects of the Issue” beginning on page no. 26 of this Draft Red Herring Prospectus are based on our own estimates and the quotations we have received from various suppliers, which may vary depending upon factors like increase in prices due to which the cost of proposed expansion may be adversely affected. We can not assure that we will be in a position to set our proposed expansion in the stated means of finance. We may have to revise our management estimates from time to time and consequently, our funding requirement may also be changed. In case of any increase in cost of proposed expansion, our financial position may be adversely affected.

24. Delay in raising funds from the IPO could adversely impact the implementation schedule. Any time/cost overrun may adversely affect our growth plans and profitability.

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

25. Our Company is subject 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, participating in any activity outside the ordinary course of business, changes in the face value of or rights attached to any of the shares of our Company, disposing of any material part of its assets having monetary value not less than ₹ 2500 lakhs, etc. 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’ Agreement” on page no. 66 under the Chapter titled “History and Certain Corporate Matters” of the Draft Red Herring Prospectus.

26. We avail loans from various non-banking financial companies for purchase of vehicles owned by us. In the event that we fail to service our debt obligations or comply with the covenants of the loan agreements, the respective lenders could declare us in default under the terms of our borrowings or may increase the maturity of our obligations resulting in adverse effect on business and results of operations.

We have availed loans from various non-banking financial companies for the purchase of vehicles owned by us. Our ability to service our debt obligations will depend entirely on the cash flow generated by our business in the future. In the event that we fail to service our debt obligations or comply with the covenants of the loan agreements, the respective lenders could declare us in default under the terms of our borrowings or may increase the maturity of our obligations. Failure

to meet our obligations could have an adverse affect on our business and results of operations and we may not be able to obtain loans n terms favourable to us.

27. Unsecured loans taken by our Company may be recalled by our lenders at any time affecting our immediate cash flows.

Our Company has outstanding unsecured loans amounting to ₹ 8.75 lakhs as on March 31, 2011 based on restated financial statements. These loans have no specific terms with regard to the repayment as they are also not secured by a charge on any of the assets of our Company. Due to the absence of any specific terms regarding their repayment, the said loans can be recalled by their respective lenders at any given point of time and our Company will be forced to make arrangements for their repayment, which in turn could adversely affect our immediate cash flows.

28. We have planned capital expenditure, which may not yield the benefits intended.

We are embarking upon an expansion and are proposing to incur capital expenditure of ₹ 2660.64 lakhs, as detailed in the section titled “Objects of the Issue” beginning on page no. 26 of this Draft Red Herring Prospectus. In the past, we have not undertaken capital expenditure of such size and our inability to manage capital expenditure may adversely affect our operations.

29. Our inability to manage growth could disrupt our business and reduce our profitability.

A principal component of our strategy is to continue to grow by expanding the size and geographical scope of our businesses. This growth strategy will place significant demands on our management, financial and other resources. It will require us to continuously develop and improve our operational, financial and internal controls. Continuous expansion increases the challenges involved in financial management, recruitment, training and retaining high quality human resources, preserving our culture, values and entrepreneurial environment, and developing and improving our internal administrative infrastructure. Any inability on our part to manage such growth could disrupt our business prospects, impact our financial condition and adversely affect our results of operations.

Further, our total income has increased from ₹ 1005.14 lakhs during 2008-09 to ₹ 1712.11 lakhs during 2009-10 showing an increase of 70.34%; and from ₹ 1712.11 lakhs during 2009-10 to ₹ 2125.67 lakhs during 2010-11 showing an increase of 24.15%. Similarly, profit after tax showed an increase of 455.65% and 38.69% during 2009-10 and 2010-11 respectively. We may not be able to sustain such abnormal growth in revenues and profits or maintain a similar rate of growth in the future. Any inability to manage our growth efficiently may have an adverse effect on our business and results of operations.

30. Our Promoter Group Companies are involved in certain legal proceedings and any unfavorable outcome of the proceedings may impact our business operations to some extent.

Our Promoter Group Companies are involved in legal proceedings in relation to certain matters. Any adverse order passed by the court may force these companies to make a provision in their financials or could increase their expenses and current liabilities. An unfavorable outcome of any of these proceedings may impact our reputation in the market in turn affecting our business

operations. A brief summary of these cases are set out below. For further details please refer to the Section on "Outstanding Litigations and Material Developments" on page no. 116 of this Draft Red Herring Prospectus.

Cases filed against our Promoter Group Companies:

Nature of the Case	Brief summary of the case	Amount involved	Current Status
KFC Exports Private Limited			
GVAT	Gujarat VAT Tribunal, Ahmedabad, Second Appeal No. 654 of 2010.	₹ 262.01 lakhs being the amount of penalty imposed along with seizure of ₹ 0.47 lakhs as amount collected as unauthorized tax.	Second Appeal No. 654 of 2010 before the Gujarat VAT Tribunal has been preferred against the order of the learned Deputy Commissioner of Commercial Taxes, which is currently pending.
KFC Industries Private Limited			
GVAT	Gujarat VAT Tribunal, Ahmedabad, Second Appeal No. 671 of 2010.	₹ 260.12 lakhs being the amount of penalty imposed along with seizure of ₹ 0.46 lakhs as amount collected as unauthorized tax.	Second Appeal No. 671 of 2010 before the Gujarat VAT Tribunal has been preferred against the order of the learned Deputy Commissioner of Commercial Taxes, which is currently pending.

31. Our Promoter Group Companies have incurred losses during the last three financial years.

Our Promoter Group Companies viz. KFC Industries Private Limited and KFC Exports Private Limited have incurred losses during the last three financial years, details of which are as under:

(₹ in lakhs)

Name of the Company	Profit / (Loss)		
	March 31, 2008	March 31, 2009	March 31, 2010
KFC Industries Private Limited	5.43	3.26	(31.79)
KFC Exports Private Limited	-*	(0.24)	0.62

* incorporated in the FY 2008-09

32. The object clause of one of our Promoter Group Companies viz. KFC Industries Private Limited permits it to undertake similar business to our business and may create potential conflict of interest.

The object clause of one of our Promoter Group Companies viz. KFC Industries Private Limited permits it to undertake similar business to our business, which may create a potential conflict of interest and which in turn, may have an implication on our operations and profits. Also, we do not have any non-compete agreement/ arrangement with KFC Industries Private Limited.

33. *We had negative cash flows for certain periods. Any negative cash flow in future could affect our operations and financial conditions.*

We had negative cash flow from various activities, details of which are as under:

(₹ in lakhs)

Particulars	2008-09	2009-10	2010-11
Net Cash flow from operating activities	68.77	70.94	(320.34)
Net Cash flow from investing activities	(7.34)	(85.32)	(189.13)
Net Cash flow from financing activities	(63.33)	15.65	511.10
Total Net Cash flow	(1.90)	1.27	1.63

The net cash flow of a company is a key indicator to show the extent of cash generated from operations of the company 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.

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

We have entered into related party transactions with our Promoters, Directors, Promoter Group and Promoter Group Companies aggregating to ₹ 143.08 lakhs for the year ended March 31, 2011. While we believe that all such transactions have been conducted on the arms length basis, there can be no assurance that we could not have been achieved more favourable terms had such transactions not been entered into with related parties. Furthermore, it is likely that we will enter into related party transactions in the future. There can be no assurance that such transactions, individually or in the aggregate, will not have an adverse effect on our financial condition and results of operation. For details, please refer to section titled “Related Party Transactions” at page no. 87 of this Draft Red Herring Prospectus.

35. *Our Company is subject to high working capital requirements and our inability to fund these requirements in a timely manner may adversely impact our financial performance.*

Our business is subject to working capital requirements. We require working capital to meet the fuel and maintenance costs, advance payments to drivers and cleaners etc. There can be no assurance that the payments from our customers will be received on time. In case of delays or defaults in payments by our customers, we may be subject to working capital shortages.

Continued increase in working capital requirements and insufficient cash flows from our operations to meet the above requirements may have an adverse effect on our financial condition and results of operation.

36. *Our insurance cover and claims expenses may be inadequate to fully protect us from all losses.*

We have taken Standard Fire and Special Perils Policy for building, furnitures, fixtures and fittings, and other components at our Registered Office for total insured amount of ₹ 30.50 lakhs, details of which are disclosed on page no. 60 of this Draft Red Herring Prospectus. Apart from the above mentioned policy, we have taken various insurance policies for the vehicles owned by our Company to cover third party liabilities during transit. However, our insurance policies may not

provide adequate coverage in certain circumstances and are subject to certain deductibles, exclusions and limits on coverages. We cannot assure that the terms of our insurance policies will be adequate to cover any damage or loss suffered by us or that such coverage will continue to be available on reasonable terms or will be available in sufficient amounts to cover one or more large claims, or that the insurer will not disclaim coverage as to any future claim.

We do not take insurance coverage for goods transported by us. In the event that these goods are not insured by the customers and are damaged or lost by us, we may be required to compensate our customers for the loss suffered by them. Any sizable liability from customers may adversely affect our business operations and financial condition.

37. Our success depends upon the services of our Promoters and other key management personnel and our ability to retain them. Our inability to attract and retain such personnel may adversely affect the financial condition and business operations of our Company.

Our Promoters have over the years built relations with suppliers, customers and other persons who are connected with our business. Further, our key management personnel also possess the requisite knowledge to provide efficient services to our clients. The loss of services of any of these personnel could adversely affect our performance. Further, our proposed expansion has placed added demands on our management. In the event that we are unable to retain such personnel at the desired terms, our business activities may be directly affected resulting in delays, claims from customers and an increase in cost, which could have a material adverse impact on our business, financial condition and results of operations.

38. We have issued Equity Shares in last twelve months and the price of such issuances may be lower than the Issue Price.

We have made the following allotment of Equity Shares in the twelve months before the date of the Draft Red Herring Prospectus and the price of such issuances may be lower than the Issue Price:

Date of allotment	Number of Equity Shares	Face value (₹)	Issue price (₹)	Consideration	Reason for allotment
July 31, 2010	2,31,000	10.00	10.00	Cash	Further issue of Equity Shares to Promoter
August 13, 2010	29,25,000	10.00	10.00	Cash	Further issue of Equity Shares to KGN Industries Limited

39. Our ability to pay dividends will depend upon future earnings, financial condition, cash flows, working capital requirements and capital expenditure.

We have declared a dividend of 2% in FY 2010-11. The amount of our future dividend payments, if any, will depend upon our future earnings, financial condition, cash flows, working capital requirements and capital expenditure. There can be no assurance that we will be able to pay dividends. Additionally, we may be restricted in our ability to make dividend payments by the terms of any debt financing we may obtain in the future.

- 40. Our Promoters and Promoter Group will continue to retain majority control in our Company after the Issue, which will enable them to influence the outcome of matters submitted to shareholders for approval.***

After completion of the Issue, the Promoters and Promoter Group will continue to hold about 51% of post Issue paid up share capital. So long as the Promoters and Promoter Group holds a majority of our Company's Equity Shares, they will be able to control most matters affecting our Company, including the appointment and removal of our Directors; our business strategy and policies; our dividend payout and financing. Further, the extent of Promoters and Promoter Group shareholding may result in delay or prevention of a change of management or control of our Company, even if such a change may be beneficial to our other shareholders.

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

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

- 42. There is no existing market for the Equity Shares, and we do not know if one will develop. Our stock price may be highly volatile after the Issue, and as a result, you could lose a significant portion or all of your investment.***

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

- 43. The management of our Company will have significant flexibility in temporarily investing the net proceeds of the Issue.***

Our Company intends to use the proceeds of the Issue for the capital expenditures described in the section titled "Objects of the Issue" appearing on page no. 26 of the Draft Red Herring Prospectus. Pending utilization of the proceeds of the Issue, we may temporarily invest proceeds of the Issue in interest bearing liquid instruments, including money market mutual fund and deposits with banks for the necessary duration. The management of our Company will have significant flexibility in temporarily investing the proceeds of the Issue.

External Risk Factors

- 44. Our business could be adversely affected by any economic, political and social developments in India and particularly in the regional markets where we operate.***

Our performance and growth are dependent on the health of the Indian economy and other economies directly or indirectly. These economies could be adversely affected by various factors, such as political and regulatory action including adverse changes in liberalization policies, any adverse development in the World economy, introduction of new laws, policies or regulations or changes in the interpretation or application of existing laws, policies and regulations. There can be no assurance that we will succeed to operate in or succeed in obtaining all requisite regulatory approvals in the future for our operations which could have an adverse impact on our business, financial condition and results of operations.

45. Force majeure events, terrorist attacks or natural disaster or any other acts of violence or war involving India, or other countries could adversely affect the financial markets, result in a loss of customer confidence and adversely affect our Company's business, results of operations, financial conditions and cash flows.

Certain force majeure events, being beyond our Company's control, including natural disasters, terrorist attacks, criminal attacks on drivers, and other acts of violence or war which may involve India, or other countries, may adversely affect worldwide financial markets, and could lead to economic recession. These acts may also result in a loss of business confidence and have other consequences that could adversely affect business, results of operations and financial condition of our Company. More generally, any of these events could lower confidence in India. Any such event could adversely affect the financial performance or the market price of the Equity Shares of our Company.

46. You will not be able to sell immediately any of the Equity Shares you purchase in this Issue on an Indian stock Exchange

Under the SEBI (ICDR) Regulations, we are permitted to list the Equity Shares within 12 working days of the Bid/Issue Closing Date. Consequently, the Equity shares you purchase in the Issue may not be credited to your demat account with Depository Participants until 11 working days after the Bid/Issue Closing Date. You can start trading in the Equity Shares only after they have been credited to your demat account, final listing and trading approvals are received from the Stock Exchanges and trading commences on the Stock Exchanges. There can be no assurance that final listing and trading approvals will be obtained from the Stock Exchanges on time or at all. Further, there can be no assurance that the Equity Shares allocated to you will be credited to your demat account, or that trading in the Equity Shares will commence within the specified periods.

47. After this Issue, the price of our Equity Shares may be volatile, or an active trading market for our Equity Shares may not sustain

The prices of our Equity shares may fluctuate after this issue due to a wide variety of factors, including volatility in the Indian and global securities market; our operational performance, financial results, developments in India's economic liberalization and deregulation policies, particularly in the Transport industry; and changes in India's laws and regulations impacting our business.

We cannot assure you that an active trading market for our equity shares will be sustained after this Issue or that the price at which our equity shares would be traded subsequent to this issue will correspond to the current prices for our already existing equity shares.

48. *Instability of economic policies and the political situation in India or elsewhere could adversely affect the fortunes of the industry.*

The Government of India plays an important role by regulating the policies and regulations governing the private sector over the past several years. Unstable internal and international political environment could impact the economic performance in both the short term and the long term. The Government has traditionally exercised and continues to exercise a significant influence over many aspects of the Indian economy. Our Company's business, and the market price and liquidity of the Equity Shares, may be affected by changes in interest rates, changes in Government policy, taxation, social and civil unrest and other political, economic or other developments in or affecting India.

49. *Regulatory changes may adversely affect our performance or financial conditions.*

Regulatory changes relating to business segments in which we operate in India can have a bearing on our business. Each State in India has different local taxes and levies. Changes in these local taxes and levies may impact our profits and profitability. Any negative changes in the regulatory conditions in India could adversely affect our business operations or financial conditions.

Prominent Notes:

1. The Net worth of our Company as on March 31, 2011 is ₹ 1258.92 lakhs as per our restated financial statements under Indian GAAP. The size of the Issue is ₹ [•] lakhs.
2. The average cost of acquisition of Equity shares of the Promoters is as per the details given below:

Name of Promoter	Total number of Equity Shares	Average Cost of Acquisition - Per Equity Share (₹)
Mr. Arif Shaikh	52,54,776	5.40
Mr. Yusufbhai Shaikh	5,20,174	10.00

The Book value per share as on March 31, 2011 is ₹ 13.75 lakhs per Equity Share.

3. Public issue is of 30,61,000 Equity Shares of ₹ 10 each for cash at a price of ₹ [•] per Equity Share (including a share premium of ₹ [•] per Equity Share) aggregating to ₹ [•] Lakhs. The Issue will constitute 25.06 % of the fully diluted post-Issue paid up capital of our Company.
4. This Issue is being made through a 100% Book Building Process wherein not more than 50% of the Issue to Public shall be available for allocation on a proportionate basis to Qualified Institutional Buyers ("QIBs"). 5% of the QIB Portion shall be available for allocation on a proportionate basis to Mutual Funds only and the remainder shall be available for allotment on a proportionate basis to QIBs and Mutual Funds, subject to valid bids being received from them at or above the Issue Price. Further, not less than 15% of the Issue to Public shall be available for allocation on a proportionate basis to Non Institutional Bidders and not less than 35% of the Issue to Public shall be available for allocation on a proportionate basis to Retail Individual Bidders, subject to valid bids being received at or above the Issue Price.

5. For interest of our Promoters/Directors/key managerial personnel and other ventures promoted by Promoters, please refer to section titled "Risk Factors", "Our Promoters", "Our Promoter Group", "Our Management", "Related Party Transactions" and "Financial Statements of the Company" beginning on page numbers iii, 81, 83, 68, 87 & 89 of this Draft Red Herring Prospectus.
6. We have entered into various related party transactions with related parties including various Promoter Group Companies amounting to ₹ 143.08 lakhs as on March 31, 2011. For related party transaction refer to section titled "Related Party Transactions" beginning on page no. 87 of this Draft Red Herring Prospectus.
7. No loans and advances have been made to any person(s)/Companies in which the Director(s) of our Company are interested except as stated in the Auditors Report. For details of loans and advances, please refer to Annexure-12 of Auditors Report under section titled "Financial Statements of the Company" appearing on page no. 89 of this Draft Red Herring Prospectus.
8. Our Promoters/Promoter Group/Directors have not purchased/sold/financed/acquired any shares of the Company during the past 6 months.
9. Any clarification or information relating to the Issue shall be made available by the BRLM, our Company and our Compliance Officer to the investors at large and no selective or additional information would be available for a section of investors in any matter whatsoever. Investor may contact the BRLM for any complaint pertaining to the Issue.
10. There has been no change in the name of our Company during the last three years.
11. The Investors are advised to refer to the Para on "Basis for Issue Price" on page no. 36 of this Draft Red Herring Prospectus before making any investment in this Issue.
12. Trading in Equity Shares of our Company for all the investors shall be in dematerialized form only.
13. No part of the Issue proceeds will be paid as consideration to Promoters, Directors, key management personnel, associate or Promoter Group Companies.
14. Investors may note that in case of over-subscription in the Issue, allotment to Qualified Institutional Bidders, Non-Institutional Bidders and Retail Bidders shall be on a proportionate basis. For, more information, please refer section titled "Basis of allocation" on page no. 171 of the Draft Red Herring Prospectus.

SECTION III: INTRODUCTION

SUMMARY

This is only a summary and does not contain all the information that you should consider before investing in our Equity Shares. You should read the entire Draft Red Herring Prospectus, including the information contained in the chapter titled “Risk Factors” and “Financial Statements of the Company” and related notes beginning on page nos. iii and 89 of this Draft Red Herring Prospectus before deciding to invest in our Equity Shares.

Industry overview

The size of the Indian road transport sector was estimated at Rs. 2,700 billion during FY 2010 (at current prices), accounting for around 4.5% of India’s gross domestic product (GDP). By comparison, GDP from railways was estimated at Rs. 601 billion during FY 2010. The importance of the transport industry results from the fact that it is the dominant motorised mode of transport linking the remote and hilly areas with rest of the economy. During FY 2009, the share of transport sector in GDP aggregated 6.40% at current prices and 6.56% at constant prices.

Road transport has emerged as the dominant segment in India’s transportation sector with a share of 4.8% in India’s GDP. Road transport also accounts for 74% of total GDP emanating from the transport sector. The contribution of road transport in the transport GDP of India has consistently increased from around 50% in FY 1971 to 60% by the early-1990s, and to 74% in FY 2009. Further, around 74% of the incremental increase in transport GDP during FY 2003-09 has come from road transport sector.

Easy accessibility, flexibility of operations, door-to-door service and reliability have enabled road transport to report an increasingly higher share of both passenger and freight traffic vis-à-vis other transport modes. The share of road transport has increased most sharply over the past decades, while the share in the modal split of rail and inland waterways has declined substantially. This is mainly due to the effect of the structure of goods in the industrial sectors. Mass commodities, suitable for rail and inland waterway transport, are becoming less important. The share of time-sensitive, high-value goods in overall output is increasing. In addition to the effect of the structure of goods, various factors account for the above-average growth in road transport.

(Source: IMA CS Report on Transport –Road, February, 2011)

Our business overview

We are engaged in the business of providing logistics services viz. goods transport, warehousing, packing and moving etc. The goods transportation is generally carried out using road, railway and air as the mode of transport. We carry out goods transport with roadways as the mode of transport. Further the goods transport is done on Full Truck Load (FTL) basis for bulk as well as non bulk freight. Gradually our Company has enlarged the scope of services by commencing warehousing activities in FY 2009-10 and packing and moving activities in the FY 2010-11.

Our Company has its head office in Ahmedabad and booking office at Ahmedabad and Hyderabad. We operate with a fleet of 21 owned vehicles and more than 500 attached carriers.

Our strength

Experience in transportation business

We have an operating track record of over two decades in the business of transport. Our experience in the transport business enables us to gauge and understand the changing trends and growth prospects in the industry. Our Company has gradually enlarged our geographic reach in various states viz. Andhra Pradesh, Karnataka, Gujarat and Tamil Nadu. We have also started packing & moving and warehousing activities thereby enlarging our scope of services.

Diverse customer base

Our goods transportation business services numerous industries. We have a diverse customer base from different industry sectors / segments like ceramics, textiles, pharmaceuticals, automobiles, etc. The details of sector / segment wise income during the last 3 years are as under:

(₹ in Lakhs)

Sector/ Segment	2008-09		2009-10		2010-11	
	Amount	% of operating income	Amount	% of operating income	Amount	% of operating income
Textiles	224.41	22.41	374.33	21.93	426.94	20.12
Ceramics	193.47	19.32	339.01	19.86	448.58	21.15
Pharmaceuticals	314.39	31.39	467.67	27.40	584.08	27.53
Automobiles	117.76	11.76	209.75	12.29	262.51	12.37
Glass	82.30	8.22	176.74	10.35	241.58	11.39
Others	69.07	6.90	139.51	8.17	157.84	7.44
Total	1001.40	100.00	1707.01	100.00	2121.53	100.00

Experienced management team

Our Company is managed by a team of experienced personnel. The team comprises of mix of personnel having operational and business development experience. Our Promoter Directors, Mr. Yusufbhai Shaikh and Mr. Arif Shaikh, who have been involved in the business and management of our Company, have around 43 years and 23 years of experience respectively in the transport and logistics industry. Mr. Suresh Surti (Head Operations) has an overall experience of about 31 years in the transport and logistics industry. We believe that our management team's experience and their understanding of the transportation industry will enable us to continue to take advantage of both current and future market opportunities.

Existing client relationships

We constantly try to address our customer needs relating to various services that we provide. We believe that, our existing client relationships help us to get repeat business from our customers. This has helped us maintain a long term working relationship with our customers and improve our customer retention strategy. Our existing clients are from different industries like ceramics, textiles, automobiles, pharmaceuticals etc. We believe that our existing relationship with our clients represents a competitive advantage in gaining new clients and increasing our business.

Our Strategy

Increase our fleet size

Our Company operates with a fleet of 21 vehicles which includes Medium Commercial Vehicles (MCVs) as well as Heavy Commercial Vehicles (HCVs). We propose to increase our fleet strength to 126 vehicles. Due to this increase, we will be able to cover large number of routes.

Setting up of transport yards

At present, our Company has a booking office and a parking facility at Aslali, Ahmedabad. Our Company proposes to set up a transport yard at Ahmedabad, which will include a parking facility, booking office and warehouse. We believe that, the proposed transport yard will provide us with a better infrastructure in terms of parking facility, bigger warehouse and booking office. After the proposed expansion, the new premise at Ahmedabad will be used as head office and the existing premise at Ahmedabad will be used as an additional warehouse and parking facility.

Further to cater to the increasing demand of business and looking at the growth of our business in Andhra Pradesh, we intend to set up a transport yard in Vijayawada, Andhra Pradesh, which will include a parking facility and a booking office. After this proposed expansion, we will have two booking offices in Andhra Pradesh each at Hyderabad and Vijayawada.

Provide transportation services on Less than Truck Load basis

At present, we provide goods transport services only on Full Truck Load (FTL) basis. Under full truck load, we provide door to door service to our customers wherein the goods are loaded at the premises of the customer and are delivered to the delivery point as specified by him. The goods belong to a single customer and are transported to a single destination. The customers who have large quantities of goods to be transported hire full truck for transport of goods.

Our Company proposes to provide transportation services on Less than Truck Load basis (LTL) wherein the customer has the flexibility of hiring the truck on LTL basis. The goods of various customers are consolidated and transported to multiple destinations under LTL basis whereby generating higher revenue per vehicle than FTL basis.

Increase geographical reach

Our goods transportation business currently covers the states of Andhra Pradesh, Karnataka, Gujarat and Tamil Nadu. With more than two decades of experience in the transport business, we plan to expand our business and cover new geographic locations viz. Maharashtra, Rajasthan and Pondicherry with the help of our marketing team. Also, the increase in our fleet size will help us in expanding to different geographical locations.

Less dependence on hired vehicles

Our Company currently operates with a fleet of 21 vehicles and with more than 500 attached carriers. It is advantageous to operate with our own fleet as operating with attached carriers involves a higher cost. Using our own fleet of vehicles has many benefits viz. flexibility to use right kind of truck and select routes during high demands, easy availability when required, ensure safe delivery in a timely manner and no cost of hiring. To reduce our dependence on hired vehicles, we propose to increase our fleet strength to 126 from existing 21 vehicles.

SUMMARY OF FINANCIAL DATA

RESTATED STATEMENT OF ASSETS AND LIABILITIES

(₹ in Lakhs)

Year ended on	31.03.07	31.03.2008	31.03.09	31.03.10	31.03.11
A. Fixed Assets:					
Gross Block	807.26	825.87	835.03	898.90	985.18
Less: Depreciation	57.65	108.93	160.94	209.46	193.34
Net Block	749.61	716.94	674.09	689.44	791.84
B. Investments	0.001	0.001	0.001	0.001	0.001
C. Current Assets, Loans and Advances					
Inventories	-	-	-	-	-
Sundry Debtors	64.84	51.70	134.59	195.32	435.24
Cash and Bank Balances	4.99	14.08	12.18	13.45	15.08
Loans and Advances	25.03	22.01	30.10	42.62	413.34
Total	94.86	87.79	176.87	251.39	863.66
D. Liabilities and Provisions:					
Secured Loans	163.37	109.69	53.38	26.02	243.18
Unsecured Loans	10.50	-	-	-	8.75
Current Liabilities and Provisions	5.51	25.42	95.40	74.34	130.96
Deferred Tax Liability	9.80	12.13	9.63	9.46	13.69
Total	189.18	147.24	158.41	109.82	396.58
E. Networth (A+B+C-D)	655.29	657.50	692.55	831.01	1258.92
F. Net worth Represented by					
i. Share Capital	543.10	543.10	543.10	600.00	915.60
ii. Reserves & Surplus	117.85	118.64	152.28	241.48	363.31
iii. Less : Miscellaneous Expenditure not yet written off	5.66	4.24	2.83	10.47	19.99
Networth (i+ ii -iii)	655.29	657.50	692.55	831.01	1258.92

RESTATED STATEMENT OF PROFIT AND LOSS ACCOUNT

(₹ in Lakhs)

Year ended on	31.03.07	31.03.08	31.03.09	31.03.10	31.03.11
Income					
Operating Income	1001.39	867.75	1001.40	1707.01	2121.53
Other Income	0.68	2.58	3.74	5.10	4.14
Total Income (A)	1002.07	870.33	1005.14	1712.11	2125.67
Expenditure					
Operating Expenses	870.40	759.37	893.94	1441.75	1761.35
Salaries, Wages and Benefits	10.70	11.88	13.44	17.84	27.76
Administration and other Expenses	17.02	12.89	13.35	28.44	71.86
Depreciation	50.51	51.28	52.01	63.26	55.44
Interest & Financial Charges	16.84	11.41	7.02	4.84	5.44
Preliminary Expenses	1.41	1.41	1.41	1.41	1.41
Total Expenditure (B)	966.88	848.24	981.17	1557.54	1923.26
Net Profit before Tax and Extraordinary Items (A-B)	35.19	22.09	23.97	154.57	202.41
Less: Provision for Taxation:					
Provision for Current Tax	4.72	3.72	7.75	51.50	55.00
Provision for Deferred Tax	9.80	2.33	(2.50)	(0.17)	4.23
Provision of Fringe Benefit Tax	0.34	0.19	0.14	-	-
Net Profit After Tax but before Extraordinary Items	20.33	15.85	18.58	103.24	143.18
Extraordinary Items	-	-	-	-	-
Net Profit after Extraordinary Items	20.33	15.85	18.58	103.24	143.18

THE ISSUE

Equity shares offered:	30,61,000 Equity Shares
Out of Issue	
Issue to public	30,61,000 Equity Shares
Of which:	
QIB Portion including Mutual Funds*	Not more than 15,30,500 Equity Shares constituting 50% of the Issue to the Public (Allocation on proportionate basis) out of which 5% i.e. 76,525 Equity Shares will be available for allocation to Mutual Funds only and the remaining QIB portion will be available for allocation to all QIBs, including Mutual Funds.
Non Institutional Portion*	At least 4,59,150 Equity Shares constituting 15% of the Issue to the Public (allocation on proportionate basis)
Retail Portion*	At least 10,71,350 Equity Shares constituting 35% of the Issue to the Public (allocation on proportionate basis)
Equity Shares outstanding prior to the Issue	91,56,000 Equity Shares
Equity Shares outstanding after the Issue	1,22,17,000 Equity Shares
Objects to the Issue	Please see the section entitled "Objects of the Issue" beginning on page no. 26 of this Draft Red Herring Prospectus.

* Under subscription, if any, in any of the categories, would be allowed to be met with spill over from any other category or combination of categories at the sole discretion of our Company, in consultation with the BRLM.

GENERAL INFORMATION

We started as a partnership firm under the name Asian Roadways on January 1, 1987 and registered with the Registrar of Firms, Ahmedabad on April 26, 1988. The name of the firm was changed to Asian Logistics on April 27, 2006 and was registered with the Registrar of firms, Ahmedabad on May 2, 2006. It was converted into a public limited company under the name Asian Logistics Limited on May 11, 2006 and received the certificate of Commencement of Business on May 23, 2006.

Registered & Corporate Office of our Company:

Asian House, Beside Shreenath Transport Nagar,
Opp. Bharat Petrol Pump, Lambha, Aslali,
Ahmedabad- 382 427
Tel. No.: +91-79-25731932
Fax No.: +91-79-25731351
Website: www.asianlogisticsgroup.com

Registration Number of the Company: 048257

Corporate Identity Number (CIN): U60231GJ2006PLC048257

Changes in Registered Office of our Company in the past:

Period	Address
Since Incorporation till June 25, 2006	Vishal Corporation Building, Narol Cross Road, Narol, Ahmedabad- 382 405
From June 26, 2006 till date	Asian House, Beside Shreenath Transport Nagar, Opp. Bharat Petrol Pump, Lambha, Aslali, Ahmedabad- 382 427

The above changes were made for operational convenience.

Address of the Registrar of Companies

The Registrar of Companies, Ahmedabad
RoC Bhavan, Opp. Rupal Park Society,
Behind Ankur Bus Stop, Naranpura,
Ahmedabad – 380 013

Board of Directors

Sr. No.	Name	Designation	Nature of Directorship
1	Mr. Arif Shaikh	Chairman & Managing Director	Executive Director
2	Mr. Yusufbhai Shaikh	Whole Time Director	Executive Director
3	Mr. Yogesh Shah	Director	Non Executive & Non Independent Director
4	Mr. Nayshil Gajjar	Director	Non Executive & Independent Director
5	Mr. Narendra Tundiya	Director	Non Executive & Independent Director

6	Mr. Alpesh Shah	Director	Non Executive & Independent Director
7.	Mr. Nimish Patel	Director	Non Executive & Independent Director

Brief profiles of our Chairman & Managing Director and Whole Time Director

Mr. Arif Shaikh

Mr. Arif Shaikh, aged 44 years, is the Chairman & Managing Director of our Company. He is one of the Promoters of our Company. He is a Bachelor of Commerce (Advanced Accounting and Auditing) from Gujarat University. He has an overall experience of about 23 years in the field of transport and logistics. He alongwith his father, Mr. Yusufbhai Shaikh in the year 1987, started a partnership firm in the name of Asian Roadways, which was later converted into a Public Limited Company on May 11, 2006 under the name Asian Logistics Limited. He also promoted Lifeline Transport Private Limited (Presently known as KFC Industries Private Limited) in the year 1994 and KFC Exports Private Limited in the year 2008, which are presently engaged in trading of edible and non edible oils. For the years 2005 to 2007, he was elected as an Executive Committee Member in Ahmedabad Motor Transport Association. He is Managing Director of our Company since August 21, 2009. He is playing a key role in the growth of our Company with his inputs in strategic planning and business development. Over the years he has been successful in expanding our customer base in the states of Andhra Pradesh, Karnataka, Gujarat and Tamil Nadu.

Mr. Yusufbhai Shaikh

Mr. Yusufbhai Shaikh, aged 64 years, is the Whole Time Director of our Company. He is one of the Promoters of our Company. He passed Secondary School Certificate (SSC) Examination (Old SSC) from Gujarat Board in the year 1965. He has an overall experience of 43 years in the field of transport and logistics. He started his career with Deepak Transport in the year 1967 as a Supervisor. In the year 1971, he started his own proprietary concern in the name of Asian Roadways. The proprietary concern was engaged in the attached carrier business. He started a partnership firm in the name of Asian Roadways alongwith his son, Mr. Arif Shaikh in the year 1987, which was later converted into a Public Limited Company on May 11, 2006. He is on our board since incorporation. He is responsible for overall administration and supervision of all the activities and has played a key role in the growth of our Company.

For details of our other Board of Directors, see “Our Management” on page no. 68 of this Draft Red Herring Prospectus.

Company Secretary

Mr. Dhanesh Shah

Asian House, Beside Shreenath Transport Nagar,
Opp. Bharat Petrol Pump, Lambha, Aslali,
Ahmedabad- 382 427
Tel.: +91-79-25731932
Fax: +91-79-25731351
Website: www.asianlogisticsgroup.com
Email: cs@asianlogisticsgroup.com

Compliance Officer**Mr. Muntaha Shaikh**

Asian House, Beside Shreenath Transport Nagar,
Opp. Bharat Petrol Pump, Lambha, Aslali,
Ahmedabad- 382 427
Tel.: +91-79-25731932
Fax: +91-79-25731351
Website: www.asianlogisticsgroup.com
Email: cfo@asianlogisticsgroup.com

Investors can contact the Compliance Officer in case of any pre-Issue or post-Issue related problems such as non-receipt of letters of allotment and credit of allotted shares in the respective beneficiary account or refund orders.

Book Running Lead Manager**Almondz Global Securities Limited**

Level-5, Grande Palladium,
175, C.S.T. Road, Kalina
Santacruz (E), Mumbai – 400 098
Tel.: +91-22-6643 7600,
Fax: +91-22-6643 7700
Email: asian.ipo@almondz.com
Investor Grievance Email Id: complaint@almondz.com
Website: www.almondzglobal.com
SEBI Registration No: INM000000834
Contact Person: Mr. Kaushal Patwa / Ms. Archana Dahake

Syndicate Member(s)

[•]

Registrar to the Issue**Link Intime India Private Limited**

C-13, Pannalal Silk Mills Compound,
LBS Marg, Bhandup (W),
Mumbai – 400 078
Tel: +91-22-25960320
Fax: +91-22-25960329
Email: all.ipo@linkintime.co.in
Investor Grievance Email Id: all.ipo@linkintime.co.in
Website: www.linkintime.co.in
SEBI Registration Number: INR000004058
Contact Person: Mr. Sanjog Sud

Legal Advisor to the Issue**Wadia Ghandy & Co. (Ahmedabad)**

Advocates & Solicitors,
1st floor, Chandan House,

Law Garden,
Ahmedabad- 380 006
Tel. No.: +91-79- 26564700/ 26564800
Fax No.: +91-79- 26564300
Email: info@wadiaghandy.com
Contact Person: Mr. Tanvish Bhatt

Bankers to the Company

Our Company does not enjoy any fund based or non fund based credit facilities from any of the banks, whereas our Company has current account with the following Banks:

Bank of Maharashtra

1st Floor, Kala Complex,
Narol Highway Circle,
Narol, Ahmedabad - 382 405
Telefax No.: +91-79-25736028
Email: bom850@mahabank.co.in

ICICI Bank Limited

Ground Floor,
Poonam Plaza,
Rambaug, Maninagar,
Ahmedabad - 380 008
Tel. No.: +91-79-66060335
Fax No.: +91-79-66060336
Email: chaula.shenolikar@icicibank.com

HDFC Bank Limited

Shilp-II,
Next to Vikram Chambers,
Ashram Road,
Ahmedabad - 380 009
Tel. No.: +91-79-27540085
Fax No.: +91-79-27542824
Email: sujal.patel@hdfcbank.com

Axis Bank Limited

Trishul Complex,
Opp. Samartheshwar Temple,
Law Garden, Ellis Bridge,
Ahmedabad - 380 006
Tel. No.: +91-79-66306102
Fax No.: +91-79-66306109
Email: ahmedabad.operationshead@axisbank.com

State Bank of India

Sarovar Avenue,

Narol Highway Circle,
Narol, Ahmedabad - 382 405
Telefax No.: +91-79-25380994
Email: sbi@11792.com

Statutory Auditor to the Company

M/s Kiritkumar & Co.

Chartered Accountants

4, Nina Society,

near Shreyas crossing,

Ambawadi,

Ahmedabad-380015

TeleFax: +91-79-26605522

Email: kjankleshwaria@rediffmail.com

Peer Review Auditor (who has conducted re-audit as per Regulation IX of Part A of Schedule VIII of SEBI (ICDR) Regulations, 2009)

M/s SAP Associates

Chartered Accountants

490, Sector 47,

Noida, Uttar Pradesh

TeleFax: +91-120-4345759

Email: sap.apsingh@gmail.com

Contact Person: Mr. A. P. Singh

Firm Registration No.: 08161C

Peer Review Certificate No.: 004626

Bankers to the Issue and Escrow Collection Banks

[•]

Statement of inter-se allocation of responsibilities

Since Almondz Global Securities Limited is the sole BRLM to this Issue, statement of inter-se allocation of responsibilities amongst Book Running Lead Managers is not applicable.

Self Certified Syndicate Banks

The list of banks who have been notified by SEBI to act as SCSBs for ASBA process are provided at <http://www.sebi.gov.in/pmd/scsb.html> or at such other website as may be prescribed by SEBI from time to time. For details on Designated Branches of SCSBs collecting the Bid cum ASBA forms, please refer to the above mentioned link.

IPO Grading

Our Company has appointed ICRA Limited (ICRA) for IPO grading. ICRA has assigned a 'ICRA IPO Grade [•]' to the proposed Initial Public Offering of the Company. Pursuant to clause (VI)(B)(10) of Schedule VIII of SEBI (ICDR) Regulations, 2009, the rationale/ description furnished by the credit rating agency will be updated at the time of filing Red Herring Prospectus with the RoC.

Credit Rating

This being an Issue of Equity Shares, Credit rating is not required.

Trustees

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

Monitoring Agency

There is no requirement for a monitoring agency in terms of Regulation 16(1) of SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2009. We have therefore not appointed any monitoring agency for the purpose of monitoring the utilization of issue proceeds.

Book Building Process

Book Building refers to the process of collection of Bids from investors, on the basis of the Red Herring Prospectus within the Price Band. The Issue Price is fixed after the Bid/Issue Closing Date.

The principal parties involved in the Book Building Process are:

- our Company;
- the Book Running Lead Manager;
- the Syndicate Members who are intermediaries registered with SEBI or registered as brokers with BSE/NSE and are eligible to act as Underwriters. The Syndicate Members are appointed by the BRLM;
- the Escrow Collection Bank(s);
- the Self Certified Syndicate Bank(s); and
- the Registrar to the Issue.

This Issue is being made through a 100% Book Building Process wherein not more than 50% of the Issue to Public shall be available for allocation on a proportionate basis to Qualified Institutional Buyers ("QIBs"). 5% of the QIB Portion shall be available for allocation on a proportionate basis to Mutual Funds only and the remainder shall be available for allotment on a proportionate basis to QIBs and Mutual Funds, subject to valid bids being received from them at or above the Issue Price. Further, not less than 15% of the Issue to Public shall be available for allocation on a proportionate basis to Non Institutional Bidders and not less than 35% of the Issue to Public shall be available for allocation on a proportionate basis to Retail Individual Bidders, subject to valid bids being received at or above the Issue Price.

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

Our Company shall comply with SEBI (ICDR) Regulations issued by SEBI for this Issue. In this regard, our Company has appointed Book Running Lead Manager to manage the Issue and to procure subscription to the Issue.

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

QIBs are not allowed to withdraw their Bids after the Bid/Issue Closing Date. In addition, allocation to QIBs will be on a proportionate basis. Please refer to the section titled “Issue Procedure” beginning on page no. 138 of this Draft Red Herring Prospectus for more details.

Steps to be taken by the Bidder for bidding:

- Check eligibility for making a bid, see the section titled “Issue Procedure-Who Can Bid?” beginning on page no. 141 of this Draft Red Herring Prospectus;
- Ensure that you have an active demat account and the demat account details are correctly mentioned in the Bid cum Application Form/ ASBA Form;
- Ensure that the Bid cum Application Form or Bid cum ASBA Form is duly completed as per instructions given in this Draft Red Herring Prospectus and in the Bid cum Application Form or Bid cum ASBA Form;
- Except for Bids (i) on behalf of the Central or State Governments and the officials appointed by the courts, who, in terms of a SEBI circular dated June 30, 2008, may be exempt from specifying their PAN for transacting in the securities market, and (ii) Bids by persons resident in the state of Sikkim, who, in terms of a SEBI circular dated July 20, 2006, may be exempted from specifying their PAN for transacting in the securities market, for Bids of all values, ensure that you have mentioned your PAN allotted under the Income Tax Act in the Bid cum Application Form or the ASBA Bid cum Application Form. In accordance with the SEBI Regulations, the PAN would be the sole identification number for participants transacting in the securities market, irrespective of the amount of transaction (see the chapter “Issue Procedure” beginning on page 138 of this Draft Red Herring Prospectus) ;
- Bids by ASBA Bidders (Physical ASBA) will only have to be submitted to the Designated Branches of the SCSB or the Syndicate/sub-Syndicate Member. ASBA Bidders should ensure that their bank accounts have adequate credit balance at the time of submission to the SCSB or Syndicate/sub-Syndicate Member to ensure that their Bid cum ASBA Form is not rejected and
- Bids by QIBs at any of the Syndicate ASBA Centres shall be submitted to the Syndicate/sub-Syndicate Member. Bids by QIBs through physical ASBA at any Bidding Centre other than a Syndicate ASBA Centre shall be submitted directly to the Designated Branches of the SCSBs.

Illustration of Book Building and Price Discovery Process

(Investors should note that this example is solely for illustrative purposes and is not specific to this Issue)

Bidders can bid at any price within the price band. For instance, assume a price band of ₹ 30 to ₹ 34 per equity share, issue size of 3,000 Equity Shares and receipt of five bids from Bidders, details of which are shown in the table below. A graphical representation of the consolidated demand and price would be made available at the bidding centers during the bidding period. The illustrative book as shown below shows the demand for the shares of the company at various prices and is collated from bids from various investors.

Bid Quantity	Bid Price (₹)	Cumulative Quantity	Subscription
500	34	500	16.67%
1000	33	1500	50.00%
1500	32	3000	100.00%
2000	31	5000	166.67%
2500	30	7500	250.00%

The price discovery is a function of demand at various prices. The highest price at which the issuer is able to issue the desired number of shares is the price at which the book cuts off, i.e., ₹ 32 in the above example. The issuer, in consultation with the Book Running Lead Manager, will finalize the issue price at or below such cut off price, i.e., at or below ₹ 32. All bids at or above this issue price and cut-off bids are valid bids and are considered for allocation in the respective categories.

Bid/Issue Programme

Bidding Period/Issue Period:

BID/ISSUE OPENS ON	[•]
BID/ISSUE CLOSES ON	[•]

Bids and any revision in Bids will be accepted **only between 10 a.m. and 5 p.m.** (Indian Standard Time) during the Bid/Issue Period as mentioned above at the bidding centers mentioned in the Bid cum Application Form or in case of Bids submitted through ASBA, the Designated Branches of the SCSBs except that on the Bid/Issue Closing Date, Bids shall be accepted only between 10 a.m. and 3 p.m. (Indian Standard Time) and (i) uploaded until 4.00 p.m. in case of Bids by QIB Bidders and Non-Institutional Bidders where the Bid Amount is in excess of ₹ 2,00,000 and (ii) A standard cut-off time of 5.00 p.m. for uploading of Bids received from Retail Individual Bidders where the Bid Amount is up to ₹ 2,00,000 which may be extended up to such time as deemed fit by the BSE and the NSE after taking into account the total number of applications received upto the closure of timings and reported by BRLM to the Stock Exchanges within half an hour of such closure. Bids will be accepted only on working days i.e. Monday to Friday (excluding public holidays). 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 1.00 p.m. (Indian Standard Time) on the Bid/Issue Closing Date. Bidders are advised that due to clustering of the last day applications, as is typically experienced in public offerings, some Bids may not get uploaded on the last day. Bids that cannot be uploaded will not be considered for allocation under the Issue. If such Bids are not uploaded, the Company, BRLM and Syndicate Member(s) will not be responsible.

In case of discrepancy in the data entered in the electronic book vis a 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-a-vis the data contained in the physical or electronic Bid cum ASBA Form, for a particular ASBA Bidder, the Registrar to the Issue shall ask the concerned Syndicate / sub-Syndicate Member or SCSB, as the case may be for rectified data.

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

Our Company reserves the right to revise the Price Band during the Bid/Issue Period in accordance with the SEBI (ICDR) Regulations provided that the Cap Price is less than or equal to 120% of the Floor Price. The Floor Price can be revised up or down to the extent of 20% of the Floor Price advertised at least one day before the Bid/Issue opening date.

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

Underwriting Agreement

After the determination of the Issue Price and allocation of our Equity Shares but prior to filing of the Prospectus with the RoC, our Company will enter into an Underwriting Agreement with the Underwriter(s) for the Equity Shares proposed to be issued through this Issue. It is proposed that pursuant to the terms of the Underwriting Agreement, the BRLM shall be responsible for bringing in the amount devolved in the event that their respective Syndicate Member(s) do not fulfill their underwriting obligations. Pursuant to the terms of Underwriting Agreement, the obligations of the Underwriter(s) are subject to certain conditions to closing, as specified therein.

The Underwriter(s) have indicated their intention to underwrite the following number of Equity Shares:

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

Name and address of the Underwriters	Indicative number of Equity Shares to be Underwritten	Amount Underwritten (₹ in lakhs)
[•]	[•]	[•]
[•]	[•]	[•]
TOTAL	[•]	[•]

The amount of underwriting would be finalized after determination of Issue Price and finalization of the Basis of Allotment. The above Underwriting Agreement is dated [•].

In the opinion of the Board of Directors (based on certificates given to them by the Underwriters), the resources of all the above mentioned Underwriter(s) are sufficient to enable them to discharge their respective underwriting obligations in full. The above-mentioned Underwriters are registered with SEBI under Section 12(1) of the Securities and Exchange Board of India Act, 1992 or registered as brokers with the Stock Exchange(s). Our Board, at its meeting held on [•], has accepted and entered into the Underwriting Agreement mentioned above on behalf of our Company.

Allocation among Underwriter(s) may not necessarily be in proportion to their underwriting commitments.

Notwithstanding the above table, the Underwriters shall be responsible for ensuring payment with respect to Equity Shares allocated to investors procured by them. In the event of any default, the respective Underwriter in addition to other obligations to be defined in the Underwriting Agreement will also be required to procure / subscribe to the extent of the defaulted amount.

CAPITAL STRUCTURE

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

			(₹ in lakhs)	
Particulars			Aggregate Nominal Value	Aggregate Value at Issue Price
A	Authorised Share Capital			
	1,29,00,000	Equity Shares of ₹ 10/- each	1290.00	
B	Issued, Subscribed and Paid-up Share Capital			
	91,56,000	Equity Shares of ₹ 10/- each	915.60	
C	Present Issue to the Public in terms of this Draft Red Herring Prospectus			
	30,61,000	Equity Shares of ₹ 10/- each	306.10	[•]
D	Paid-up Share Capital after the Issue			
	1,22,17,000	Equity Shares of ₹ 10/- each	1221.70	
E	Securities Premium account			
	Before the Issue		-	
	After the Issue		[•]	

Details of Changes in the Authorized Share Capital of our Company

Date	Increased/ Decreased From (₹ in lakhs)	Increased/ Decreased to (₹ in lakhs)	Particulars
May 11, 2006	-	600.00	On Incorporation 60,00,000 Equity Shares of ₹ 10/- each
February 26, 2010	600.00	1100.00	Increased from ₹ 600 lakhs of 60,00,000 Equity Shares of ₹ 10/- each to ₹ 1100 lakhs divided into 1,10,00,000 Equity Shares of ₹ 10/- each
April 5, 2010	1100.00	1290.00	Increased from ₹ 1100 lakhs of 1,10,00,000 Equity Shares of ₹ 10/- each to ₹ 1290 lakhs divided into 1,29,00,000 Equity Shares of ₹ 10/- each

Notes to Capital Structure

1. Capital Build-up Equity Share Capital History

Date of Allotment / Fully Paid-up	No. of Equity Shares	Face Value per share (₹)	Issue Price per share (₹)	Consideration	Reasons for Allotment	Cumulative Securities Premium Account (₹ in lakhs)	Cumulative No. of Equity Shares	Cumulative Paid-up Capital (₹ in lakhs)
May 11, 2006	54,31,050	10	10	Other than cash	Subscribers to the	Nil	54,31,050	543.11

					Memorandum			
October 30, 2009	5,68,950	10	10	Cash	Further issue of Equity Shares to Promoter	Nil	60,00,000	600.00
July 31, 2010	2,31,000	10	10	Cash	Further issue of Equity Shares to Promoter	Nil	62,31,000	623.10
August 13, 2010	29,25,000	10	10	Cash	Further issue of Equity Shares to KGN Industries Limited (Non Promoter)	Nil	91,56,000	915.60

2. Details of Promoters' contribution and lock in

(a) Build up of Promoters

Name	Date of Allotment / Transfer / Acquisition	Date when made fully paid up	Consideration (cash/ bonus/ kind etc.)	No. of Equity Shares	Face value (₹)	Issue / Acquisition price (₹)	% of Pre Issue Paid-up Capital	% of Post Issue Paid-up Capital	Lock-in period (years)	No. of pledged shares	% of pledged shares
Mr. Arif Shaikh	May 11, 2006	May 11, 2006	Other than cash*	23,74,100	10	10	57.39	43.01		Nil	Nil
	May 11, 2006	May 11, 2006	Other than cash*	50	10	10			1 year		
	September 26, 2008	September 26, 2008	Transfer (Sale)	(23,74,100)	10	0.79					
	July 16, 2009	July 16, 2009	Transfer (Purchase)	23,74,080	10	0.79			1 year		
	October 30, 2009	October 30, 2009	Cash	5,68,950	10	10			3 years		
	January 29, 2010	January 29, 2010	Transfer (Purchase)	13,78,710	10	10			3 years		
	January 29, 2010	January 29, 2010	Transfer (Purchase)	7,01,986	10	10			1 year		
	July 31, 2010	-	Cash	2,31,000	10	10			1 year		
	Total			52,54,776	10						
Mr. Yusufbhai Shaikh	May 11, 2006	May 11, 2006	Other than cash*	20,80,696	10	10	5.68	4.26		Nil	Nil
	May 11, 2006	May 11, 2006	Other than cash*	5,20,174	10	10			3 years		
	January 29, 2010	January 29, 2010	Transfer (Sale)	(20,80,696)	10	0.16					
	Total			5,20,174	10						

* These shares have been issued for consideration other than cash on account of conversion of partnership firm without change in management.

(b) Lock-in of minimum Promoter's Contribution

Pursuant to the SEBI (ICDR) Regulations, an aggregate of 20% of the shareholding of the Company's Promoters shall be locked in for a period of three years from the date of allotment in the Issue. The lock-in details are as under:

Sr. No	Name of Promoter	Date of Allotment / Transfer / Acquisition	Consideration (cash/ bonus/ kind etc.)	No. of Shares	Face Value (₹)	Issue / Acquisition price (₹)	% of Post Issue paid up capital	Lock-in Period
1	Mr. Arif Shaikh	January 29, 2010	Transfer (Purchase)	13,78,710	10	10	11.29	3 years
		October 30, 2009	Cash	5,68,950	10	10	4.66	3 years
2	Mr. Yusufbhai Shaikh	May 11, 2006	Other than cash	5,20,174	10	10	4.26	3 years
	Total			24,67,834			20.21	

Currently, Mr. Arif Shaikh holds 52,54,776 Equity Shares, out of which 19,47,660 Equity Shares have been locked-in for 3 years and the remaining 33,07,116 equity shares have been locked-in for 1 year and Mr. Yusufbhai Shaikh holds 5,20,174 equity shares, all of which have been locked-in for a period of 3 years.

- The Equity Shares to be locked-in for a period of three years have been computed as 20.21% of Equity Share Capital after the Issue. It is confirmed that the Equity Shares offered for by the Promoters for three years lock-in are not pledged. Further all the Equity Shares, which are being lock in for 3 years, are not ineligible for computation of Promoters' contribution and lock-in as per Regulation 33(1) of SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2009.
- The Promoters have vide their letter dated June 10, 2011 given their consent for lock-in of shares as stated above. The lock-in shall start from the date of allotment in the public issue and the last date of the lock-in shall be reckoned as three years from the date of commencement of commercial production or the date of allotment in the issue, whichever is later.
- In addition to above promoters contribution which is locked in for a period of three years, the entire remaining pre-Issue Equity Capital of the Company i.e. 66,88,166 Equity Shares will be locked in for a period of one year from the date of allotment of Equity Shares in this Issue constituting 54.74 % of the post issue equity share capital of the Company.
- In terms of Regulation 39 of SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2009, locked in Equity Shares held by the Promoters can be pledged with banks or financial institutions as collateral security for loans granted by such banks or financial institutions, subject to the condition that (i) if the equity shares are locked-in in terms of clause (a) of Regulation 36, 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 equity shares is one of the terms of sanction of loan; and (ii) if the equity shares are locked-in in

terms of clause (b) of Regulation 36 and the pledge of equity shares is one of the terms of sanction of the loan.

- v. In terms of Regulation 40 of SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2009, Equity Shares held by the Promoter may be transferred to and amongst the Promoters / Promoter group or to a new promoter or persons in control of the Company subject to continuation of the lock-in in the hands of the transferees for the remaining period and compliance with SEBI (Substantial Acquisition of Shares and Takeover Regulations), 1997 as applicable. Further, in terms of Regulation 40 of SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2009 and in compliance with SEBI (Substantial Acquisition of Shares and Takeover) Regulations, 1997, locked in Equity Shares held by persons other than the Promoters may be transferred to any other person holding shares which are locked-in as per Regulation 37 of SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2009, subject to continuation of the lock-in in the hands of the transferees for the remaining period and such transferee shall not be eligible to transfer them till the lock-in period stipulated under the Regulations has expired.
 - vi. We confirm that shares considered under minimum Promoters' contribution in terms of Regulation 33(1) of SEBI (ICDR) Regulations, 2009 are not ineligible as under:
 - a. During the last 3 years, no specified securities have been acquired for consideration other than cash and revaluation of assets or capitalisation of intangible assets is involved in such transaction;
 - b. During the last 3 years, no specified securities have been acquired which resulted from a bonus issue by utilisation of revaluation reserves or unrealized profits of the issuer;
 - c. No specified securities have been acquired by the Promoters during the preceding one year at a price lower than the price at which specified securities are being offered to public in the initial public offer.
3. Our Company has been formed by conversion of a partnership firm into a Company.
 4. There is no "buyback" or "standby" arrangement for purchase of Equity Shares by our Company, their Directors, their Promoters, or the BRLM for the Equity Shares offered through this Draft Red Herring Prospectus.
 5. Our Company has not issued any equity shares for consideration other than cash.
 6. An over-subscription to the extent of 10% of Issue to the Public can be retained for the purpose of rounding off to the nearer multiple of 1, while finalizing the Basis of Allotment. Consequently, the actual allotment may go up by a maximum of 10% of the 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 our Promoters 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.

7. As on date of this Draft Red Herring Prospectus, the entire issued share capital of our Company is fully paid-up.
8. The Equity Shares offered through this public Issue shall be made fully paid up.
9. Undersubscription, if any, in any category would be met with spillover from other categories at the sole discretion of our Company, in consultation with the BRLM and will be allocated in accordance with the process disclosed in the section titled "Basis of allocation" appearing on page no. 171 of this Draft Red Herring Prospectus.
10. **(a) Details of top ten shareholders of the Company as of the date of this Draft Red Herring Prospectus:**

S. No.	Name of the shareholder	No. of Equity Shares	% of Shareholding
1	Mr. Arif Shaikh	52,54,776	57.39
2	M/s KGN Industries Limited	29,25,000	31.95
3	Mr. Yusufbhai Shaikh	5,20,174	5.68
4	Ms. Arjumanbanu Shaikh	2,06,400	2.25
5	Ms. Shirinbanu Shaikh	1,05,650	1.15
6	Ms. Ashiyanabanu Shaikh	79,310	0.87
7	Ms. Shahinbanu Shaikh	64,690	0.71
Total		91,56,000	100.00

- (b) Details of top ten shareholders as of ten days prior to the date of this Draft Red Herring Prospectus:**

S. No.	Name of the shareholder	No. of Equity Shares	% of Shareholding
1	Mr. Arif Shaikh	52,54,776	57.39
2	M/s KGN Industries Limited	29,25,000	31.95
3	Mr. Yusufbhai Shaikh	5,20,174	5.68
4	Ms. Arjumanbanu Shaikh	2,06,400	2.25
5	Ms. Shirinbanu Shaikh	1,05,650	1.15
6	Ms. Ashiyanabanu Shaikh	79,310	0.87
7	Ms. Shahinbanu Shaikh	64,690	0.71
Total		91,56,000	100.00

- (c) Details of top ten shareholders as of two years prior to the date of this Draft Red Herring Prospectus:**

S. No.	Name of the shareholder	No. of Equity Shares	% of Shareholding
1	Mr. Yusufbhai Shaikh	26,00,870	47.89
2	Ms. Arjumanbanu Shaikh	25,80,430	47.51
3	Ms. Shirinbanu Shaikh	1,05,650	1.95

4	Ms. Ashiyanabanu Shaikh	79,310	1.46
5	Ms. Shahinbanu Shaikh	64,690	1.19
6	Mr. Arif Shaikh	50	Negligible
7	Mr. Yogesh Shah	50	Negligible
Total		54,31,050	100.00

11. (a) Details of Pre-Issue shareholding of the Promoter/ Promoter Group as on date are as follows:

S. No.	Name	Shareholding	% of Pre-Issue Shareholding
(A) Promoter – Core Promoters			
1	Mr. Arif Shaikh	52,54,776	57.39
2	Mr. Yusufbhai Shaikh	5,20,174	5.68
Sub-Total (A)		57,74,950	63.07
(B) Promoter Group			
1	Ms. Arjumanbanu Shaikh	2,06,400	2.25
2	Ms. Shirinbanu Shaikh	1,05,650	1.15
3	Ms. Ashiyanabanu Shaikh	79,310	0.87
4	Ms. Shahinbanu Shaikh	64,690	0.71
Sub-Total (B)		4,56,050	4.98
Total (A) + (B)		62,31,000	68.05

(b) Details of Pre-Issue shareholding of other shareholders in our Company which are not related to Promoter/Promoter Group as on date of this Draft Red Herring Prospectus are as follows:

Sr. No.	Name	Shareholding	% of Pre-Issue Shareholding
1	M/s KGN Industries Limited	29,25,000	31.95

12. Pre-Issue and Post-Issue Shareholding Pattern of our Company

Category of shareholder	No. of shareholders	Total no. of shares	Total shareholding as a percentage of total number of shares		Total post-Issue shareholding*		Shares pledged for otherwise encumbered	
			As a %age of (A+B)	As a %age of (A+B+C)	Total number of shares	As a %age of (A+B+C)	Number of shares	As a percentage of post-issued (A+B+C)
(A) Promoters' holding								
(1) Indian								
Promoters								
Individuals / Hindu Undivided	2	57,74,950	63.07	63.07	57,74,950	47.27	NA	NA

Family								
Central Government/State Government	-	-	-	-	-	-	NA	NA
Bodies Corporate	-	-	-	-	-	-	NA	NA
Financial Institutions/Banks	-	-	-	-	-	-	NA	NA
Any other (Specify)	-	-	-	-	-	-		
Promoter Group								
Individuals/ Hindu Undivided Family	4	4,56,050	4.98	4.98	4,56,050	3.73	NA	NA
Central Government/State Government	-	-	-	-	-	-	NA	NA
Bodies Corporate	-	-	-	-	-	-	NA	NA
Financial Institutions/Banks	-	-	-	-	-	-	NA	NA
Any other (Specify)	-	-	-	-	-	-	NA	NA
Sub-total (A) (1)	6	62,31,000	68.05	100.00	62,31,000	51.00	NA	NA
(2) Foreign								
Individuals (Non-Resident Individuals)	-	-	-	-	-	-	NA	NA
Bodies Corporate	-	-	-	-	-	-	NA	NA
Institutions	-	-	-	-	-	-	NA	NA
Any other (please specify)	-	-	-	-	-	-	NA	NA
Sub-Total (A)(2)	-	-	-	-	-	-	NA	NA
Total shareholding of Promoter & Promoter Group (A) = (A)(1) + (A)(2)	6	62,31,000	68.05	100.00	62,31,000	51.00	NA	NA
(B)Public shareholding								
(1) Institutions								
Mutual Funds	-	-	-	-	[●]	[●]	NA	NA
Financial Institutions/ Banks	-	-	-	-	[●]	[●]	NA	NA
Central Government/ State Government(s)	-	-	-	-	[●]	[●]	NA	NA
Venture Capital	-	-	-	-	[●]	[●]	NA	NA

Funds								
Insurance Companies	-	-	-	-	[●]	[●]	NA	NA
Foreign Institutional Investors	-	-	-	-	[●]	[●]	NA	NA
Foreign Venture Capital Investors	-	-	-	-	[●]	[●]	NA	NA
Any Other (specify)	-	-	-	-	[●]	[●]	NA	NA
Sub-total (B) (1)	-	-	-	-	[●]	[●]	NA	NA
(2) Non-Institutions								
Individuals								
(i) Individual shareholders holding nominal share capital up to ₹ 1 lakh.	-	-	-	-	[●]	[●]	NA	NA
(ii) Individual shareholders holding nominal share capital in excess of ₹ 1 lakh	-	-	-	-	[●]	[●]	NA	NA
Body Corporate	1	29,25,000	31.95	-	29,25,000	23.94	NA	NA
Any other (specify)	-	-	-	-	[●]	[●]	NA	NA
Sub-total (B) (2)	1	29,25,000	31.95	-	29,25,000	23.94	NA	NA
Total Public Shareholding (B)= (B) (1) + (B) (2)	1	29,25,000	31.95	-	29,25,000	23.94	NA	NA
(C) Shares held by Custodians and against which Depository Receipts have been issued	-	-	-	-	[●]	[●]	NA	NA
Grand Total (A + B + C)	7	91,56,000	100.00	100.00	[●]	[●]	NA	NA

Note: The split of total post issue public shareholding is currently not available and will be available once the basis of allotment is finalized.

13. As on the date of this Draft Red Herring Prospectus, there are no outstanding warrants, options or rights to convert debenture, loans or other financial instruments into Equity Shares of the Company. The Shares locked in by Promoters are not pledged to any one.
14. Our Promoters/ Promoter Group/Directors have not purchased / sold / financed / acquired any shares of the Company during the past 6 months.
15. The Company has not raised any bridge loan against the proceeds of the present issue. For

details on use of proceeds, see the section titled “Objects of the Issue” appearing on page no. 26 of this Draft Red Herring Prospectus.

16. There would be no further issue of capital in any manner whether by way of issue of bonus shares, preferential allotment, rights issue, public issue or otherwise during the period commencing from submission of this Draft Red Herring Prospectus with SEBI till the Equity Shares offered pursuant to the Issue have been listed.
17. At present, our Company does not have any intention or proposal to alter its capital structure for a period of six months from the date of opening of the Issue, by way of split/consolidation of the denomination of Equity Shares or issue of specified securities on a preferential basis or issue of bonus or rights or further public issue of specified securities or qualified institutional placement.
18. Our Company does not have any ESOS/ESPS scheme for our employees and we do not intend to allot any shares to our employees under ESOS/ESPS scheme from the proposed Issue. As and when, options are granted to our employees under the ESOP scheme, our Company shall comply with the SEBI (Employee Stock Option Scheme and Employees Stock Purchase Plan) Guidelines 1999.
19. The Company has not issued any shares out of revaluation reserves.
20. Neither the BRLM nor their associates hold any Equity Shares in the Company.
21. Our Company shall ensure that transactions in the Equity Shares by our Promoter and Promoter Group between the date of filing of offer document with RoC and the Bid closing date shall be intimated to the Stock Exchanges within 24 hours of such transaction.
22. At any given point of time, there shall be only one denomination for the Equity Shares of the Company, unless otherwise permitted by law. The Company shall comply with such disclosure and accounting norms specified by SEBI from time to time.
23. The Company has 7 shareholders as on the date of this Draft Red Herring Prospectus.
24. Our Company shall comply with such disclosure and accounting norms as may be specified by SEBI from time to time.
25. The Issue is being made through 100% Book-Building process wherein not more than 50% of the Issue to the public shall be allocated to QIBs on a proportionate basis out of which 5% shall be available for allocation on proportionate basis to Mutual Funds only and the remainder shall be available for allotment on a proportionate basis to QIBs and Mutual Funds, subject to valid bids being received from them at or above the Issue Price. Further, not less than 15% of the Issue will be available for allocation on a proportionate basis to Non-Institutional Bidders and the remaining 35% of the Issue will be available for allocation to Retail Individual Bidders, subject to valid Bids being received from them at or above the Issue Price. Under-subscription, if any, in any category would be met with spill over from other categories at our sole discretion, in consultation with the BRLM.

26. An applicant in any category cannot make a Bid for more than the number of Equity Shares offered through the Issue, to the maximum limit of investment prescribed under relevant laws applicable to each investor in any category.
27. Investors may note that in case of over-subscription, allotment will be on proportionate basis as detailed in para on “Basis of allocation” on page no. 171 of this Draft Red Herring Prospectus.

OBJECTS OF THE ISSUE

Rationale for the Issue

Our Company is presently engaged in the business of logistics services viz. goods transport, warehousing, packing and moving etc. We provide services majorly in four states in India viz. Andhra Pradesh, Karnataka, Gujarat and Tamil Nadu. We operate from two locations viz. Ahmedabad and Hyderabad. In order to expand our business, we intend to increase our fleet size from existing 21 vehicles to 126 vehicles. Our Company also proposes to set up transport yards at Ahmedabad and Vijayawada through the Issue proceeds.

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

1. Purchase of medium and heavy commercial vehicles
2. Setting up of transport yards at Ahmedabad and Vijayawada
3. General corporate purposes
4. Issue expenses

Requirement of Funds

The details of proceeds of the Issue are summarized as under:

(₹ in lakhs)		
Sr. No.	Fund Requirement	Amount
1.	Purchase of medium and heavy commercial vehicles	2102.85
2.	Setting up of transport yards at Ahmedabad and Vijayawada	557.79
3.	General corporate purposes	[•]
4.	Issue expenses	[•]
	Total	[•]

Means of Finance

The above requirement of funds is proposed to be financed as under:

(₹ in lakhs)		
Sr. No.	Means of Finance	Amount
1.	Proceeds of the Issue*	[•]
2.	Internal accruals**	[•]
	Total	[•]

* Will be incorporated after finalization of Issue Price.

**As on March 31, 2011 our Company has cash & bank balance of ₹ 15.08 lakhs and total reserves and surplus of ₹ 363.31 lakhs which will form part of internal accruals.

The aforesaid requirement of funds is proposed to be entirely financed by the Issue proceeds and internal accruals as mentioned in the above table. Thus provisions of Regulations (VII)(C)(1) of Schedule VIII of Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 in connection with firm arrangements of finance through

verifiable means towards 75% of the stated means of finance, excluding the amount to be raised through proposed Public Issue and internal accruals does not apply to our Company as our Company does not propose to avail any borrowed funds for part financing the Objects of the Issue.

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

The fund requirements and the intended use of the net proceeds as described herein are based on management estimates and various quotations received by us from different suppliers and have not been appraised by any bank or financial institution or any independent organisation.

We may have to revise our expenditure and fund requirements as a result of variations in the cost structure, changes in estimates and external factors, which may not be within the control of our management. This may entail rescheduling or revising the planned expenditure and increasing or decreasing the expenditure for a particular purpose from its planned expenditure at the discretion of our management. In addition, the estimated dates of completion of the proposed expansion as described herein are based on management's current expectations and are subject to change due to various factors, some of which may not be in our control.

Details of Utilization of Issue Proceeds

1. Purchase of medium and heavy commercial vehicles

We operate with a fleet of 21 vehicles with load capacities of 16.2 tonnes, 25 tonnes and 31 tonnes for transportation of goods. In order to expand our business we propose to increase our fleet size by purchase of 105 vehicles with load capacities varying from 10 tonnes to 21 tonnes. The total cost is estimated at ₹ 2102.85 lakhs, the details of which are as under:

(₹ in lakhs)					
Particulars	Name of the Supplier	Date of quotation	Rate/ vehicle	No. of vehicles	Cost
Cost of vehicles					
Ashok Leyland- 1616 IL (BS III) [10 tonnes] :					
Chassis	Automotive Manufacturers Pvt. Ltd.	January 31, 2011	11.18	20	223.60
Fabrication & mounting of cabin & rear load body on chassis	Haryana Motor Body Builders	February 5, 2011	1.75	20	35.00
Sub Total (i)					258.60
Ashok Leyland- 2516 IL (BS III) [16 tonnes] :					
Chassis	Automotive Manufacturers Pvt. Ltd.	January 25, 2011	15.01	40	600.40
Fabrication & mounting of cabin & rear load body on chassis	Haryana Motor Body Builders	February 5, 2011	2.50	40	100.00

Sub Total (ii)					700.40
Ashok Leyland- 3116 (BS III) [21 tonnes] :					
Chassis	Automotive Manufacturers Pvt. Ltd.	January 25, 2011	19.43	45	874.35
Fabrication & mounting of cabin & rear load body on chassis	Haryana Motor Body Builders	February 21, 2011	3.25	45	146.25
Sub Total (iii)					1020.60
Sub total A (i+ii+iii)					1979.60
Vehicle tracking system	Sarrahrhaj Enterprise Pvt. Ltd.	February 21, 2011	0.15	105	15.75
Sub total B					15.75
Add: Miscellaneous costs* (C)					28.55
Add: Insurance & taxes* (D)					78.95
Total (A+B+C+D)					2102.85

* Management estimates

2. Setting up of transport yards at Ahmedabad and Vijayawada

At present, our Company has a booking office and a parking facility at Aslali, Ahmedabad. Our Company proposes to set up a transport yard at Ahmedabad, which will include a parking facility, booking office and warehouse. We believe that, the proposed transport yard will provide us with a better infrastructure in terms of parking facility, bigger warehouse and booking office. After the proposed expansion, the new premise will be used as head office and the existing premise will be used as an additional warehouse and parking facility.

Further, we have a booking office at Hyderabad, Andhra Pradesh. Looking at the increasing demand of business in Andhra Pradesh, we intend to set up a transport yard in Vijayawada, Andhra Pradesh, which will include a parking facility and a booking office.

The total cost for the said expansion is estimated at ₹ 557.79 lakhs, details of which are as under:
(₹ in lakhs)

Sr. No.	Particulars	Amount
a)	Land	373.29
b)	Site development	85.90
c)	Building & civil works	65.12
d)	Furnitures and fixtures	28.54
e)	Office equipments	4.94
	Total	557.79

a) Land

Our Company proposes to set up transport yard at Ahmedabad & Vijayawada. For this purpose we propose to acquire land at Ahmedabad and Vijayawada.

As per estimate received from Samir P. Mulani, Government registered Civil Engineer, Developer & Valuer, Ahmedabad vide letter dated February 19, 2011, the cost of land at Ahmedabad is estimated at ₹ 280.08 lakhs.

As per estimate received from B. Manaiah, Assistant Engineer, The Mandala Praja Parishad, Municipally, Andhra Pradesh, vide its letter dated February 15, 2011, the cost of land at Vijayawada is estimated at ₹ 93.21 lakhs.

The total cost of the said lands is estimated at ₹ 373.29 lakhs.

b) Site development

As per estimate received from Samir P. Mulani, Government registered Civil Engineer, Developer & Valuer, Ahmedabad vide letter dated February 19, 2011, the cost of site development of land at Ahmedabad is estimated at ₹ 74.23 lakhs.

As per estimate received from M. Sudhakar, B.E. Civil, The Mandala Praja Parishad, Peddemul, Andhra Pradesh, vide its letter dated February 15, 2011, the cost of site development of land at Vijayawada is estimated at ₹ 11.67 lakhs.

The site development would include filling sand in plot, compound wall on plot boundary, leveling, etc.

c) Building & civil works

The total cost for building and civil works at Ahmedabad and Vijayawada is estimated at ₹ 65.12 lakhs, the details of which are as under:

Sr. No.	Particulars	Estimates received from	Date of letter	Amount (₹ in lakhs)
1	Office building at Ahmedabad	Samir P. Mulani, Government Registered Civil Engineer, Developer & Valuer, Ahmedabad	February 19, 2011	45.68
2	Office building at Vijayawada	B. Manaiah, Assistant Engineer, The Mandala Praja Parishad, Municipally, Andhra Pradesh	February 15, 2011	19.44
Total				65.12

d) Furnitures & fixtures

As per the estimates received from Mr. Bipin Panchal, Vejalpur, Ahmedabad vide letter dated February 21, 2011, the cost of furnitures and fixtures for our proposed transport yards at Ahmedabad and Vijayawada is estimated at ₹ 28.54 lakhs. The furnitures and fixtures include partition with laminate finish, wall panel, ceiling, cabinets, tables, colour and polish work, etc.

e) Office equipments

As per the estimates received from M/s Safe Services, Bapunagar, Ahmedabad vide letter dated February 15, 2011, the cost of computer systems, server, PBX system, Printers, LAN switch, WiFi router, etc. required for our proposed expansion at Ahmedabad and Vijayawada is estimated at ₹ 4.94 lakhs.

3. General Corporate Purposes

We, in accordance with the policies set up by the Board will have flexibility in applying the net

proceeds of the Issue for general corporate purposes including but not restricted to offsetting vehicle loans, meeting contingencies for any cost overrun in the proposed expansion, setting up of new booking offices, initiating any new services in transport business and meeting exigencies which we in the ordinary course may not foresee. As on the date of this Draft Red Herring Prospectus, we have not entered into any letter of intent or any other commitment for any joint venture or definitive commitment for any strategic initiatives. Our management, in accordance with the policies of our Board, will have flexibility in utilizing the proceeds earmarked for general corporate purposes.

4. Issue Expenses*

The expenses for this Issue includes Issue management fees, underwriting & selling commission (including commission to SCSB/Syndicate/sub-Syndicate for ASBA applications) & brokerage, registrars' fee, grading fee, fees payable to the Bankers to the Issue, printing and distribution of Issue stationery, advertisement and marketing expenses, legal advisor's fees, depository charges and listing fees payable to the stock exchanges, among others. The total expenses for this Issue are estimated to be ₹ [•] lakhs, details of which are as under:

(₹ In lakhs)				
Sr. No.	Activity	Amount	% of Total Issue size	% of Issue Expenses
1	Issue Management Fees	[•]	[•]	[•]
2	Underwriting, selling commission and brokerage	[•]	[•]	[•]
3	Processing fee to the SCSBs for processing Bid cum ASBA Forms procured by members of the Syndicate and submitted to SCSBs under the Syndicate ASBA process	[•]	[•]	[•]
4	Registrars fees	[•]	[•]	[•]
5	Fees payable to Bankers to the Issue	[•]	[•]	[•]
6	Advertising and marketing expenses, printing and stationery, distribution, postage <i>etc</i>	[•]	[•]	[•]
7	Other expenses (IPO grading agency, Legal advisors, Auditors, <i>etc.</i>)	[•]	[•]	[•]
	Total	[•]	[•]	[•]

*Will be incorporated after finalization of Issue Price

Manpower

The details of additional manpower for the proposed expansion are as follows:

Category of Employees	Proposed Number of employees
Senior Management	7
Middle Management/Officers	12
Others	7
Total	26

In addition to the above, we propose to hire drivers and cleaners in future as and when required. Our Company does not envisage any difficulties in sourcing the required manpower.

Schedule of Implementation

Sr. No	Activity	Expected month of commencement	Expected month of completion
1	Purchase of medium and heavy commercial vehicles		
	Placement of orders	October 2011	November 2011
	Delivery	October 2011	December 2011
2	Setting up of transport yards at Ahmedabad and Vijayawada		
	Land acquisition	October 2011	November 2011
	Site development	December 2011	January 2012
	Building & civil works	January 2012	April 2012
	Furnitures & fixtures	April 2012	April 2012
	Office equipments	April 2012	April 2012

Funds deployed till date

The details of the amount spent by our Company as of June 10, 2011 on projects as part of the "Objects of the Issue" and as certified by our Statutory Auditor, M/s Kiritkumar & Co, Chartered Accountants vide certificate dated June 13, 2011 are provided in the table below:

Particulars	Amount (₹ in lakhs)
Funds Deployed	
Issue Expenses	18.94
Sources of Funds	
Internal Accruals	18.94

Proposed Deployment of funds in the project

The year-wise break-up of proposed deployment of funds is mentioned below:

(₹ In lakhs)

Particulars	Already Incurred till June 10, 2011	Quarter ended December 31, 2011 (Q3)	Quarter ended March 31, 2012 (Q4)	FY 2012-13	Total
Purchase of medium and heavy commercial vehicles					
Placement of orders	-	210.74	-	-	210.74
Delivery of chassis	-	1629.03	-	-	1629.03
Delivery of vehicle after fabrication	-	263.08	-	-	263.08
Setting up of transport yards at Ahmedabad and Vijayawada					
Land	-	373.29	-	-	373.29
Site Development	-	10.00	75.90	-	85.90
Building & civil works	-	-	12.00	53.12	65.12
Furnitures & fixtures	-	-	-	28.54	28.54
Office equipments	-	-	-	4.94	4.94
General Corporate Purpose	-	[•]	[•]	[•]	[•]

Issue Expenses	18.94	[•]	[•]	[•]	[•]
Total	18.94	[•]	[•]	[•]	[•]

Interim Use of Proceeds

Our Company's management, in accordance with the policies established by the Board, will have flexibility in deploying the proceeds received from the Issue. Pending utilisation of the proceeds out of the Issue for the purposes described above, we intend to temporarily invest the funds in high quality interest bearing liquid instruments including money market mutual funds and deposits with banks. Such investments would be in accordance with the investment policies approved by the Board from time to time. We confirm that pending utilisation of Issue proceeds; we shall not use the funds for any investments in the Equity Markets.

Monitoring of Utilisation of funds

The appointment of monitoring agency is not required in accordance with Regulation 16(1) of SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2009. We have therefore not appointed any Monitoring Agency for the purpose of monitoring the utilization of issue proceeds. We will disclose the utilization of the proceeds under a separate head in our Company's balance sheet for the financial year 2012 and 2013 clearly specifying the purpose for which such proceeds have been utilized. We, in our balance sheet for the fiscal 2012 and 2013 provide details, if any, in relation to all such proceeds of the Issue that have not been utilized thereby also indicating investments, if any of such unutilized proceeds of the Issue.

Pursuant to clause 49 of the Listing Agreement, our Company shall on a quarterly basis disclose to the Audit Committee the uses and applications of the proceeds of the Issue. On an annual basis, our Company shall prepare a statement of funds utilized for purposes other than those stated in this Draft Red Herring Prospectus and place it before the Audit Committee. Such disclosure shall be made only until such time that all the proceeds of the Issue have been utilized in full. The statement shall be certified by the Statutory Auditor of the Company. Furthermore, in accordance with clause 43A of the Listing Agreement the Company shall furnish to the stock exchanges on a quarterly basis, a statement including material deviations if any, in the utilization of the proceeds of the Issue from the objects of the Issue as stated above.

This information will also be published in newspapers simultaneously with the interim or annual financial results, after placing the same before the Audit Committee.

No part of the issue proceeds, will be paid by our Company, as consideration to Promoters, Directors, Promoter Group and key management personnel.

BASIC TERMS OF ISSUE

Public Issue of 30,61,000 Equity Shares of ₹ 10/- each for cash at a Price of ₹ [•] per Equity Share, aggregating ₹ [•] lakhs (The “Issue”). The Issue constitutes 25.06% of the fully diluted post Issue paid-up capital of our Company.

	QIBs	Non-Institutional Bidders	Retail individual Bidders
Number of Equity Shares available for Allocation*	Not more than 15,30,500 Equity Shares or Issue less allocation to Non-Institutional Bidders and Retail Individual Bidders.	Not less than 4,59,150 Equity Shares or Issue less allocation to QIB Bidders and Retail Individual Bidders.	Not less than 10,71,350 Equity Shares or Issue less allocation to QIB Bidders and Non-Institutional Bidders
Percentage of Issue Size Available for allocation	Not more than 50% of the Issue or Issue less allocation to Non-Institutional Bidders and Retail Individual Bidders of which 5% will be available for allocation to Mutual Funds only.	Not less than 15% of Issue or Issue less allocation to QIB Bidders and Retail Individual Bidders	Not less than 35% of Issue or Issue less allocation to QIB Bidders and Non-Institutional Bidders
Basis of Allocation if respective category is oversubscribed	Proportionate as follows: a. Equity Shares shall be allocated on proportionate basis to Mutual Funds in the Mutual Funds Portion; b. Equity Shares shall be allocated on proportionate basis to all QIBs including Mutual Funds receiving allocation as per (a) above.	Proportionate	Proportionate
Minimum Bid	Such number of Equity Shares in multiples of [•] Equity Shares so that the Bid Amount exceeds ₹ 2,00,000.	Such number of Equity Shares in multiples of [•] Equity Shares so that the Bid Amount exceeds ₹ 2,00,000.	[•] Equity Shares and in multiples of [•] Equity Shares thereafter
Maximum Bid	Such number of Equity Shares not exceeding the Issue, subject to applicable limits.	Such number of Equity Shares not exceeding the Issue, subject to applicable limits.	Such number of Equity Shares whereby the Bid amount does not exceed ₹ 2,00,000

Mode of Allotment	Compulsorily in dematerialised mode	Compulsorily in dematerialised mode	Compulsorily in dematerialised mode
Allotment Lot	[•] Equity Shares and in multiples of one Equity Share thereafter	[•] Equity Shares and in multiples of one Equity Share thereafter	[•] Equity Shares and in multiples of one Equity Share thereafter
Trading Lot	One Equity Share	One Equity Share	One Equity Share
Who can apply**	Public financial institutions, as specified in Section 4A of the Companies Act, scheduled commercial banks, mutual funds registered with SEBI, foreign institutional investors and sub-account registered with SEBI, other than a sub-account which is a foreign corporate or foreign individual, multilateral and bilateral development financial institutions, venture capital funds registered with SEBI, foreign venture capital investors registered with SEBI, State Industrial Development Corporations, permitted insurance companies registered with the Insurance Regulatory and Development Authority, provident funds with minimum corpus of ₹ 2500 lakhs, pension funds with minimum corpus of ₹ 2500 lakhs, National Investment Fund, Insurance funds set up and managed by army, navy or air force of the	Resident Indian individuals, HUF (in the name of Karta), companies, corporate bodies, Eligible NRIs, scientific institutions, societies and trusts and eligible/permitted FII sub-accounts registered with SEBI, which are foreign corporates or foreign individuals bidding under the Non-Institutional Portion.	Individuals including NRIs and HUFs (in the name of the Karta) applying for Equity Shares such that the Bid amount does not exceed ₹ 2,00,000 in value.

	Union of India and Insurance funds set up and managed by Department of Posts, India in accordance with applicable laws.		
Terms of Payment***	Bid amount shall be payable at the time of submission of Bid cum Application Form to the Syndicate Members.	Bid amount shall be payable at the time of submission of Bid cum Application Form	Bid amount shall be payable at the time of submission of Bid cum Application Form
Margin Amount	Full Bid Amount on bidding	Full Bid Amount on bidding	Full Bid Amount on bidding

*Subject to valid Bids being received at or above the Issue Price.

Under-subscription, if any, in any category would be met with spillover from any other category or combination of categories at the sole discretion of our Company, in consultation with the BRLM.

** 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 are in the same sequence in which they appear in the Bid cum Application form / ASBA Form.

*** In case of ASBA Bidders, SCSB shall be authorized to block entire Bid Amount as specified in the ASBA Forms.

BASIS FOR ISSUE PRICE

The Issue Price will be determined by our Company in consultation with the BRLM on the basis of assessment of market demand for the offered Equity Shares by the Book Building Process. The face value of the Equity Shares is ₹ 10 and Issue Price is ₹ [•] per Equity Share and is [•] times the face value.

Investors should read the following summary with the risk factors beginning from page no. iii of this Draft Red Herring Prospectus and the details about our Company and its financial statements included in this Draft Red Herring Prospectus. The trading price of the Equity Shares of our Company could decline due to these risk factors and you may lose all or part of your investments.

Qualitative Factors

For details in respect of our qualitative factors, please refer to the section “Our Strengths” appearing on page no. 57 of this Draft Red Herring Prospectus.

Quantitative Factors:

1. Adjusted Earning Per Equity Share

Period (Financial Year)	Earnings Per Equity Share (₹)	Weight
2010-11	1.79	3
2009-10	1.82	2
2008-09	0.34	1
Weighted Average (considering last three completed financial years)	1.56	

2. Price / Earning Ratio (P/E)

Particulars	At the Lower Band of ₹ [•] per Equity Share	At the Upper Band of ₹ [•] per Equity Share
Based on the Adjusted EPS for the year ended March 31, 2011	[•]	[•]
Based on the weighted average EPS	[•]	[•]

Industry P/E

No source of information is available where companies engaged in this business are categorised as a separate industry and hence, highest, lowest and average industry P/E has not been furnished.

3. Return on Networth (RONW)

Period (Financial Year)	RONW %	Weight
2010-11	11.37	3
2009-10	12.42	2

2008-09	2.68	1
Weighted Average	10.27	

4. Minimum Return on increased Net Worth required to maintain pre-issue EPS.

Particulars	At the Lower Band of ₹ [•] per Equity Share	At the Upper Band of ₹ [•] per Equity Share
Minimum required RONW for maintaining above EPS	[•]	[•]

5. Net Asset Value per share (NAV)

Particulars	Adjusted NAV
a. As on March 31, 2011	13.75
b. After Issue (At the upper band)	[•]
After Issue (At the lower band)	[•]
c. Issue price	[•]

NAV per share = Paid up share capital + Reserves and surplus – Miscellaneous expenditure not yet written off / Number of Equity Shares of our Company outstanding.

6. Comparison with Industry Peers

There are no listed peers / companies which are of comparable size of business, therefore no comparison is furnished.

The face value of the shares of our Company is ₹ 10/- per share and the Issue Price of ₹ [•] per share is [•] times of the face value of the Equity Shares of our Company.

The BRLM believe that the Issue price of ₹ [•] is justified in view of the above qualitative and quantitative factors. See the section titled “Risk Factors” and “Financial Statements of the Company” beginning on page no. iii and 89 of this Draft Red Herring Prospectus, including important profitability and return ratios, as set out in the “Auditor’s Report” beginning on page no. 89 for further information.

STATEMENT OF TAX BENEFITS

**The Board of Directors,
Asian Logistics Limited,**
Asian House, beside Shreenath Transport Nagar,
Opp. Bharat Petrol Pump, Lambha, Aslali,
Ahmedabad- 382 427

Dear Sirs,

We hereby report that the enclosed annexure states the possible tax benefits available to **Asian Logistics Limited** (the "Company") and its shareholders under the provisions of the Income tax Act, 1961 and other direct tax laws presently in force. Several of these benefits are dependent on the Company or its shareholders fulfilling the conditions prescribed under the relevant tax laws. Hence, the ability of the Company or its shareholders to derive the tax benefits is dependent upon fulfilling such conditions, which based on business imperatives the Company faces in the future, the Company may or may not choose to fulfill.

The benefits discussed below are not exhaustive. This statement is only intended to provide general information to the investors and is 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 laws, each investor is advised to consult his or her own tax consultant with respect to the specific tax implications arising out of their participation in the issue.

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

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

The contents of this annexure are based on information/explanations, relevant documents as produced before us and representations obtained from the Company and on the basis of our understanding of the business activities and operations of the Company.

This statement is provided solely for the purpose of assisting the Company to which it is addressed in discharging their responsibilities under the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 and paragraph B (1) of Part II of Schedule II to the Indian Companies Act.

M/s Kiritkumar & Co.
Chartered Accountants

Proprietor
Membership No. 38047
Place: Ahmedabad
Date: June 13, 2011

The tax benefits listed below are the possible benefits available under the current tax laws in India. Several of these benefits are dependent on the Company or its Shareholders fulfilling the conditions prescribed under the relevant tax laws. Hence, the ability of the Company or its Shareholders to derive the tax benefits is dependent upon fulfilling such conditions, which based on business imperatives it faces in the future, it may not choose to fulfill.

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

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

General Tax Benefits

- (a) Under section 10(34) of the Act, any income by way of dividends referred to in section 115-O of the Act (i.e. dividends declared, distributed or paid on or after April 1, 2003 by domestic companies) received from a domestic company shall be exempt from tax in the hands of the company.
- (b) Under section 10(35) of the Act, any income received in respect of the units of a Mutual Fund specified under section 10(23D) is exempt from tax.
- (c) Under Section 10(38) of the Act, long term capital gain arising to the shareholder from transfer of a long term capital asset being an equity share in the company (i.e. capital asset held for a period of more than twelve months) entered into in a recognized stock exchange in India and being such a transaction, which is chargeable to Securities Transaction Tax, shall be exempt from tax. However, long term capital gains of a company shall be taken into account in computing tax payable under section 115JB.
- (d) As per section 48 of the Act, income chargeable under the head capital gains shall be computed by deducting from the full value of consideration, the expenses incurred in connection with the transfer of the capital asset along with the cost of acquisition and cost of improvement of the capital asset. Further, in case of long term capital gain arising from transfer of a long term capital asset, the company shall be eligible to avail the benefit of indexed cost of acquisition and cost of improvement and factor in the impact of inflation on cost.
- (e) Under Section 54EC of the Act, capital gain arising from transfer of long term capital assets [other than those exempt u/s 10(38)] shall be exempt from tax, subject to the conditions and to the extent specified therein, if the capital gain are invested within a period of six months from the date of transfer in the bonds redeemable after three years and issued by –
 - (i) National Highways Authority of India ("NHAI") constituted under Section 3 of National Highways Authority of India Act, 1988 and notified by the Central Government in the Official Gazette for the purpose of this section; and

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

The maximum amount permitted to be invested in the aforesaid bonds is Rs. 50 lakhs per investor. If only part of the capital gain is so reinvested, the exemption shall be proportionately reduced. However, the amount so exempted shall be chargeable to tax subsequently, if the new bonds are transferred or converted into money within three years from the date of their acquisition.

- (f) Under Section 111A of the Act, capital gains arising from transfer of short term capital assets, being an equity share in a company which is subject to Securities Transaction Tax will be taxable under the Act @ 15% (plus applicable surcharge for corporate assesseees and education cess).
- (g) Under Section 32 of the Act, the company can claim depreciation allowance at the prescribed rates on tangible assets such as building, plant and machinery, furniture and fixtures, etc. and intangible assets such as patent, trademark, copyright, know-how, licenses etc (on intangible assets acquired after March 31, 1998).
- (h) In terms of sub section (2) of 32 of the Act, the company is entitled to carry forward and set off the unabsorbed depreciation arising due to absence / insufficiency of profits or gains chargeable for the previous year. The amount is allowed to be carried forward and set off for the succeeding previous years until the amount is exhausted without any time limit.
- (i) Under Section 35D of the Act, the company will be entitled to a deduction equal to 1/5th of the expenditure incurred of the nature specified in the said section, including expenditure incurred on present issue, such as under writing commission, brokerage and other charges, as specified in the provision, by way of amortization over a period of 5 successive years, beginning with the previous year in which the business commences, subject to the stipulated limits.
- (j) As per the provisions of Section 56(2)(viii) the company shall be taxed in respect of shares received of a company in which the public are not substantially interested either without consideration or for a consideration which is less than the aggregate fair market value of the such shares provided the fair market value of such shares exceeds fifty thousand rupees. Such income shall be taxed in the hands of the company as "Income from other sources".
- (k) Where the tax liability of the company as computed under the normal provisions of the Act, is less than 18% of its book profits after making certain specified adjustments, the company would be liable to pay Minimum Alternate Tax ("MAT") at an effective rate of 19.9305% (including applicable surcharge and education cess) of the book profits. For the purpose of computation of MAT, the book profits are subjected to certain adjustments as prescribed.

MAT paid in one year shall however be available as credit against the normal income tax liability in subsequent years. Such credit can be carried forward upto 10 years for set off against normal tax liability.

- (l) As per the provisions of Sections 71 of the Act, the company is entitled to set off loss arising under one head of income (other than capital loss) against income under any other head (excluding income under the head salary) in the same assessment year.
- (m) As per provisions of section 72 of the Act, the company is entitled to carry forward business losses for a period of 8 consecutive assessment years commencing from the assessment year when the losses were first computed and set off such losses from income chargeable under the head "Profits and gains from business or profession".
- (n) As per provisions of section 74 of the Act, the company is entitled to carry forward losses arising from the transfer of capital assets for a period of 8 consecutive assessment years commencing from the assessment year when the losses were first computed and set off such losses from income chargeable under the head "Capital Gains". However, losses arising from long term capital assets may be set off only against long term capital gains arising to the company in future.
- (o) The company is entitled to deduction under section 80G of the Act in respect of amounts contributed as donations to various charitable institutions and funds covered under that section, subject to fulfillment of conditions specified therein.

Special Tax Benefits

There are no special tax benefits available to the company considering its operations.

2) To the Members of the Company - Under the Income Tax Act

2.1 Resident Members

General Tax Benefits

- (a) Under Section 10(34) of the Act, income earned by way of dividend from domestic company referred to in Section 115-O of the Act is exempt from income-tax in the hands of the shareholders.
- (b) Under Section 10(38) of the Act, long term capital gain arising to the shareholder from transfer of a long term capital asset being an equity share in the company (i.e. capital asset held for a period of more than twelve months) entered into in a recognized stock exchange in India and being such a transaction, which is chargeable to Securities Transaction Tax, shall be exempt from tax. However, long term capital gains of a company shall be taken into account in computing tax payable under section 115JB.
- (c) Section 80CCF of Income-tax Act, 1961 ('Act') was introduced by Finance Act, 2010 recently. It provides for a deduction of Rs. 20,000 from income chargeable to tax of individuals for investment in long term infrastructure bonds as may be notified by the Central Government for this purpose. Such deduction shall be in addition to deduction of Rs. 1,00,000 allowed earlier under section 80C of the Act.

- (d) Under Section 54EC of the Act, capital gain arising from transfer of long term capital assets [other than those exempt u/s 10(38)] shall be exempt from tax, subject to the conditions and to the extent specified therein, if the capital gain are invested within a period of six months from the date of transfer in the bonds redeemable after three years and issued by –
- i. National Highways Authority of India (“NHAI”) constituted under Section 3 of National Highways Authority of India Act, 1988 and notified by the Central Government in the Official Gazette for the purpose of this section; and
 - ii. Rural Electrification Corporation Limited (“RECL”), a company formed and registered under the Companies Act, 1956 and notified by the Central Government in the Official Gazette for the purpose of this section.

The maximum amount permitted to be invested in the aforesaid bonds is Rs. 50 lakhs per investor. If only part of the capital gain is so reinvested, the exemption shall be proportionately reduced. However, the amount so exempted shall be chargeable to tax subsequently, if the new bonds are transferred or converted into money within three years from the date of their acquisition.

- (e) Under Section 111A of the Act, capital gains arising from transfer of short term capital assets, being an equity share in a company which is subject to Securities Transaction Tax will be taxable under the Act @ 15% (plus applicable surcharge for corporate assesseees and education cess).
- (f) Under Section 112 of the Act and other relevant provisions of the Act, long term capital gains [not covered under Section 10(38) of the Act] arising on transfer of shares in the Company, if shares are held for a period exceeding 12 months, shall be taxed at a rate of 20% (plus applicable surcharge for corporate assesseees and education cess on income-tax) after indexation as provided in the second proviso to Section 48 or at 10% (plus applicable surcharge for corporate assesseees and education cess on income-tax) (without indexation), at the option of the Shareholders.

Special Tax Benefits

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

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

General Tax Benefits

- (a) By virtue of Section 10(34) of the Act, income earned by way of dividend income from a domestic company referred to in Section 115-O of the Act, is exempt from tax in the hands of the recipients.
- (b) Under Section 10(38) of the Act, long term capital gain arising to the shareholder from transfer of a long term capital asset being an equity share in the company or unit of an equity oriented mutual fund (i.e. capital asset held for a period of more than twelve months) entered into in a recognized stock exchange in India and being such a transaction, which is

chargeable to Securities Transaction Tax, shall be exempt from tax.

- (c) Section 80CCF of Income-tax Act, 1961 ('Act') was introduced by Finance Act, 2010 recently. It provides for a deduction of Rs. 20,000 from income chargeable to tax of individuals for investment in long term infrastructure bonds as may be notified by the Central Government for this purpose. Such deduction shall be in addition to deduction of Rs. 1,00,000 allowed earlier under section 80C of the Act.
- (d) Under the first proviso to section 48 of the Act, in case of a non resident, in computing the capital gains arising from transfer of shares of the company acquired in convertible foreign exchange (as per exchange control regulations), protection is provided from fluctuations in the value of rupee in terms of foreign currency in which the original investment was made. Cost indexation benefits will not be available in such a case.
- (e) Under Section 54EC of the Act, capital gain arising from transfer of long term capital assets [other than those exempt u/s 10(38) of the Act] shall be exempt from tax, subject to the conditions and to the extent specified therein, if the capital gain are invested within a period of six months from the date of transfer in the bonds issued by –
 - i. National Highways Authority of India ('NHAI') constituted under Section 3 of National Highways Authority of India Act, 1988 and notified by the Central Government in the Official Gazette for the purpose of this section; and
 - ii. RECL, a company formed and registered under the Companies Act, 1956 and notified by the Central Government in the Official Gazette for the purpose of this section.
- (f) The maximum amount permitted to be invested in the aforesaid bonds is Rs. 50 lakhs per investor. If only part of the capital gain is so reinvested, the exemption shall be proportionately reduced. However, the amount so exempted shall be chargeable to tax subsequently, if the new bonds are transferred or converted into money within three years from the date of their acquisition.
- (g) Under the provisions of section 90(2) of the Act, an assessee may choose to be governed by the provisions of the Act or the double taxation avoidance agreements entered into by India with the country of residence of the assessee, whichever is more beneficial.
- (i) Under Section 111A of the Act, capital gains arising from transfer of short term capital assets, being an equity share in a company which is subject to Securities Transaction Tax will be taxable under the Act @ 15% (plus education cess).
- (j) Under Section 112 of the Act and other relevant provisions of the Act, long term capital gains [not covered under Section 10(38) of the Act] arising on transfer of shares in the company, if shares are held for a period exceeding 12 months, shall be taxed at applicable rates.
- (h) Taxation of Income from investment and Long Term Capital Gains [other than those exempt u/s 10(38)]

- (i) A non-resident Indian, i.e. an individual being a citizen of India or person of Indian origin has an option to be governed by the special provisions contained in Chapter XIIA of the Act, i.e. “Special Provisions Relating to certain incomes of Non - Residents”.
- (ii) Under Section 115E of the Act, where shares in the company are subscribed for in convertible Foreign Exchange by a non-resident Indian, capital gains arising to the non resident on transfer of shares held for a period exceeding 12 months shall [in cases not covered under Section 10(38) of the Act] be concessionally taxed at a flat rate of 10% (plus education cess) without indexation benefit but with protection against foreign exchange fluctuation under the first proviso to Section 48 of the Act.
- (iii) Under provisions of section 115F of the Act, long term capital gains [not covered under section 10(38) of the Act] arising to a non-resident Indian from the transfer of shares of the company subscribed to in convertible Foreign Exchange shall be exempt from income tax if the net consideration is reinvested in specified assets within six months of the date of transfer. If only part of the net consideration is so reinvested, the exemption shall be proportionately reduced. The amount so exempted shall be chargeable to tax subsequently, if the specified assets are transferred or converted within three years from the date of their acquisition.
- (iv) Under provisions of Section 115-G of the Act, it shall not be necessary for a non-resident Indian to furnish his return of income if his only source of income is investment income or long term capital gains or both arising out of assets acquired, purchased or subscribed in convertible foreign exchange and tax deductible at source has been deducted there from.
- (v) Under Section 115-I of the Act, a non resident Indian may elect not to be governed by the provisions of Chapter XII-A of the Act for any assessment year by furnishing his return of income under section 139 of the Act declaring therein that the provisions of the Chapter shall not apply to him for that assessment year and if he does so the provisions of this Chapter shall not apply to him. In such a case the tax on investment income and long term capital gains would be computed as per normal provisions of the Act.

Special Tax Benefits

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

2.3 Foreign Institutional Investors

General Tax Benefits

- (a) By virtue of Section 10(34) of the Act, income earned by way of dividend income from another domestic company referred to in Section 115-O of the Act, is exempt from tax in the hands of the institutional investor.
- (b) Under Section 10(38) of the Act, long term capital gain arising to the shareholder from transfer of a long term capital asset being an equity share in the company (i.e. capital asset

held for a period of more than twelve months) entered into in a recognized stock exchange in India and being such a transaction, which is chargeable to Securities Transaction Tax, shall be exempt from tax.

- (c) Under Section 111A of the Act, capital gains arising from transfer of short term capital assets, being an equity share in a company which is subject to Securities Transaction Tax will be taxable under the Act at the rate of 15% (plus applicable surcharge for corporate assesseees and education cess).
- (d) Under Section 115AD capital gain arising on transfer of long term capital assets, being shares in a company (other than those mentioned in point b) above), are taxed at the rate of 10% (plus applicable surcharge for corporate assesseees and education cess). Such capital gains would be computed without giving effect to the first and second proviso to Section 48 of the Act. In other words, the benefit of indexation, direct or indirect, as mentioned under the two provisos would not be allowed while computing the capital gains. Further gains arising from the transfer of short term capital assets may be taxed at the rate of 30% (plus applicable surcharge for corporate assesseees and education cess) or 15% (plus applicable surcharge for corporate assesseees and education cess) in case of equity shares in a company which have been subject to Securities Transaction Tax.
- (e) Under Section 54EC of the Act, capital gain arising from transfer of long term capital assets [other than those exempt u/s 10(38) of the Act] shall be exempt from tax, subject to the conditions and to the extent specified therein, if the capital gain are invested within a period of six months from the date of transfer in the bonds issued by –
 - (i) National Highways Authority of India ('NHAI') constituted under Section 3 of National Highways Authority of India Act, 1988 and notified by the Central Government in the Official Gazette for the purpose of this section; and
 - (ii) RECL, a company formed and registered under the Companies Act, 1956 and notified by the Central Government in the Official Gazette for the purpose of this section.

The maximum amount permitted to be invested in the aforesaid bonds is Rs. 50 lakhs per investor. If only part of the capital gain is so reinvested, the exemption shall be proportionately reduced. However, the amount so exempted shall be chargeable to tax subsequently, if the new bonds are transferred or converted into money within three years from the date of their acquisition.

Special Tax Benefits

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

3) Wealth Tax Act, 1957

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

4) Benefits available under the Gift Tax Act, 1958

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

5) Tax Treaty benefits

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

Notes

- a) All the above benefits are as per the current tax law and will be available only to the sole/ first named holder in case the shares are held by joint holders.
- b) In respect of non-residents, taxability of capital gains mentioned above shall be further subject to any benefits available under the Double Taxation Avoidance Agreement, if any between India and the country in which the non-resident has fiscal domicile.

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

SECTION IV - ABOUT THE COMPANY

INDUSTRY OVERVIEW

The information in this section has been derived from IMaCS Report on Transport -Road, February, 2011. Neither we nor any other person connected with the Issue have verified this information. The data may have been re-classified by us for the purposes of presentation. Industry sources and publications generally state that the information contained therein has been obtained from sources generally believed to be reliable, but that 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.

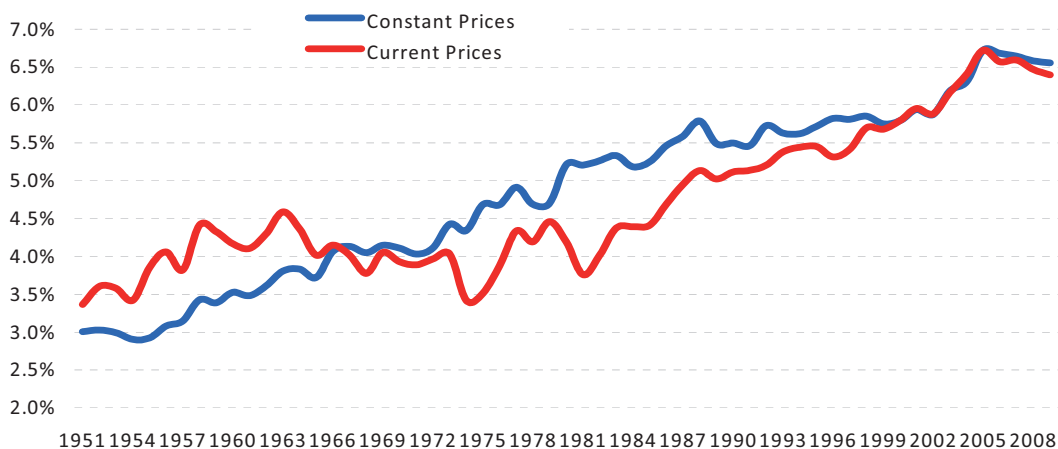
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Overview

The size of the Indian road transport sector was estimated at Rs. 2,700 billion during FY 2010 (at current prices), accounting for around 4.5% of India's gross domestic product (GDP). By comparison, GDP from railways was estimated at Rs. 601 billion during FY 2010. The importance of the transport industry results from the fact that it is the dominant motorised mode of transport linking the remote and hilly areas with rest of the economy. During FY 2009, the share of transport sector in GDP aggregated 6.40% at current prices and 6.56% at constant prices.

Share of Transport Sector in GDP



Source: Government of India (GoI), IMaCS Analysis

Road transport has emerged as the dominant segment in India's transportation sector with a share of 4.8% in India's GDP. Road transport also accounts for 74% of total GDP emanating from the transport sector. The contribution of road transport in the transport GDP of India has consistently increased from around 50% in FY 1971 to 60% by the early-1990s, and to 74% in FY 2009. Further, around 74% of the incremental increase in transport GDP during FY 2003-09 has come from road transport sector.

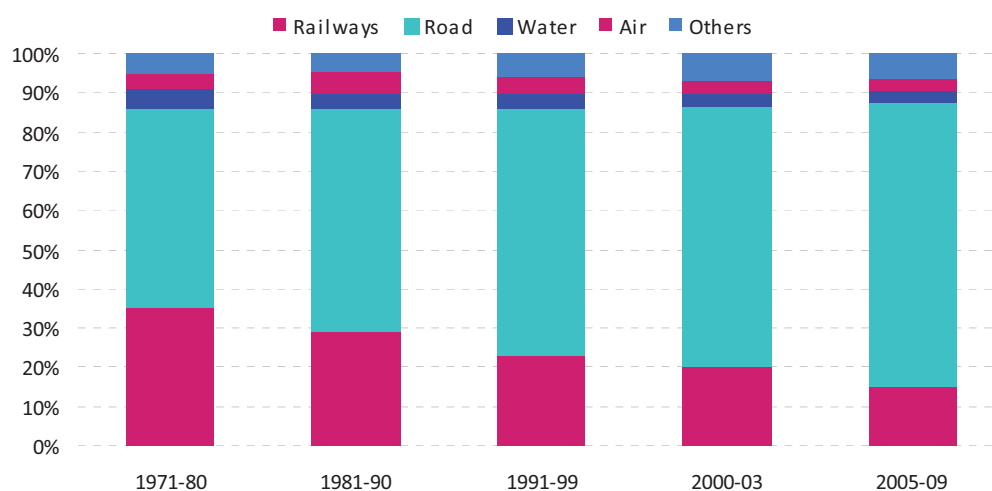
GDP from Road Transport Sector

	Rs. Billion					Growth	
FY	2005	2006	2007	2008	2009	2009	2007-09
At Constant (2004-05) Prices	1,441.6	1,572.7	1,721.1	1,857.0	1,995.8	7.5%	8.3%
At Current Prices	1,441.6	1,639.9	1,901.6	2,146.7	2,497.8	16.4%	15.1%

Source: GoI, IMACS Analysis

Following a period of high growth till FY 2008, the road transport growth has slowed down significantly during FY 2009 because of a slowdown in domestic economic activity and a significant decline in trade volumes till mid-2009. The Indian economy exhibited signs of a slowdown during FY 2009 and Q1 FY 2010, with real growth in gross domestic product (GDP) decelerating sharply from 7.8% in Q1 FY 2009 to 5.8% in Q3 FY 2009, and 5.8% in Q4 FY 2009. However, real GDP growth improved marginally in Q1 FY 2010 followed by a strong recovery in Q2 FY 2010 and a temporary slide in Q3 FY 2010; when real GDP increased 6.5% (yoy). Following a pause in momentum in Q3FY2010, real GDP growth picked up again with real GDP increasing 8.6% (yoy) in Q4FY2010. The higher growth was primarily driven by a substantial recovery in industrial production, accompanied by continuing recovery in some select services sectors. Exports also began to recover from the second half of FY2010, in line with the recovery in world trade, and exports (in constant prices) increased 14.2% (yoy) in Q4FY2010, reversing three successive quarters of (yoy) decline.

Share in Total Transport GDP



Source: Government of India (GoI), IMACS Analysis

Easy accessibility, flexibility of operations, door-to-door service and reliability have enabled road transport to report an increasingly higher share of both passenger and freight traffic vis-à-vis other transport modes. The share of road transport has increased most sharply over the past decades, while the share in the modal split of rail and inland waterways has declined substantially. This is mainly due to the effect of the structure of goods in the industrial sectors. Mass commodities, suitable for rail and inland waterway transport, are becoming less important. The share of time-sensitive, high-value goods in overall output is increasing. In addition to the effect of the structure of goods, various factors account for the above-average growth in road transport.

- New production concepts (e.g. just-in-time procurement) in industry and trade call for a logistic system geared to flexibility and speed. Road traffic fulfils this requirement to a much greater extent than do rail and inland waterway traffic.
- Government investment policy concentrates far more on road traffic than on rail and inland waterway traffic. Furthermore, technological innovation tends to be more common in road traffic. As a result, the quality of road traffic supply is improving to a much greater extent than that of rail or inland waterway traffic.
- The effect of deregulation and liberalisation in both manufacturing and transport has brought about more rapid and cost-effective road transport by increasing competition on the roads, in spite of continuing bureaucratic and fiscal impediments.

Share of GDP from Transport Sector

Percent:

at constant (1999-2000) prices till FY 2004

at constant (2004-05) prices from FY 2005

FY	1991	1998	2005	2006	2007	2008	2009
Railways	1.46	1.21	0.98	0.96	0.98	0.98	1.00
Road Transport	3.29	3.79	4.86	4.84	4.83	4.77	4.80
Water Transport	0.21	0.22	0.22	0.22	0.21	0.21	0.20
Air Transport	0.24	0.21	0.19	0.20	0.20	0.19	0.17
Services	0.27	0.41	0.47	0.46	0.43	0.43	0.39
Total	5.46	5.85	6.72	6.68	6.65	6.58	6.56

Source: GoI, IMaCS Analysis

As a result, road transportation has made significant gains in market share at the expense of the railways. During FY 2006, road transportation accounted for around 87% of the passenger traffic, and 61% of the goods traffic.

For inland freight and passenger traffic, the modal-split between road and rail is typically distance-related and time-sensitive. Road is usually more cost-efficient for short haul (perhaps up to 500 km), while rail is more cost-efficient for long haul (over 500 km). Time-sensitive goods are more likely to be moved by road, which is more flexible in terms of routing, door-to-door delivery, and journey scheduling. For passenger traffic, while rail is usually preferred for long-distance travel,

roads are far more flexible (in terms of route choice) for most passengers in urban areas. The biggest challenge for urban rail transport is high capital costs and local amenity issues. Further, the urban rail network must be extensive (with relatively high urban housing/population density to support it) to compete with road.

Competition

Road freight transportation is highly fragmented with the truck operators owning less than five trucks estimated to account for over 75% of the truck fleet. It is estimated that 77% of truck fleet is under operators who own 5 trucks or less; 10% belonged to those with 6-10 trucks; 4% belonged to those with 11-15 trucks; 3% belonged to those with 16-20 trucks; and only 4% of fleet belonged to those with more than 20 trucks. Thus, the industry is characterised by intense competition. The high competition is the result of relatively lower capital requirement, ease of obtaining driving licenses and permits. The small operators are involved mainly in the physical movement of goods and depend on brokers and other fleet operators who in turn depend on the booking agents for obtaining business. The small operators are not in a position to perform functions of aggregating, handling, delivering of cargo and marketing. These operators do not have the geographical reach and necessary infrastructure to tap business on a continuous basis, and thus rely on brokers. Some organised players in the industry have ventured into offering value added services such as courier and express cargo business and providing third party logistic services. The large fleet operators are small in number, and generally operate throughout the country. These fleet operators primarily work on a hub and spoke model. The hub and spoke distribution system enables optimisation of costs and higher revenues for the transport companies/ fleet operators. These transport companies generally have formal contracts with the users, which is very rare in the case of small operators. Large operators are also in position to bid for the contracts with companies. They utilise the services of the smaller operators when they need to have additional vehicles.

Demand Characteristics

The demand for freight transportation depends upon the economic cycles especially on the level of agricultural production and industrial activity. Thus, the road transportation industry has strong linkages with the economic growth. Worldwide, the transport sector has suffered heavily as a result of the global economic crisis. The global economic crisis has reduced the flow passengers and goods worldwide, thereby placing severe constraints on many manufacturers, transport operators and facilities. With ailing global financial markets, demand slowed down sharply, and credit supply and demand also declined for maintenance and for the development of new infrastructure and equipment in all modes of transport. India's road transport sector is dominated by the private sector, and private involvement in road transport funding is highly reliant on the availability of credit. Thus, the slowdown in credit impacted investment in new facilities, while cost of borrowings increased (due to increased risk).

Government Policies

Transport operators are largely affected by the Govt. policies relating to taxation as well as fuel prices. An increase in the diesel prices significantly affects the financial performance of the transport operators as fuel cost account for over 50% of their operating cost. Over the last three years, while diesel prices have risen significantly, the increase in freight rates has not been usually dictated by demand-supply factors. Various state sales taxes, state-specific irrecoverable taxes, freight charges depending upon distance of depot from refinery and delivery charges from depot to retail pump outlet, etc., also affect the retail selling prices of diesel per litre.

Key issues affecting the players

- The road transportation industry is highly fragmented in nature and the organized sector players are witnessing an intense competition from unorganised sector.
- The profitability of the transport operators is affected by the increase in the diesel prices (fuel costs account for over 60% of the operating cost of the transport operators).
- The freight rate movements are sensitive to trends in volume of goods transported. For instance, in FY 2003, the freight rates were relatively stagnant on account of supply side pressures (increase in floating population of the CVs during the year). Freight rates started improving from FY 2004 following increase in the volume of goods transported that was on account of improved agricultural and industrial production. Thus, the financial performance of the operators has linkages with economic growth that affects the need for transportation of goods.
- India has a multiplicity of taxes as taxes are levied at the Union level, state level and at the local administration. The various taxes include: Customs duty, excise duty and CST (Central Sales Tax) by the Union Govt., MV (Motor Vehicle) tax, goods tax, sales tax and entry tax by the State Govt and Octroi and Tolls by the local body.
- Time-consuming and complex border-crossing procedures cause significant journey time delays and poor journey time reliability on road movements. They also impose additional costs, both in terms of actual fees and charges for services provided, unofficial payments (i.e. bribes), and as a result of time delays and unreliability in delivery. At worst, several days can be lost at these border points. According to a World Bank Study, there are a numerous barriers to efficient movement of goods, including
 - High rates of unofficial taxation upto 25% of enroute expenses.
 - Time wasted by numerous inspections and collections of tax enroute
 - The lack of system for vehicle inspection, maintenance and certification
 - Low levels of technology
- Road freight drivers are prone to criminal attacks on their vehicles, the goods they carry and themselves.
- Despite the greater potential benefits from adopting new technologies in a more competition, fragmented market size, and smaller size of operations have resulted in most Indian road transport operators lagging in their adoption of new technologies. On the other hand; manufacturers, retailers and logistics companies are becoming increasingly aware of the importance of time in the supply chain. It can result in additional costs due to the need for expensive stockholding. Also, shortening product life-cycles are making it increasingly important for producers and retailers to get products to market as quickly as possible. As a result, larger buyers of transport services are rationalising and reducing the number of transport and logistics service providers they deal with, in much the same way as they have rationalised their production and warehousing operations.
- Most trucks In India used to be overloaded to the tune of 60-80%. Some states used to issue golden passes or permits for trucks to carry load beyond permitted limits. But this practice has been banned and the implementation of stringent overloading norms may affect the operators.
- Implementation of restrictions on the movement of trucks of over 12-15 years of age may

also affect the transport operators. Recently, Supreme Court banned the entry of more than 8 year old trucks in Mumbai. Such actions in other cities may affect the transport operators as they may be required to replace some of the trucks in their fleet given that a significant proportion of the outstanding truck population is over 10 years age.

- Moreover, enforcement of stringent pollution control norms may also require replacement of part of the existing fleet.
- The road freight transport industry is characterised by competitive conditions coupled with cyclicity, with both freight volumes and prices being sensitive to sentiments in the domestic economy. Any change in economic growth rate has significant affect on the performance of the players. However, the relatively low investments (as a large number of owners are operators also) and availability of finance to purchase the vehicle allow new players to enter the market.

Outlook

Various factors that may affect the demand for road transportation include economic growth and extent of market share gains of road transport over railways. In recent years, there has been an increase in emphasis on the development of roads, as is evident from Government initiatives such as the NHDP. With the expectations on economic and industrial activity growth to continue to remain healthy, the demand for freight transportation is expected to be healthy in the short term. Further, the transportation industry expects that implementation of VAT may lead to outsourcing of warehousing and secondary distribution to professional third party logistics (3PL) providers.

OUR BUSINESS

Business Overview

We started as a partnership firm under the name Asian Roadways on January 1, 1987. The name of the firm was changed to Asian Logistics on April 27, 2006 and it was converted into a public limited company under the name Asian Logistics Limited on May 11, 2006.

We are engaged in the business of providing logistics services viz. goods transport, warehousing, packing and moving etc. The goods transportation is generally carried out using road, railway and air as the mode of transport. We carry out goods transport with roadways as the mode of transport. Further the goods transport is done on Full Truck Load (FTL) basis for bulk as well as non bulk freight. Gradually our Company has enlarged the scope of services by commencing warehousing activities in FY 2009-10 and packing and moving activities in the FY 2010-11.

Our Company has its head office in Ahmedabad and booking office at Ahmedabad and Hyderabad. We operate with a fleet of 21 owned vehicles and more than 500 attached carriers.

Our Company is a lifetime member of various transport associations viz. Ahmedabad Motor Transport Association (AMTA), Ahmedabad, All India Motor Transport Congress (AIMTC), New Delhi and Akhil Gujarat Truck Transport Association (AGTTA), Shahibaug, Ahmedabad.

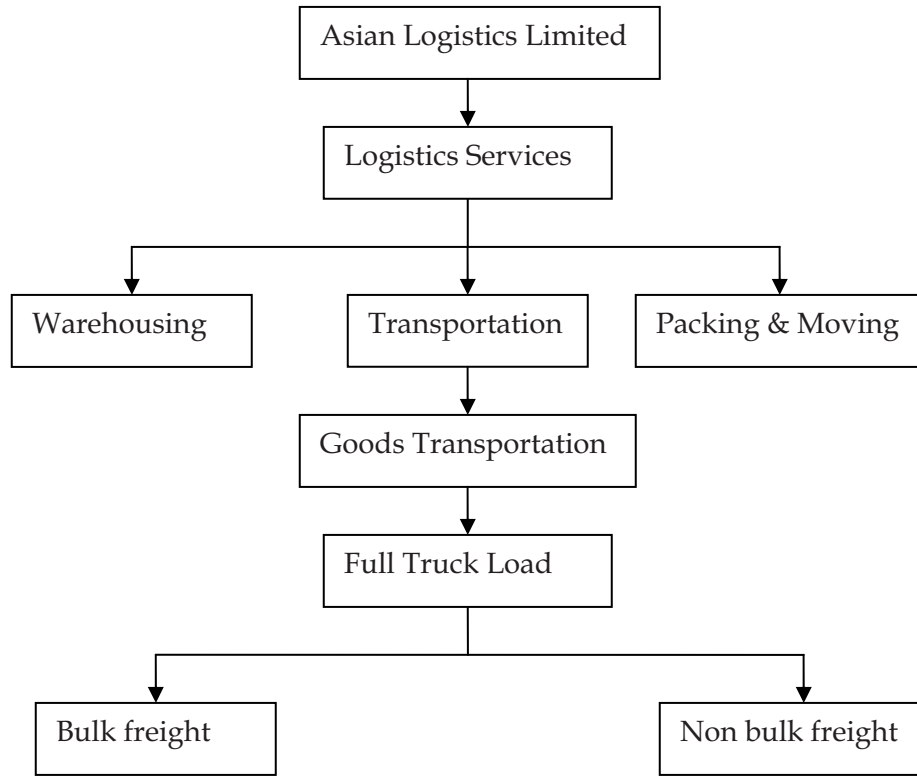
Our total income has increased from ₹ 870.33 lakhs during FY 2008 to ₹ 1005.14 lakhs during FY 2009, to ₹ 1712.11 lakhs during FY 2010 and to ₹ 2125.67 lakhs during FY 2011 showing an increase of 15.49%, 70.34% and 24.15% during FY 2009, FY 2010 and FY 2011 respectively.

Location

Our Company has its head office in Ahmedabad. We operate from our booking office at two locations viz. Ahmedabad and Hyderabad. The details of which are as under:

Sr. No.	Location	Area (sq. mtr.)
1.	<u>Head Office & Booking Office:</u> Asian House, Beside Shreenath Transport Nagar, Opp. Bharat Petrol Pump, Lambha, Aslali, Ahmedabad- 382427	2260
2.	<u>Booking Office:</u> 6-6-45/2, Kattedani (Main Road), Rajendranagar Municipality, Ranga Reddy District, Andhra Pradesh	58.34

Business model



Logistics Services

The logistics services provided by us comprise of goods transportation, warehousing and packing and moving. We operate in four states viz. Andhra Pradesh, Karnataka, Gujarat and Tamil Nadu.

Goods Transportation

Our Company is primarily engaged in the business of goods transport within India; with roadways as the mode of transport. Goods transportation is carried out for bulk as well as non-bulk freight for different industry segments viz. ceramics, textiles, pharmaceuticals, automobiles etc. Bulk freight includes commodities like ceramics, laminates, glass, fabrics, food grains, construction materials, etc. and non-bulk freight includes general cargo (increasingly containerised).

Our Company operates with a fleet of 21 vehicles which includes Medium Commercial Vehicles (MCVs) with a gross vehicle weight between 7.5 and 16.2 MT and Heavy Commercial Vehicles (HCVs) with a gross vehicle weight of more than 16.2 MT. We also have more than 500 attached carriers to ensure continuous flow and timely delivery of goods.

The freight income generated from owned and attached vehicles during the last three financial years is as follows:

(₹ in lakhs)			
Particular	FY 2008-09	FY 2009-10	FY 2010-11
Freight income from owned vehicles	288.16	456.74	412.43
Freight income from attached vehicles	697.82	1225.57	1674.60
Total freight income	985.98	1682.31	2087.03

Goods transport by road provides various transportation solutions to the customers viz. FTL, LTL and express services. At present, we provide goods transport services only on Full Truck Load (FTL) basis.

Full Truck Load

Under FTL, we provide door to door service to our customers wherein the goods are loaded at the premises of the customer and are delivered to the delivery point as specified by him. The goods belong to a single customer and are transported to a single destination. The customers who have large quantities of goods to be transported hire full truck for transport of goods.

Less than Truck Load

Our Company proposes to provide transportation services on Less than Truck Load basis (LTL) also, wherein the customer has the flexibility of hiring the truck on LTL basis. The goods of various customers are consolidated and transported to multiple destinations under LTL basis whereby generating higher revenue per vehicle than FTL basis.

Warehousing

We started warehousing activities in the FY 2009-10, whereby we provide space to the customers to store their goods until they are transported to the specified destination. Till the time the goods are in our possession, we ensure the safety of these goods and due care is taken to avoid any damage or pilferage.

Packing and Moving

In the FY 2010-11, we started packing & moving activities where we undertake orders for shifting of household goods, home relocation, office relocation, corporate shifting etc. from one place to another

We propose to increase our warehousing and packing and moving activities in future. Our Company proposes to set up a transport yard at Ahmedabad, which will include a parking facility, booking office and warehouse. We believe that, the proposed transport yard will provide us with a better infrastructure in terms of parking facility, bigger warehouse and booking office.

Repairs and Maintenance of vehicles

Our Company has in place provision for regular repairs and maintenance of the vehicles. We undertake preventive maintenance for our vehicles, which helps to increase fuel efficiency and minimize breakdowns. Our Repairs and Maintenance department is headed by Mr. Mitesh Shah, who has an overall experience of 24 years in the automobile industry. Under his supervision, regular repairs & maintenance is carried out. Also, the vehicles are inspected regularly in order to avoid frequent repairs & service interruptions. In case of major or critical problems the repairs are carried out at specialized service centre. Our entire fleet is less than or equal to 5 years old. The young fleet and measures taken for preventive maintenance enable us to reduce our cost on repairs and maintenance.

Payment options

Generally, there are three types of payment options viz. "paid", "to pay" and "running account". We have two types of payment options viz. "paid" and "to pay":

Paid: In this payment option, the charges are paid by the customers at the time of booking. Under

this option, there is no delay in payment from the customer as the charges are received immediately on booking.

To pay: In this payment option, the charges are not paid by the customer at the time of booking. The charges are paid by the consignee who receives the consignment/goods. This payment option is popular among customers belonging to the unorganised sector. Under this option there is a risk of non-payment by the consignee. But the risk of default is reduced as the consignment remains in our possession till the time of payment.

Our Strengths

Experience in transportation business

We have an operating track record of over two decades in the business of transport. Our experience in the transport business enables us to gauge and understand the changing trends and growth prospects in the industry. Our Company has gradually enlarged our geographic reach in various states viz. Andhra Pradesh, Karnataka, Gujarat and Tamil Nadu. We have also started packing & moving and warehousing activities thereby enlarging our scope of services.

Diverse customer base

Our goods transportation business services numerous industries. We have a diverse customer base from different industry sectors / segments like ceramics, textiles, pharmaceuticals, automobiles, etc. The details of sector / segment wise income during the last 3 years are as under:

Sector/ Segment	2008-09		2009-10		2010-11	
	Amount	% of operating income	Amount	% of operating income	Amount	% of operating income
Textiles	224.41	22.41	374.33	21.93	426.94	20.12
Ceramics	193.47	19.32	339.01	19.86	448.58	21.15
Pharmaceuticals	314.39	31.39	467.67	27.40	584.08	27.53
Automobiles	117.76	11.76	209.75	12.29	262.51	12.37
Glass	82.30	8.22	176.74	10.35	241.58	11.39
Others	69.07	6.90	139.51	8.17	157.84	7.44
Total	1001.40	100.00	1707.01	100.00	2121.53	100.00

Experienced management team

Our Company is managed by a team of experienced personnel. The team comprises of mix of personnel having operational and business development experience. Our Promoter Directors, Mr. Yusufbhai Shaikh and Mr. Arif Shaikh, who have been involved in the business and management of our Company, have around 43 years and 23 years of experience respectively in the transport and logistics industry. Mr. Suresh Surti (Head Operations) has an overall experience of about 31 years in the transport and logistics industry. We believe that our management team's experience and their understanding of the transportation industry will enable us to continue to take advantage of both current and future market opportunities.

Existing client relationships

We constantly try to address our customer needs relating to various services that we provide. We believe that, our existing client relationships help us to get repeat business from our customers. This has helped us maintain a long term working relationship with our customers and improve our customer retention strategy. Our existing clients are from different industries like ceramics, textiles, automobiles, pharmaceuticals etc. We believe that our existing relationship with our clients represents a competitive advantage in gaining new clients and increasing our business.

Our Strategy**Increase our fleet size**

Our Company operates with a fleet of 21 vehicles which includes Medium Commercial Vehicles (MCVs) as well as Heavy Commercial Vehicles (HCVs). We propose to increase our fleet strength to 126 vehicles. Due to this increase, we will be able to cover large number of routes.

Setting up of transport yards

At present, our Company has a booking office and a parking facility at Aslali, Ahmedabad. Our Company proposes to set up a transport yard at Ahmedabad, which will include a parking facility, booking office and warehouse. We believe that, the proposed transport yard will provide us with a better infrastructure in terms of parking facility, bigger warehouse and booking office. After the proposed expansion, the new premise at Ahmedabad will be used as head office and the existing premise at Ahmedabad will be used as an additional warehouse and parking facility.

Further to cater to the increasing demand of business and looking at the growth of our business in Andhra Pradesh, we intend to set up a transport yard in Vijayawada, Andhra Pradesh, which will include a parking facility and a booking office. After this proposed expansion, we will have two booking offices in Andhra Pradesh each at Hyderabad and Vijayawada.

Provide transportation services on Less than Truck Load basis

At present, we provide goods transport services only on Full Truck Load (FTL) basis. Under full truck load, we provide door to door service to our customers wherein the goods are loaded at the premises of the customer and are delivered to the delivery point as specified by him. The goods belong to a single customer and are transported to a single destination. The customers who have large quantities of goods to be transported hire full truck for transport of goods.

Our Company proposes to provide transportation services on Less than Truck Load basis (LTL) wherein the customer has the flexibility of hiring the truck on LTL basis. The goods of various customers are consolidated and transported to multiple destinations under LTL basis whereby generating higher revenue per vehicle than FTL basis.

Increase geographical reach

Our goods transportation business currently covers the states of Andhra Pradesh, Karnataka, Gujarat and Tamil Nadu. With more than two decades of experience in the transport business, we plan to expand our business and cover new geographic locations viz. Maharashtra, Rajasthan and Pondicherry with the help of our marketing team. Also, the increase in our fleet size will help us in expanding to different geographical locations.

Less dependence on hired vehicles

Our Company currently operates with a fleet of 21 vehicles and with more than 500 attached carriers. It is advantageous to operate with our own fleet as operating with attached carriers involves a higher cost. Using our own fleet of vehicles has many benefits viz. flexibility to use right kind of truck and select routes during high demands, easy availability when required, ensure safe delivery in a timely manner and no cost of hiring. To reduce our dependence on hired vehicles, we propose to increase our fleet strength to 126 from existing 21 vehicles.

Plant & Machinery

Since our Company is engaged in the business of transport goods, we do not require any plant & machinery.

Collaborations

We have not entered into any technical or other collaboration.

Capacity and Capacity Utilization

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

Infrastructural facilities and utilities:

Our offices at Ahmedabad and Hyderabad are equipped with computer systems, internet connectivity, other communication equipments, security and other facilities, which are required for our business operations to function smoothly.

Manpower

As on June 15, 2011, our Company has 16 employees, details of which are as under:

Category of Employees	No. of Employees
Senior Management	5
Middle Management/Officers	9
Others	2
Total	16

In addition to the above, we hire drivers and cleaners as and when required.

Competition

The industry in which we operate is highly competitive and fragmented. Competition emerges from small as well as big players in the transport industry. It is estimated that 77% of truck fleet is under operators who own 5 trucks or less; 10% belonged to those with 6-10 trucks; 4% belonged to those with 11-15 trucks; 3% belonged to those with 16-20 trucks; and only 4% of fleet belonged to those with more than 20 trucks (*Source: IMaCS report on Transport-Road, February 2011*). The high competition is the result of relatively lower capital requirement, ease of obtaining driving licenses and permits. The organized players in the industry compete with each other by providing value added services. We have a number of competitors offering services similar to ours. We believe the principal elements of competition in transport services are price, customer service, timely delivery and reliability. Although a number of carriers may compete with us on a regional basis, only a limited number of carriers can compete with us in all of our geographic markets. We believe that the scale and scope of our operations allows us to meet our customers' requirements better than the

smaller carriers. We face competition from Chartered Logistics Limited, Patel Integrated Logistics Limited, Transport Corporation of India Limited, Andhra Roadways, Tirupati Roadlines and Hyderabad-Ahmedabad Roadlines as they are in the similar line of business.

Our major customers

Our Company provides services to customers from various industries viz. ceramics, textiles, pharmaceutical, automobiles, etc.

The percentage of income derived from top customers for last 3 years are given below:

Sr. No	Particular	2008-09	2009-10	2010-11
1	Income from the top customer (%)	15.07	6.73	4.03
2	Income from the top 5 customers (%)	24.81	16.78	7.79
3	Income from the top 10 customers (%)	31.73	19.95	9.66

Our existing and proposed marketing setup

Marketing is an important function of our Company. We provide our services in various states viz. Andhra Pradesh, Karnataka, Gujarat, and Tamil Nadu.

Our Marketing team is headed by Mr. Mushtaq Ahmed Kagdi, Head Business Development. Our marketing team directly approaches our existing and prospective customers. We are able to build long term relationships with our customers, as we deal directly with them and respond quickly to their requirements. This enables us to generate repeat business from our existing customers and also new business from prospective customers. We already have established a client network from various industries viz. ceramics, textiles, pharmaceuticals, automobiles, etc.

Our Property

The brief details of existing properties are as under:-

Sr. No.	Description of the Property	Nature of Ownership
1.	Freehold Property bearing sub-plot no. AF-10, situated in the Scheme Promoted by Subhagya Co-operative Housing Society Ltd, popularly known as Suramya III Scheme admeasuring about 359 sq. yds	Owned
2.	Freehold Property bearing block No. 297/1 at Village: Lambha, Taluka: Dascroi, in the registration District and Sub-District of Ahmedabad-5 (Narol) admeasuring about 2260 sq.mtrs amongst undivided portion of the total land admeasuring 2640 sq.mtrs	Owned ^a
3.	Freehold Property bearing serial No.92 in the scheme known as "SHREE RAGHUVIR ESTATE" constructed on land bearing Block Nos. 3, 4A, 5, 6, 7 and 8 at Village: Asalali, Taluka: Dascroi, in the registration District and Sub-District of Ahmedabad.	Owned
4.	Freehold Property bearing serial No.138 in the scheme known as "SHREE RAGHUVIR ESTATE" constructed on land bearing Block Nos. 3, 4A, 5, 6, 7 and 8 at Village: Asalali, Taluka: Dascroi, in the registration District and Sub-District of Ahmedabad	Owned
5.	Freehold Property bearing office No. B/6 on the first floor in Plot No.82	Owned ^b

	in the scheme known as “SHREE RAGHUVIR ESTATE” constructed on land bearing Block Nos. 3, 4A, 5, 6, 7 and 8 at Village: Aslali, Taluka: Dascroi, in the registration District and Sub-District of Ahmedabad	
6.	Plot No.55 in Transport Nagar, Aslali at Ahmedabad, allotted by Transport Nagar, Aslali, Ahmedabad having its address at 1, Transport Nagar, N.H. 8, Aslali, Ahmedabad and being a registered Non Trading Corporation having Registration No. G 12395 dated 20/7/2002.	Owned
7.	Property bearing Plot No.6-6-45/2 at Kattedan (Main Road), Rajendranagar Municipality, Rangareddy District, Hyderabad	Rental Agreement ^c

- The said property is an agricultural land that was purchased by Mr. Arif Shaikh (Promoter of our Company) on behalf of us vide Agreement to Sell dated January 27, 2005 to be transferred to our Company on the condition precedent that the same will be conveyed after conversion to non-agricultural land. The conversion is under process. Also, please refer to paragraph appearing under “Outstanding Litigations and Material Developments” and Risk Factor no. 1 appearing on page nos. 119 & iii of the Draft Red Herring Prospectus respectively.
- We have given the said property on leave and license basis for a period of eleven months commencing from June 1, 2011 on a monthly license fee of ₹ 0.06 lakhs.
- The said property is taken on rental basis for a period of eleven months commencing from May 1, 2011 on a monthly rent of ₹ 0.03 lakhs.

Purchase of Property

Except as stated in section titled “Objects of the Issue” on the page no. 26 of this Draft Red Herring Prospectus, there is no property which our Company has purchased or acquired or propose to purchase or acquire which is to be paid wholly, or in part, from the net proceeds of the Issue or the purchase or acquisition of which has not been completed as on the date of this Draft Red Herring Prospectus, other than property:

- the contract for the purchase or acquisition whereof was entered into in the ordinary course of the business, the contract not being made in contemplation of this Issue, nor this Issue in contemplation of the contract; or
- In respect of which the purchase money is not material.

Except as stated in the section titled “Related Party Transactions” appearing on page no 87 of this Draft Red Herring Prospectus, our Company has not purchased any property in which any Directors, have any direct or indirect interest in any payment made thereof.

Insurance Policies

Our Company has taken a standard fire and special perils policy for our Registered Office, the details of which are as under:

Particulars	Sum insured	Premium	(₹ in Lakhs)	
			From	To
Building, furnitures, fixtures and fittings, and other contents at our Registered Office	30.50	0.01	February 6, 2011	February 5, 2012

In addition to the above, we also have taken various standard commercial vehicle package policies, goods carrying vehicle package policies and motor vehicle policies for our vehicles.

Intellectual Property Rights

The details of our intellectual property are as under:

Sr. No.	Application No.	Date of Application	Trade Mark/ Logo	Class	Status of Registration
1.	1946196	April 6, 2010		39	Pending. The application has been objected*
2.	1946197	April 6, 2010		39	Registered

* The examination report No. TMR/MUMBAI/EXM/2011/ dated December 6, 2010 from the Registrar of Trademarks, Mumbai reflects that the Trade Mark application is open to objection on relative grounds of refusal under Section 11 of the Act because the same/similar trade mark(s) is/are already on record of the register for the same or similar goods/services. The same has been replied to by the Company vide its reply dated March 7, 2011 and affidavit dated March 28, 2011, stating that the mark is label mark and also distinctive and invented. Moreover, it is used by the company since the year 1987. Therefore it is capable for registration under the Trade Marks Act. The Company has also sought for a personal hearing in this regard. However, the same is pending further revert from the Registry.

REGULATIONS AND POLICIES

The following description is a summary of the relevant regulations and policies as prescribed by the Government of India. The regulations set below are not exhaustive, and is only intended to provide general information to the investors and is neither designed nor intended to be a substitute for professional legal advice. Though there are no specific regulations in India governing the transportation industry, we set forth below are certain significant legislations and regulations which generally govern this industry in India.

Laws in relation to transport business:

The following description is a summary of the relevant regulations and policies that are applicable to the company.

A. Shops and Establishment Act:

The purpose of this legislation is to regulate conditions of work and employment in shops, commercial establishments, and residential hotels, restaurants, eating houses, theatres, other places of public entertainment and other establishments. This being a state legislation; the applicability and provisions are dependent on the state enactments.

i) Bombay Shops and Establishment Act (as applicable to the state of Gujarat):

It applies to all local areas specified in Schedule-I of the Act. It defines 'establishment' to mean any establishment to which the Act applies and any other such establishment to which the State Government may extend the provisions of the Act by notification; Employee means a person wholly or principally employed whether directly or through any agency, whether for wages or other considerations in connection with any establishment

Member of the family of an employer means the husband, wife, son, daughter, father, mother, brother or sister and is dependent on such employer.

ii) Andhra Pradesh Shops and Establishment Act

It defines 'commercial establishment' to mean commercial establishment means an establishment which carries on any trade, business, profession or any work in connection with or incidental or ancillary to any such trade, business or profession or which is a clerical department of a factory or an industrial undertaking or which is a commercial or trading or banking or insurance establishment and includes an establishment under the management and control of a co operative society, an establishment of a factory or an industrial undertaking which falls outside the scope of the Factories Act, 1948, (Central Act 63 of 1948), and such other establishment as the Government may, by notification declare to be a commercial establishment for the purposes of this Act but does not include a shop.

It defines employee to mean a person wholly or principally employed in, and in connection with, any establishment and includes an apprentice and any clerical or other staff of a factory or industrial establishment who fall outside the scope of the Factories Act, 1948; (Central Act, 63 of 1948) but does not include the husband, wife, son, daughter, father, mother, brother or sister of an employer or his partner, who is living with and depending

upon such employer or partner and is not in receipt of any wages.

B. Motor Vehicles Act, 1988 ("*Motor Vehicles Act*")

The Motor Vehicles Act imposes the liability on every owner or person responsible for a motor vehicle to ensure that every person who drives the motor vehicle holds an effective driving license. It also mandates that every conductor of a stage carrier should hold an effective conductor's license. Under the Motor Vehicles Act, the owner of the motor vehicle also bears the responsibility to ensure that the vehicle is registered in accordance with the provisions of the Motor Vehicles Act and the certificate of registration of the vehicle has not been suspended or cancelled and the vehicle carries a registration mark displayed in the prescribed manner. No motor vehicle can be used as a transport vehicle unless the owner of the vehicle has obtained the required permit granted or countersigned by a Regional or State Transport Authority or any prescribed authority authorizing him the use of the vehicle in that place in the manner in which the vehicle is being used.

The Motor Vehicles Act provides that where death or permanent disablement of any person has resulted from an accident arising out of the use of motor vehicle, the owner of the vehicle is liable to pay compensation. Claims for compensation in respect of accidents involving the death of, or bodily injury to, persons arising out of the use of motor vehicles, or damages to any property of a third party so arising can be adjudicated before the Motor Accidents Claims Tribunal.

C. The Central Motor Vehicle Rules, 1989 ("*Central Motor Vehicle Rules*")

The Central Motor Vehicle Rules provides the rules and procedures for the licensing of drivers, driving schools; registration of motor vehicles and control of transport vehicles through issue of tourist and national permits. It also lays down rules concerning the construction, equipment and maintenance of motor vehicles and insurance of motor vehicles against third party risks.

D. Fatal Accidents Act, 1855 ("*Fatal Accidents Act*")

The Fatal Accidents Act provides that whenever the death of a person is caused by a wrongful act, neglect or default, such that, if death had not ensued, the act would have entitled the injured party to maintain an action and recover damages in respect thereof, the party who would have been liable if death had not ensued, shall be liable to an action or suit for damages, notwithstanding the death of the person injured.

Labour Laws:

E. Motor Transport Workers Act, 1961

The Provisions of the Motor Transport Workers Act, 1961, apply to all motor transport undertakings undertaking engaged in carrying passengers or goods or both by road for hire or reward, and includes a private carrier employing 5 or more motor transport workers being persons employed in a motor transport undertaking directly or through an agency,

whether for wages or not, to work in a professional capacity on a transport vehicle or to attend to duties in connection with the arrival, departure, loading or unloading of such transport vehicle and includes a driver, conductor, cleaner, station staff, line, checking staff, booking clerk, cash clerk, depot clerk, time-keeper, watchman or attendant. Under the Act, every employer who is carrying a motor transport undertaking must be registered with the appropriate authority after making the application in the prescribed format.

The contravention of the provisions of the Act is punishable with imprisonment for a term which may extend to three months, or with fine which may extend to five hundred rupees, or with both, and in the case of a continuing contravention with an additional fine which may extend to seventy-five rupees for every day during which such contravention continues after conviction for the first such contravention. The Chief Inspector of such undertakings has the powers to call for inspection of registers which are required to be maintained under the Act in relation to all motor transport workers employed in the undertaking.

As already noted above, we have been informed that the Company does not maintain any register for the persons working as drivers and cleaners or otherwise in connection to its business. The Company has also informed us that it is not registered under the aforesaid Act.

It is pertinent to note that the Motor Transport Workmen Act, 1961 includes drivers and cleaners as workmen of motor transport industry and in several cases against the Transport companies; courts have treated the drivers of such Company as workmen for the purposes of Workmen Compensation Act.

F. The Industrial Disputes Act, 1947

The Industrial Disputes Act, 1947 makes provisions for investigation and settlement of industrial disputes and for providing certain safeguards to the workers.

Applicable taxation legislations:

G. Service Tax Laws

Service tax is imposed on courier services, cargo handling services; goods transport agency services, transport of goods by air services and travel agent's services. Service provided by a cargo handling agency in relation to cargo handling services have been subjected to service tax by the Finance Act, 2002. Cargo handling service refers to loading, unloading, packing or unpacking of cargo and includes cargo handling services provided for freight in special containers or for non-containerised freight, services provided by a container freight terminal or any other freight terminal, for all modes of transport and cargo handling service incidental to freight, but does not include handling of export cargo or passenger baggage or mere transportation of goods. Service provided to a customer by a goods transport agency in relation to transport of goods by road in a goods carriage is a taxable service subject to service tax. A goods transport agency means any commercial concern which provides service in relation to transport of goods by road and issues consignment note.

HISTORY AND CERTAIN CORPORATE MATTERS

We started as a partnership firm under the name Asian Roadways on January 1, 1987 and registered with the Registrar of Firms, Ahmedabad on April 26, 1988. The name of the firm was changed to Asian Logistics on April 27, 2006 and was registered with the Registrar of firms, Ahmedabad on May 2, 2006. It was converted into a public limited company under the name Asian Logistics Limited on May 11, 2006 and received the certificate of Commencement of Business on May 23, 2006.

We are engaged in the business of providing logistics services viz. goods transport, warehousing, packing and moving etc. The goods transportation is generally carried out using road, railway and air as the mode of transport. We carry out goods transport with roadways as the mode of transport. Further the goods transport is done on Full Truck Load (FTL) basis for bulk as well as non bulk freight. Gradually our Company has enlarged the scope of services by commencing warehousing activities in FY 2009-10 and packing and moving activities in the FY 2010-11.

Our Company has its head office in Ahmedabad and booking office at Ahmedabad and Hyderabad. We operate with a fleet of 21 owned vehicles and more than 500 attached carriers.

Our Company is a lifetime member of various transport associations viz. Ahmedabad Motor Transport Association (AMTA), Ahmedabad, All India Motor Transport Congress (AIMTC), New Delhi and Akhil Gujarat Truck Transport Association (AGTTA), Shahibaug, Ahmedabad.

Major events of our Company

Date	Events
January 1, 1987	Started as a partnership firm under the name Asian Roadways.
April 26, 1988	Registered with the Registrar of Firms, Ahmedabad
February 15, 2006	Started a booking office in Hyderabad
April 27, 2006	The name of the firm was changed to Asian Logistics
May 11, 2006	The Partnership firm was converted into a public limited company
May 23, 2006	Received certificate of Commencement of Business
August 13, 2010	Entered into Shareholders' Agreement with KGN Industries Limited

Main objects of our Company

The main objects of our Company as mentioned in the Memorandum and Articles of Association of our Company are reproduced herein below:

“To carry on the business of Transportation, transmission of all types of goods, including liquid goods, Gaseous goods, by road, rail, sea, Airways, by pipeline or by any other means and to give on rent the cargo boxes, containers, to provide goods and materials packaging, forwarding, transportation, movement, transmission service to trade industry, commerce any where in the world subject to law of land.”

The main objects clause and the objects incidental or ancillary to main objects clause of the Memorandum of Association of our Company enables us to undertake activities for which funds

are being raised in this Issue. The existing activities of our Company are in accordance with the objects clause of our Memorandum of Association.

Changes in the Registered Office of our Company

Period	Address
Since Incorporation till June 25, 2006	Vishal Corporation Building, Narol Cross Road, Narol, Ahmedabad- 382 405
From June 26, 2006 till date	Asian House, Beside Shreenath Transport Nagar, Opp. Bharat Petrol Pump, Lambha, Aslali, Ahmedabad- 382 427

The above changes were made for operational convenience.

Changes in Memorandum of Association of our Company

Date of change	Nature of Amendment
February 26, 2010	Increase in Authorised capital
April 5, 2010	Increase in Authorised capital

Shareholders Agreement

Our Company, KGN Industries Limited ("Investor") and our Promoters have entered into a Shareholders' Agreement ("the SHA") dated August 13, 2010. Pursuant to the SHA the Company has agreed to issue and allot 29,25,000 Equity Shares ("Investor Equity Shares") of face value ₹ 10 each at a price of ₹ 10 per Equity Share to the Investor, aggregating to ₹ 2,92,25,000 (Rupees two crores ninety two lakhs twenty five thousand) constituting 31.95% of the pre Issue paid up share capital.

The key relevant conditions mentioned in the SHA are detailed below:

1. KGN shall be entitled to appoint a nominee director on the Board of our Company.
2. The following matters would require the affirmative vote of the Investor as long as the Investor holds at least 5% Equity Shares in the Company. However, in case the following matters are considered and approved at the Board meeting in which the nominee of the Investor was present, affirmative vote of the Investor will not be necessary:
 - a. Creation of any new class or series of securities having rights, preferences or privileges senior to the Investor Equity Shares;
 - b. Any merger or corporate reorganization, transfer in control in which the Shares outstanding immediately prior to such merger, corporate reorganization or transfer in control would not be converted into or exchange for less than a majority of the outstanding Shares of the surviving corporation, or any transaction in which substantial assets of the Company are sold;
 - c. Amendment or alteration of any provision of the Company's Memorandum and Articles of Association, which is inconsistent in terms of the SHA executed between the parties;
 - d. Voluntary liquidation or dissolution of the Company and/or its subsidiaries;
 - e. Any change in business scope, any diversification into business areas unrelated to its existing business or formation or acquisition of any subsidiary which is likely to constitute a substantial portion of the combined business of the company.

3. Except as expressly permitted in writing by the Investor or as provided under the SHA, during the period the Investor holds the Investor Equity Shares of the Company, the Company shall not,
- a. Participate or undertake any activity outside the Ordinary Course of Business;
 - b. Assign, transfer, sell or otherwise dispose of any material part of its Assets (or any interest therein) having monetary value not less than ₹ 2500 lakhs;
 - c. Enter into any arrangement, contract or agreement with any person except on an arm's length basis and in the ordinary course of business;
 - d. Take directly or indirectly, any of the following actions:
 - i. change the face value of or rights attached to any of the Shares; or
 - ii. take any other action through reorganisation, liquidation, dissolution, consolidation, merger, sale of assets or otherwise, which might result in a dilution of the interest in the Company to be represented by Investor Equity Shares agreed to be subscribed for by the Investor;
 - e. Diversify into any new area of business, not forming part of its main objects or main objects of its existing subsidiary (ies);

Strategic Partners

Presently, our Company does not have any strategic partner.

Financial Partners

Presently, our Company does not have any financial partner.

Other Agreements

Except for the agreements/contracts entered into in the ordinary course of business carried on and intended to be carried on by our Company, our Company has not entered into any other agreement/contract.

OUR MANAGEMENT

In accordance with Article 127 of the Articles of Association of our Company, we cannot have less than three (3) and more than twelve (12) Directors. At present, we have seven (7) Directors on our Board out of which four (4) are Independent Directors.

The following table sets forth details regarding our Board of Directors as on the date of filing of this Draft Red Herring Prospectus:

Name, Father's name, Designation, Address, Director Identification Number, Occupation & Nationality	Age (years)	Date of appointment and Term	Other directorships/ interests
Mr. Arif Shaikh (S/o Mr. Yusufbhai Shaikh) <i>Chairman & Managing Director</i> <i>Address:</i> 6/ A, Kirtida, Kirti Kunj Society, Dani Limda, Shahalam, Ahmedabad- 380028 <i>DIN - 00019381</i> <i>Occupation:</i> Business <i>Nationality:</i> Indian	44	August 1, 2009 Appointed as Chairman & Managing Director w.e.f. August 21, 2009 for a period of five years Term: Not liable to retire by rotation	<u>Director:</u> 1. KFC Industries Private Limited 2. KFC Exports Private Limited
Mr. Yusufbhai Shaikh (S/o Late Mr. Musabhai Shaikh) <i>Whole Time Director</i> <i>Address:</i> 6, Mogal Park, Near Rasulabad, Shah -E- Alam, Ahmedabad- 380022 <i>DIN - 00019349</i> <i>Occupation:</i> Business <i>Nationality:</i> Indian	64	May 11, 2006 Appointed as Whole Time Director w.e.f. August 21, 2009 for a period of five years Term: Not liable to retire by rotation	Nil
Mr. Yogesh Shah (S/o Mr. Kantilal Shah) <i>Non-Executive Director</i> <i>Address:</i> 130/D, Krushna Dam Society, Vatva, Ahmedabad- 382405 <i>DIN - 01629830</i> <i>Occupation:</i> Consultant <i>Nationality:</i> Indian	49	July 31, 2010 Term: Liable to retire by rotation	Nil
Mr. Narendra Tundiya (S/o Mr. Chaturbhai Tundiya) <i>Independent Director</i> <i>Address:</i> 19, Bawan Society,	38	July 31, 2010 Term: Liable to retire by	<u>Partner:</u> Lakhani Ismaili Tundiya & Co., Chartered Accountants

Opposite BSNL Office, Old Dhor Bazar, Near Muni Market, Kankaria Road, Ahmedabad- 380028 DIN – 03175848 Occupation: Professional Nationality: Indian		rotation	
Mr. Nayshil Gajjar (S/o Mr. Ghanshyambhai Gajjar) Independent Director Address: 8, Prenapark Society, near L. G. Hospital, Maninagar, Ahmedabad-380008 DIN – 02924159 Occupation: Business Nationality: Indian	47	January 29, 2010 Term: Liable to retire by rotation	<u>Partner:</u> Gajjar & Sons
Mr. Alpesh Shah (S/o Mr. Ashokbhai Shah) Independent Director Address: C-401, Sethudham Apartment, Govindwadi, Isanpur, Ahmedabad-382443 DIN – 02675511 Occupation: Service Nationality: Indian	33	March 22, 2010 Term: Liable to retire by rotation	<u>Director:</u> Kaya Fitness Point Drive In Private Limited
Mr. Nimish Patel (S/o Mr. Jitendra Patel) Independent Director Address: 172, Sunrise Park, Opp. Drive In Cinema, Thaltej Road, Ahmedabad- 380054 DIN – 00005201 Occupation: Service Nationality: Indian	46	January 1, 2011 Term: Liable to retire by rotation	<u>Partner:</u> 1. Shree Somnath Carrier 2. Deep Roadlines

None of our Directors were Directors of any company at the time when the shares of such company were either (a) suspended from trading by the Stock Exchange(s) for period of more than three months during the last five years or; (b) delisted.

Relationship between Directors

None of our Directors are related to each other, except for Mr. Yusufbhai Shaikh, Whole Time Director of our Company, who is father of Mr. Arif Shaikh, Chairman & Managing Director.

Brief Details of our Directors

Mr. Arif Shaikh

Mr. Arif Shaikh, aged 44 years, is the Chairman & Managing Director of our Company. He is one of the Promoters of our Company. He is a Bachelor of Commerce (Advanced Accounting and Auditing) from Gujarat University. He has an overall experience of about 23 years in the field of transport and logistics. He alongwith his father, Mr. Yusufbhai Shaikh in the year 1987, started a partnership firm in the name of Asian Roadways, which was later converted into a Public Limited Company on May 11, 2006 under the name Asian Logistics Limited. He also promoted Lifeline Transport Private Limited (Presently known as KFC Industries Private Limited) in the year 1994 and KFC Exports Private Limited in the year 2008, which are presently engaged in trading of edible and non edible oils. For the years 2005 to 2007, he was elected as an Executive Committee Member in Ahmedabad Motor Transport Association. He is Managing Director of our Company since August 21, 2009. He is playing a key role in the growth of our Company with his inputs in strategic planning and business development. Over the years he has been successful in expanding our customer base in the states of Andhra Pradesh, Karnataka, Gujarat and Tamil Nadu.

Mr. Yusufbhai Shaikh

Mr. Yusufbhai Shaikh, aged 64 years, is the Whole Time Director of our Company. He is one of the Promoters of our Company. He passed Secondary School Certificate (SSC) Examination (Old SSC) from Gujarat Board in the year 1965. He has an overall experience of 43 years in the field of transport and logistics. He started his career with Deepak Transport in the year 1967 as a Supervisor. In the year 1971, he started his own proprietary concern in the name of Asian Roadways. The proprietary concern was engaged in the attached carrier business. He started a partnership firm in the name of Asian Roadways alongwith his son, Mr. Arif Shaikh in the year 1987, which was later converted into a Public Limited Company on May 11, 2006. He is on our board since incorporation. He is responsible for overall administration and supervision of all the activities and has played a key role in the growth of our Company.

Mr. Yogesh Shah

Mr. Yogesh Shah, aged 49 years, is a Non Executive Director of our Company. He passed Secondary School Certificate (SSC) Examination from Gujarat Board in the year 1979. He has an overall experience of 26 years. He started his career in the year 1984, as a cashier with Asian Roadways, a proprietary concern. Later in the year 1987, he joined the partnership firm, Asian Roadways as a Business Development Manager. On May 11, 2006, the partnership firm was converted into public limited company under the name Asian Logistics Limited. He was holding directorship in the Company from July 15, 2006 to January 29, 2010 and was actively involved in expanding the customer base of the Company. On July 31, 2010, he was appointed as a Non Executive Director in our Company.

Mr. Narendra Tundiya

Mr. Narendra Tundiya, aged 38 years, is an Independent Director of our Company. He is a Fellow member of the Institute of Chartered Accountants of India (ICAI), and a commerce graduate from Gujarat University. He has an overall experience of 15 years in the field of audit & taxation matters, financial restructuring and project finance. He started his career with Ramdev Food Product Limited in the year 1997 as Assistant Manager (Accounts & Finance) where he was looking after accounting, banking & finance functions of the company. In January 1998, he started his own

proprietary concern in the name of Narendra C. Tundiya & Co., Chartered Accountants and later in the year 1999 he formed a partnership firm, Lakhani Ismaili Tundiya & Co., Chartered Accountants. He is on our board since July 31, 2010.

Mr. Nayshil Gajjar

Mr. Nayshil Gajjar, aged 47 years, is an Independent Director of our Company. He holds a Diploma in Civil Engineering from Technical Examinations Board, Gujarat. He also holds certification in Design Drawing for Beginners & Introduction to Furniture Design and Furniture Design for Practitioners from Centre for Environment Planning & Technology, Ahmedabad. He has an overall experience of 24 years in the field of Architectural Planning, Interior Designing, Structural Inspection, studying general topography of the soil & site condition and liaisoning with statutory bodies. He started his career with Gajjar & Sons as a partner, in the year 1986. From 2003, he is independently providing consultancy in Civil Engineering. He is a licensed Clerk of Works & Engineer under Ahmedabad Municipal Corporation and Ahmedabad Urban Development Authority. He is on our Board since January 29, 2010.

Mr. Alpesh Shah

Mr. Alpesh Shah, aged 33 years, is an Independent Director of our Company. He is a Bachelor of Commerce (Advanced Accounting/Auditing) from Gujarat University. He has an overall experience of 13 years. He started his career with Fitness Point in the year 1997 as an Assistant Manager (Administration). In the year 2005, he joined Shape In Shop as Manager (Administration), where he was responsible for management and supervision of all the administrative activities and liaisoning with various authorities. He is on our Board since March 22, 2010. He also holds Directorship in Kaya Fitness Point Drive In Private Limited.

Mr. Nimish Patel

Mr. Nimish Patel, aged 46 years, is an Independent Director of our Company. He is a Bachelor of Commerce from Gujarat University. He has an overall experience of 25 years in the field of logistics operations, marketing and finance for the logistics operations. He started his career as a partner with Shree Somnath Carriers in 1985. He looks after finance and operations related to transportation on Ahmedabad and Mumbai routes. In the year 2000, he started a partnership firm in the name of Deep Roadlines, where he is responsible for the overall activities of the firm. During 2000 to 2008, he was, Director Finance in Ruby Bus Private Limited. He was elected as President of Ahmedabad Motor Transport Association during 2004-2006 and Hon. Secretary of Akhil Gujarat Truck Transport Association during 2002-2006. He is the member of managing committee of All India Motor Transport Congress since 1989. He has been awarded as Transport Kumar by the All India Motor Transport Congress in the year 2001-02. He was holding directorship in our Company from January 25, 2010 to March 22, 2010. On January 1, 2011, he was appointed as an Independent Director in our Company.

Details of Borrowing Powers of Directors

The borrowing powers of our Directors are regulated by Articles 78 of the Articles of Association of our Company. For further details, kindly refer section titled “Main Provisions of Articles of Association of the Company” beginning on page no. 183 of this Draft Red Herring Prospectus.

As per the members’ resolution passed in the Extra Ordinary General Meeting of our Company held on August 13, 2010, the Board of Directors of our Company pursuant to the provisions of

Section 293(1)(d) and other applicable provisions, if any, of the Companies Act, 1956, are authorised to borrow from time to time as they may think fit, any sum or sums of monies including monies raised through bonds whether convertible or not or partially thereof in Indian as well as international market which together with the monies already borrowed by the Company (apart from temporary loans obtained from the Company's Bankers in the ordinary course of business) may exceed the aggregate for the time being of the paid up capital of the Company and its free reserves, that is to say reserves not set apart for any specific purpose provided that the maximum amount so borrowed by the Board of Directors shall not at any time exceed ₹ 10,000 lakhs.

Compensation of Managing Director / Whole Time Director

Pursuant to the Extra Ordinary General Meeting held on September 30, 2009, Mr. Arif Shaikh is appointed as a Chairman & Managing Director and Mr. Yusufbhai Shaikh is appointed as a Whole Time Director w.e.f. August 21, 2009. Details of the remuneration paid for the FY 2010-11 are as follows:

Sr. No.	Name of Director	Designation	Salary paid for the FY 2010-11 (₹ in lakhs)
1	Mr. Arif Shaikh	Chairman & Managing Director	4.80
2	Mr. Yusufbhai Shaikh	Whole Time Director	4.80

Pursuant to the Extra Ordinary General Meeting held on August 13, 2010 and partial modification on September 8, 2010, the details of remuneration of Mr Arif Shaikh and Mr. Yusufbhai Shaikh are as under:

Sr. No.	Name & Designation of Director	Salary (₹ in lakhs)	Perquisites/ Allowances
1	Mr. Arif Shaikh Chairman & Managing Director	0.40* per month	1. Accommodation (furnished or otherwise) or House Rent Allowance in lieu thereof; house maintenance allowances together with reimbursement of expenses/allowances of utilization of gas, electricity, water, furnishings and repairs, medical reimbursement, education allowances, leave travel concession for self and family including dependents, club fees, premium for medical insurance, commission and other payments in nature of perquisites and allowances as agreed by the Board of Directors upto ₹ 12 lakhs (Twelve lakhs only) per annum including following terminal benefits, subject to overall ceiling of remuneration stipulated in Sections 198 and 309 read with Schedule XIII of the Companies Act, 1956; 2. Company's contribution towards Provident Fund/Superannuation Fund/Annuity Fund and Gratuity in accordance with the rules of the Company; 3. In case of no profits or inadequate profits the Company may continue to pay them the
2	Mr. Yusufbhai Shaikh Whole Time Director	0.37* per month	

			enhanced remuneration with the approval of Central Government or otherwise the Company shall pay the remuneration by way of salary, perquisites and other allowances not exceeding the ceiling limit as specified under Section II of Part II of Schedule XIII to the Companies Act, 1956, as amended for the time being in force.
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*Further to the Extra Ordinary General Meeting held on August 13, 2010, Board of Directors have been approached by the Remuneration Committee to consider revision in the remuneration of Chairman & Managing Director, Mr. Arif Shaikh and Whole Time Director, Mr. Yusufbhai Shaikh. Subsequently, shareholders in the Extra Ordinary Meeting held on September 8, 2010, approved the partial modification in the remuneration of the said Directors.

Our Company pays all our Non Executive Directors, a sitting fee of ₹ 2000 per meeting.

Corporate Governance

The provisions of the listing agreement to be entered into with the Stock Exchanges will be applicable to our Company at the time of seeking in-principle approval of the Stock Exchanges. Our Company has complied with the corporate governance code in accordance with Clause 49 of the listing agreement (as applicable), including in relation to appointment of Independent Directors to our Board and constitution of the audit committee, remuneration committee and shareholders'/investor's grievance committee. Our Company undertakes to take all necessary steps to continue to comply with all the requirements of Clause 49 of the listing agreement to be entered into with the Stock Exchanges.

Currently, our Board has 7 Directors, of which the Chairman is the Executive Director, and in compliance with the requirements of Clause 49 of the listing agreement, our Company has four independent and three non-independent Directors on its Board.

We have constituted the following committees of our Board of Directors for compliance with corporate governance requirements:

Audit Committee

The Audit Committee was constituted at our Board meeting held on May 11, 2006. It was reconstituted on January 29, 2010 and July 31, 2010. At present, the Audit Committee comprises of the following members:

Name of Director	Status in committee	Nature of Directorship
Mr. Narendra Tundiya	Chairman	Non Executive Independent Director
Mr. Arif Shaikh	Member	Chairman & Managing Director
Mr. Nayshil Gajjar	Member	Non Executive Independent Director

Terms of reference of the Audit Committee include:

1. Overseeing the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statements are correct, sufficient and credible.
2. Reviewing periodic financial results, financial statements and adequacy of internal control systems.
3. Approving internal audit plans and reviewing efficacy of the function.

4. Discussion and review of periodic audit reports.
5. Discussions with external auditors about the scope of audit including the observations of the Auditors.
6. Recommend to the Board appointment, re-appointment and if required, replacement or removal of the statutory auditor and fixation of audit fees.
7. 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 legal requirements relating to financial statement.
 - Disclosure of any related party transactions
 - Qualifications in the draft audit report
8. To have discussions with the Auditors periodically about internal control systems, the scope of audit including the observations of the Auditors and review the quarterly, half yearly and annual financial statements before submission to the Board
9. Reviewing, with the management, the statement of uses/application of funds raised through an issue (public issue, rights issue, preferential issue, etc.) the statement of funds utilized for purposes other than those stated in the offer documents/prospectus/ notice and the report submitted by the monitoring agency monitoring the utilization of proceeds of a public or rights issue, and making appropriate recommendations to the Board to take up steps in this matter.
10. Approval of payment to Auditors for any other services rendered by the Auditors.
11. Discussion with Auditors any significant findings and follow up there on.
12. Reviewing the findings of any internal investigations by the 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.
13. Approving appointment of Chief Financial Officer (i.e., the whole-time Finance Director or any other person heading the finance function or discharging that function) after assessing the qualifications, experience & background, etc. of the candidate.
14. Carrying out any other function as is mentioned in the terms of reference of the Audit Committee.

Remuneration Committee

The Remuneration Committee was constituted at our Board meeting held on January 29, 2010, which was reconstituted on March 22, 2010 and July 31, 2010. At present, the Remuneration Committee comprises of the following members:

Name of Director	Status in committee	Nature of Directorship
Mr. Alpesh Shah	Chairman	Non Executive Independent Director
Mr. Yogesh Shah	Member	Non Executive Non Independent Director
Mr. Nayshil Gajjar	Member	Non Executive Independent Director

Terms of reference of the Remuneration Committee include:

- To determine the compensation packages of Executive Directors, Senior Management and key management personnels of the company. The committee will review recommendations made to it by the company and others.
- To act as the duly authorised committee of the Board.
- The committee is authorised to:
 - a. investigate any activity within its terms of reference;
 - b. Seek any information from any employee of the company. Employees are directed to cooperate with any relevant request made.
 - c. Obtain outside legal or independent professional advice. Such advisors may attend meetings as necessary.
 - d. Incur such reasonable expenditure, as it deems necessary.

Shareholders'/ Investors' Grievance Committee

A Shareholders'/ Investors' Grievance Committee as constituted at our Board meeting held on January 29, 2010, which was reconstituted on July 31, 2010. At present, the Shareholders'/ Investors' Grievance Committee comprises of the following members:

Name of Director	Status in committee	Nature of Directorship
Mr. Yogesh Shah	Chairman	Non Executive Independent Director
Mr. Arif Shaikh	Member	Chairman & Managing Director
Mr. Nayshil Gajjar	Member	Non Executive Independent Director

The Investors' Grievance Committee is responsible for approval of transfers, transmissions, issue of duplicate certificates, transpositions, change of names etc. and to do all such acts, deeds, matters and things as connected therein. It is also responsible for reviewing complaints of the shareholders and action taken by the Company.

IPO Committee

An IPO Committee has been constituted at our Board meeting held on April 16, 2010 which comprises of the following members:

Name of Director	Status in committee	Nature of Directorship
Mr. Arif Shaikh	Chairman	Chairman and Managing Director
Mr. Yusufbhai Shaikh	Member	Whole Time Director
Mr. Narendra Tundiya	Member	Non Executive Independent Director

The IPO Committee shall be responsible for taking all decisions relating to the Issue, and to finalize along with the legal advisor and the Book Running Lead Manager, the Draft Red Herring Prospectus, the Red Herring Prospectus, the Prospectus and other related documents and do all requisite filings with SEBI, the Stock Exchanges, Registrar of Companies and other appropriate government and regulatory authorities, institutions or bodies. The committee shall also execute all documents and contracts for the Issue including the Memorandum of Understanding with the Book Running Lead Manager, Escrow Agreement, Syndicate Agreement, Registrar's Memorandum of Understanding and Underwriting Agreement, to determine and finalise the floor price/price band for the Issue, approve the basis for the allocation and confirm allocation of the equity shares to various categories of persons as disclosed in the Draft Red Herring Prospectus, the Red Herring Prospectus and the Prospectus, in consultation with the Book Running Lead Manager and do all

such acts and things as may be necessary and expedient for, and incidental and ancillary to, the Issue.

Shareholding of the Directors

As per the Articles of Association of our Company, the Directors are not required to hold any qualification shares. Details of the shareholding of our Directors in our Company as on the date of filing this Draft Red Herring Prospectus are given in the following table:

Name of Directors	Number of Equity Shares held (Pre-Issue)	Share holding (Pre Issue) %
Mr. Arif Shaikh	52,54,776	57.39
Mr. Yusufbhai Shaikh	5,20,174	5.68
Mr. Yogesh Shah	Nil	Nil
Mr. Narendra Tundiya	Nil	Nil
Mr. Nayshil Gajjar	Nil	Nil
Mr. Alpesh Shah	Nil	Nil
Mr. Nimish Patel	Nil	Nil

Interest of the Directors

Each of our Directors may be deemed to be interested to the extent of fees payable to them for attending committee meetings to the extent of ₹ 2000 as well as to the extent of other remuneration and reimbursement of expenses payable to them under our Articles of Association, and to the extent of remuneration paid to them for services rendered as an officer or employee of our Company.

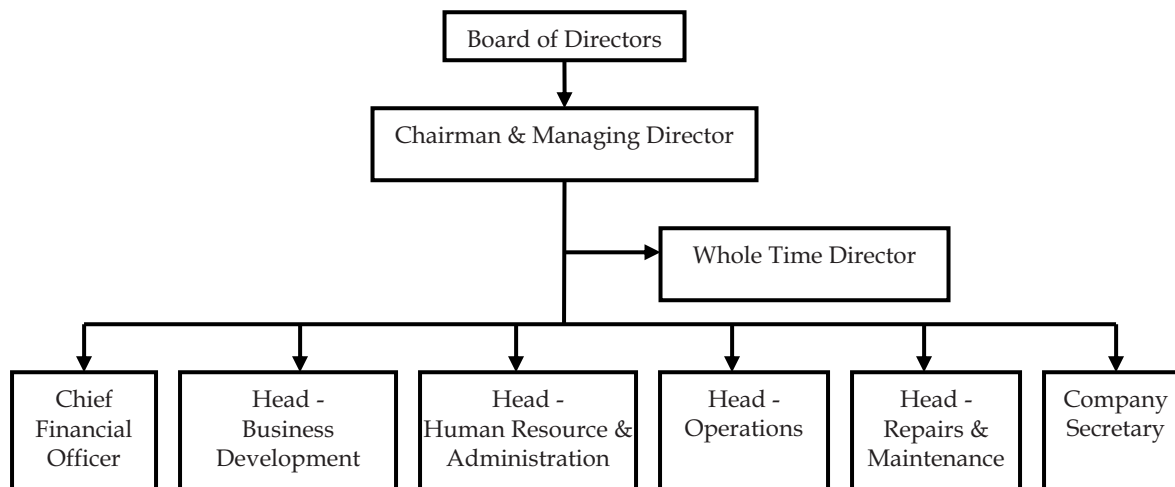
Our Directors may also be regarded as interested in the Equity Shares, if any, held by them or that may be subscribed by or allotted to the companies, firms, trusts, in which they are interested as Directors, members, partners, trustees and Promoters, pursuant to this Issue. All of our Directors may also be deemed to be interested to the extent of any dividend payable to them and other benefits arising out of the ownership of the said Equity Shares. Our Directors have no other interest in any property acquired by us two years prior to the date of this Draft Red Herring Prospectus. Except as stated in the section titled “Related Party Transactions” on page no. 87, and as disclosed above, our Directors do not have any other interest in our business.

Change, if any, in the Directors in last three years and reasons thereof, wherever applicable

Name	Date of Change	Reason for change
Mr. Arif Shaikh	August 1, 2009	Appointment
Ms. Arjumanbanu Shaikh	August 11, 2009	Resignation
Mr. Dipen Banker	January 25, 2010	Appointment
Mr. Nimish Patel	January 25, 2010	Appointment
Mr. Yogesh Shah	January 29, 2010	Resignation
Ms. Arjumanbanu Shaikh	January 29, 2010	Appointment
Mr. Nayshil Gajjar	January 29, 2010	Appointment
Mr. Nimish Patel	March 22, 2010	Resignation
Mr. Alpesh Shah	March 22, 2010	Appointment
Ms. Arjumanbanu Shaikh	July 31, 2010	Resignation

Mr. Dipen Banker	July 31, 2010	Resignation
Mr. Narendra Tundiya	July 31, 2010	Appointment
Mr. Yogesh Shah	July 31, 2010	Appointment
Mr. Nimish Patel	January 1, 2011	Appointment

Management Organisation Structure



Key Management Personnel

Name	Designation	Age (in years)	Date of joining	Qualification	Previous Employment	Total Experience (Yrs)	Remuneration during FY 2010-11 (₹ in Lakhs)
Mr. Suresh Surti	Head-Operations	52	June 1, 2009	Old SSC	Patel Integrated Logistics Limited	31	1.80
Mr. Mushtaq Ahmed Kagdi	Head - Business Development	26	August 21, 2004	Bachelor of Commerce	Asha Roadways	7	1.20
Mr. Dhanesh Shah	Company Secretary	47	December 1, 2010	Associate Company Secretary	Anagram group	18	0.60*
Mr. Muntaha Shaikh	Chief Finance Officer	31	September 22, 2010	Chartered Accountant	AGM & Co., Chartered Accountants	7	1.57
Ms. Kunali Kothari	Head - Human Resource & Administration	25	January 1, 2011	Masters in Business Administration (Human Resource)	Kapil Consultancy	1	0.30*
Mr. Mitesh Shah	Head- Repairs & Maintenance	45	January 1, 2011	SSC	Ahmedabad Industrial Corporation	24	0.36*

*As Mr. Muntaha Shaikh, Mr. Dhanesh Shah, Ms. Kunali Kothari and Mr. Mitesh Shah are appointed on September 22, 2010, December 1, 2010, January 1, 2011 and January 1, 2011 respectively, the remuneration paid is for the part of the year.

- All the persons named as our key management personnel are the permanent employees of our Company.
- There is no understanding with major shareholders, customers, suppliers or any others pursuant to which any of the above mentioned personnel have been recruited.
- None of the above mentioned key management personnel are related to each other.

Brief profile of the key management personnel

Mr. Suresh Surti

Mr. Suresh Surti, aged 52 years, is the Head - Operations of our Company. He passed Secondary School Certificate (SSC) Examination (Old SSC) from Gujarat Board in the year 1977. He has an overall experience of about 31 years in the logistics industry. He started his career with Uttam Roadways Private Limited as a clerk in the year 1979. He worked with Patel Roadways Private Limited from January 1981 to November 2006 under various capacities viz. Booking Clerk, Supervisor, Officer and Transshipment Manager. From December 2006 to March 2007, he worked with Vtrans Limited as Transshipment Manager. Later he joined Patel Integrated Logistic Limited in March 2007 as a Delivery Manager. He joined our Company on June 1, 2009 and is responsible for route planning, time management of fleets, etc.

Mr. Mushtaq Ahmed Kagdi

Mr. Mushtaq Ahmed Kagdi, aged 26 years, is Head - Business Development of our Company. He is a Bachelor of Commerce from Gujarat University. He has an overall experience of 7 years in the logistics industry. He started his career with Asha Roadways as a Booking & Loading Officer in the year 2003. Later he joined our Company on August 21, 2004. He is responsible for increasing business from existing customers and procuring new customers.

Mr. Dhanesh Shah

Mr. Dhanesh Shah, aged 47 years, is the Company Secretary of our Company. He is a qualified Company Secretary from The Institute of Company Secretaries of India and LLB from Gujarat University. He has an overall experience of about 18 years in secretarial work, legal compliances and liasoning with the government bodies. He started his career in 1993 with Noble Polymer Limited as a Company Secretary. He has also worked with Vidhyut B. Shah, Stock Brokers from 1995 to 2006 and Anagram Group of Companies from 2007 to 2010. He joined our Company on December 1, 2010 and is responsible for secretarial work, compliances and legal matters.

Mr. Muntaha Shaikh

Mr. Muntaha Shaikh, aged 31 years, is the Chief Financial Officer of our Company. He is a Chartered Accountant from the Institute of Chartered Accountants of India and holds bachelors degree in commerce from Gujarat University. He has an overall experience of 7 years in the field of audit, taxation and finance. He started his career with Vinubhai Patel & Co. as an Audit Assistant in the year 2003. He joined K. L. Jain & Co. in the year 2004 as Senior Audit Assistant. Later in the year 2007, he joined Nahta Jain & Associates as Audit Supervisor. In the year 2009, he joined AGM & Co., Chartered Accountants as a partner. He joined our Company on September 22, 2010 and is responsible for finalization of accounts, audits, taxation and finance related activities.

Ms. Kunali Kothari

Ms. Kunali Kothari, aged 25 years, is the Head - Human Resource & Administration of our Company. She is a bachelor of Business Administration from Gujarat University and also has done Masters in Business Administration from the Institute of Chartered Financial Analysts of India (ICFAI) in the year 2010. She started her career with Indian School of Business Management as an educational counselor in the year 2008 and later on joined Kapil Consultancy. She joined our Company on January 1, 2011 and is responsible for activities related to recruitment, workforce management and compensation & benefits.

Mr. Mitesh Shah

Mr. Mitesh Shah, aged 45 years, is the Head- Repairs & Maintenance of our Company. He passed Secondary School Certificate (SSC) Examination from Gujarat Board in the year 1982. He has completed maintenance technician course from Sheth Chimanlal Nagindas Technical Centre, Ahmedabad in the year 1986. He has an overall experience of about 24 years in the automobile industry. He started his career in the year 1986, with Ahmedabad Industrial Corporation as a Senior Automobile Service Engineer. In 1991, he started his own proprietary concern in the name of Sai Service; which presently is an authorized distributor and service provider of MICO BOSCH. He joined our Company on January 1, 2011 and is responsible for the repairs and regular maintenance of the vehicles of our Company.

Changes in the key management personnel in last three years

There have been no changes in the key management personnel in our Company in the last three years except as stated below:

Name	Designation	Date of Change	Reasons
Mr. Suresh Surti	Head (Operations)	June 1, 2009	Appointment
Ms. Shweta Sultania	Company Secretary	April 16, 2010	Appointment
Mr. Muntaha Shaikh	Chief Finance Officer	September 22, 2010	Appointment
Ms. Shweta Sultania	Company Secretary	November 30, 2010	Resignation
Mr. Dhanesh Shah	Company Secretary	December 1, 2010	Appointment
Ms. Kunali Kothari	Head- Human Resource and Administration	January 1, 2011	Appointment
Mr. Mitesh Shah	Head- Repairs & Maintenance	January 1, 2011	Appointment

Interest of key management personnel

The key management personnel of our Company do not have any interest in our Company other than to the extent of the remuneration or benefits to which they are entitled to as per their terms of appointment and reimbursement of expenses incurred by them during the ordinary course of business

Except as stated otherwise in this Draft Red Herring Prospectus, we have not entered into any contracts, agreement or arrangement during the preceding two years from the date of this Draft Red Herring Prospectus in which the key management personnel are interested directly or indirectly and no payments have been made to them in respect of these contracts, agreements or arrangements or are proposed to be made to them.

Details of shareholding of our key managerial personnel in our Company

None of the key management personnel are holding any Equity Shares in our Company.

Bonus or profit sharing plan for the key managerial personnel

Our Company does not have any bonus/profit sharing plan for any of the key managerial personnel.

Employees Share Purchase Scheme/Employee Stock Option Scheme to Employees

The Company does not have any stock option scheme or stock purchase scheme for its employees

Other benefits to our key management personnel

There has been no other benefit or payment given to the employees/key management personnel of the Company other than salary.

OUR PROMOTERS

The following individuals are the present Promoters of our Company:

- 1) Mr. Yusufbhai Shaikh
- 2) Mr. Arif Shaikh

The brief profile of our promoters is as follows:

Mr. Yusufbhai Shaikh



Permanent Account Number	AWRPS2266F
Driving License No.	GJ01-51924-04
Voter ID No.	YYW1332535
Passport No.	E9232801

For details of the profile of Mr. Yusufbhai Shaikh, please refer to section titled “Our Management” beginning on page no. 70 of this Draft Red Herring Prospectus.

Mr. Arif Shaikh



Permanent Account Number	ACXPS7367P
Driving License No.	GJ01-2009-0201526
Voter ID No.	LPZ2743151
Passport No.	E9186431

For details of the profile of Mr. Arif Shaikh, please refer to section titled “Our Management” beginning on page no. 70 of this Draft Red Herring Prospectus.

We confirm that the Permanent Account Number, Bank Account Number and Passport Number of all the above Individual Promoters have been submitted to Bombay Stock Exchange Limited and National Stock Exchange of India Limited at the time of filing this Draft Red Herring Prospectus with them. Further, our Promoters have not been identified as a willful defaulter by the Reserve Bank of India or any other Government Authority and there is no violations of securities laws committed by our Promoters in the past or any such proceedings are pending against our Promoters.

Interest of Promoters

Our Promoters viz. Mr. Arif Shaikh and Mr. Yusufbhai Shaikh are interested to the extent of their shareholding in our Company. Further our Promoters, Mr. Arif Shaikh, also the Chairman & Managing Director of our Company, and Mr. Yusufbhai Shaikh, also the Whole Time Director of

our Company, may be deemed to be interested to the extent of remuneration, dividends, and reimbursement of expenses payable to them.

Further, Mr. Arif Shaikh is also Director in our Promoter Group Companies and he may be deemed to be interested to the extent of payments made by our Company, if any to these Promoter Group Companies. For the details of transactions with our Promoter Group Companies, please refer to section titled “Related Party Transactions” beginning on page no. 87 of this Draft Red Herring Prospectus.

Our Promoters do not have any interest in any property acquired by our Company during a period of two years before filing of this Draft Red Herring Prospectus or proposed to be acquired by us as on the date of filing of this Draft Red Herring Prospectus.

Except as stated in “Related Party Transactions” beginning on page no. 87 of this Draft Red Herring Prospectus and stated herein. Our Promoters or any of our Promoter Group does not have any other interest in our business.

Payment or benefit to Promoters of our Company

Except as stated under section titled “Related Party Transactions” appearing on page no. 87 of the Draft Red Herring Prospectus, no amount or benefit has been paid or given within two years preceding the date of filing this Draft Red Herring Prospectus with SEBI or is intended to be paid or given to any of the Promoters of the Company except the normal remuneration for services rendered as Directors or employees.

OUR PROMOTER GROUP

In addition to the Promoters named above, the following natural persons are part of our Promoter Group.

As per Regulation 2 (1)(zb)(ii) of SEBI (ICDR) Regulations, 2009, the following natural persons form part of our Promoter Group:

Name of the Person	Relationship
<i>Relatives of Mr. Arif Shaikh</i>	
Mr. Yusufbhai Shaikh	Father
Ms. Shirinbanu Shaikh	Mother
Ms. Arjumanbanu Shaikh	Wife
Ms. Shahinbanu Shaikh	Sister
Ms. Ashiyanabanu Shaikh	Sister
Ms. Nafisa Shaikh	Sister
Ms. Farzana Shaikh	Sister
Mr. Gulamenasir Shaikh	Son
Mr. Gulamemoin Shaikh	Son
Mr. Aynul Shaikh	Son
Mr. Ibrahimbhai Mansuri	Father of Spouse
Ms. Sarifabanu Mansuri	Mother of Spouse
Mr. Altaf Mansuri	Brother of Spouse
Ms. Sofiya Shaikh	Sister of Spouse
<i>Relatives of Mr. Yusufbhai Shaikh</i>	
Ms. Shirinbanu Shaikh	Wife
Mr. Salimbhai Shaikh	Brother
Ms. Zarina Shaikh	Sister
Ms. Bilkish Shaikh	Sister
Mr. Arif Shaikh	Son
Ms. Shahinbanu Shaikh	Daughter
Ms. Ashiyanabanu Shaikh	Daughter
Ms. Nafisa Shaikh	Daughter
Ms. Farzana Shaikh	Daughter

Companies / entities forming part of our Promoter Group

The details of the companies which are part of our Promoter Group are as follows:

1. KFC Industries Private Limited

The company was originally incorporated as Lifeline Transport Private Limited on February 23, 1994. The name of the company was changed to KFC Industries Private Limited and a fresh certificate of incorporation was received on November 12, 2008.

Nature of Activity	The company is currently engaged in trading of edible and non edible oils.		
Date of Incorporation	February 23, 1994		
Registered Office address	Vishal Corporation Building, Narol Char Rasta, Narol, Ahmedabad - 382 405, Gujarat		
Name of the Directors	1. Mr. Arif Shaikh 2. Mr. Habibkhan Pathan		
Shareholding Pattern	Name of the Shareholder	No of Shares (Face Value of ₹ 10/- each)	% of Shareholding
	Mr. Arif Shaikh	1,37,800	99.86
	Mr. Habibkhan Pathan	100	0.07
	Ms. Sofiya Shaikh	100	0.07
	Total	1,38,000	100.00
Audited Financial Information	2007- 08	2008-09	2009-10
	(₹ In lakhs)		
Income	226.13	120.23	5202.95
Other Income	0.73	0.53	1.85
Profit / (Loss) after Tax	5.43	3.26	(31.79)
Equity Share Capital	13.80	13.80	13.80
Share Application Money	-	46.00	7.10
Face Value of Equity Share (₹)	10.00	10.00	10.00
Reserve & Surplus	54.38	56.03	24.24
Earning per Share (EPS) (₹)	3.93	2.36	(23.04)
Net Asset Value (NAV) (₹)*	49.41	49.78	26.95

*NAV has been calculated as $NAV = ((\text{share capital} + \text{reserves \& surplus}) - \text{Miscellaneous expenditure}) / \text{No. of Equity Shares}$

NAV has been calculated excluding Share Application Money

KFC Industries Private Limited is neither listed at any Stock Exchange nor does it have any subsidiary. KFC Industries Private Limited has not come out with any public or rights issue in the preceding three years. It has not become a sick company within the meaning of SICA and is not under winding up.

2. KFC Exports Private Limited

Nature of Activity	The company is currently engaged in trading of edible and non edible oils.
Date of Incorporation / commencement	October 24, 2008
Registered Office address	6/A, Kirti Kunj Society, Shah-E-Alam Tolnaka, Ahmedabad -

	380 028, Gujarat		
Name of the Directors	1. Mr. Arif Shaikh 2. Mr. Habibkhan Pathan		
Shareholding Pattern	Name of the Shareholder	No of Shares (Face Value of ₹ 10/- each)	% of Shareholding
	Mr. Arif Shaikh	5,000	50.00
	Ms. Sofiya Shaikh	5,000	50.00
	Total	10,000	100.00
Audited Financial Information	2008-09	2009-10	
	(₹ In lakhs)		
Income	-	5240.10	
Other Income	-	-	
Profit/(Loss) after Tax	(0.24)	0.62	
Equity Share Capital	1.00	1.00	
Face Value of Equity Share (₹)	10.00	10.00	
Reserve & Surplus	(0.24)	0.37	
Earning per Share (EPS) (₹)	(2.40)	6.20	
Net Asset Value (NAV) (₹)*	7.60	13.70	

*NAV has been calculated as $NAV = ((\text{share capital} + \text{reserves \& surplus}) - \text{Miscellaneous expenditure}) / \text{No. of Equity Shares}$

Since KFC Exports was incorporated on October 24, 2008, the audited financial information is given for the FY 2008-09 and FY 2009-10.

KFC Exports Private Limited is neither listed at any Stock Exchange nor does it have any subsidiary. KFC Exports Private Limited has not come out with any public or rights issue in the preceding three years. It has not become a sick company within the meaning of SICA and is not under winding up.

Details of companies / firms from which Promoters have disassociated

Except as described below, none of the promoters have disassociated themselves from any of companies/firms, including but not limited to, through transfer of shareholding and/or resignation from the board of directors in the ordinary course of business, in the last three years preceding the date of filing this Draft Red Herring Prospectus.

KFC Corporation Limited

Mr. Arif Shaikh has disassociated from KFC Corporation Limited by virtue of resigning as a director on October 10, 2008 and selling the equity shares of the company to Mr. Abdul Sattar Memon on October 6, 2008. He disassociated from the said company on account of his increased focus on transport industry.

Details of Promoter group companies whose names have been struck off from Registrar of Companies

None of our Promoter Group Companies had remained defunct and has made any application to the RoC for striking off the name of the company, during the five years preceding the date of filing this Draft Red Herring Prospectus with SEBI.

Undertaking/ confirmations

Our Promoters and Promoter Group Companies have confirmed that they have not been detained as willful defaulters by the RBI or any other Government authority. Additionally, there are no violations of securities laws committed by them in the past or are pending against them and none of our promoters or persons in control of body corporate forming part of our Promoter Group have been restricted from accessing the capital markets for any reasons, by SEBI or any other authorities.

Common pursuits / Conflict of interest

One of our Promoter Group Companies viz. KFC Industries Private Limited is presently engaged in trading of edible and non-edible oils. However, its object clause permits it to undertake similar business to our business. Hence to this extent there might be a potential conflict between us in future.

There are no transactions relating to sales or purchases between our Company and any of our Promoter Group Companies exceeding 10% of the sales or purchases of our Company.

RELATED PARTY TRANSACTIONS

For details of the related party transactions, please refer to page no. 105 of this Draft Red Herring Prospectus appearing as Annexure – 15 of Auditors Report under section titled “Financial Information of the Company”.

DIVIDEND POLICY

The declaration and payment of dividend if any, will be recommended by the Board of Directors and declared by the shareholders of our Company, in their discretion, and will depend on a number of factors, including but not limited to the profits, capital requirements and overall financial condition.

The dividends declared by us in respect of the five accounting year ended March 31, 2011, 2010, 2009, 2008 and 2007 are as under:

Particulars	2006-07	2007-08	2008-09	2009-10	2010-11
Rate of Dividend (%)	-	-	-	2.00	2.00
Amount of Dividend (₹ in lakhs)	-	-	-	12.00*	18.31*

*excluding Dividend Distribution Tax

The amounts paid as dividends in the past are not necessarily indicative of our dividend policy or dividend amounts, if any, in the future.

SECTION V -FINANCIAL INFORMATION OF THE COMPANY

FINANCIAL STATEMENTS OF THE COMPANY

AUDITOR'S REPORT

To
The Board of Directors
Asian Logistics Limited
Asian House, Beside Shreenath Transport Nagar,
Opp. Bharat Petrol Pump, Lambha, Aslali,
Ahmedabad- 382 427

Dear Sir,

A.

- a. We have examined the annexed financial information of Asian Logistics Limited ('The Company') for the year ended March 31 2007, March 31 2008, March 31 2009, March 31 2010 and March 31, 2011.
- b. We have considered the relevant financial statements in respect of company which were audited by Kiritkumar & Co., Chartered Accountants for the year ended on March 31 2007, March 31 2008, March 31 2009, March 31, 2010 and re-audit of financials statement for the year ended on March 31 2011 has been done by us.
- c. 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 March 17, 2011 in connection with the Initial Public Offer of Equity Shares by the Company.

We report that the Restated Statement of Assets and Liabilities of the Company as at March 31 2007, March 31 2008, March 31 2009, March 31 2010 and March 31 2011 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 4' and Notes to Restated Financial Statements appearing in 'Annexure 5' to this report.

We report that the Restated Statement of Profit & Loss Account of the Company for the year ended March 31 2007, March 31 2008, March 31 2009, March 31 2010 and March 31 2011 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 4' and Notes to Restated Financial Statements appearing in 'Annexure 5' to this report.

B. We have examined the following financial information relating to the Company proposed to be included in the Offer Document, as approved by the Board of Directors and annexed to this report.

1. Statement of Dividend as appearing in Annexure 6 to this report
2. Statement of Other income as appearing in Annexure 7 to this report
3. Statement of Accounting Ratios as appearing in Annexure 8 to this report
4. Capitalisation Statement as appearing in Annexure 9 to this report
5. Statement of Investments as appearing in Annexure 10 to this report
6. Statement showing age-wise analysis of Sundry Debtors as appearing in Annexure 11 to this report
7. Statement of Loans & Advances as appearing in Annexure 12 to this report
8. Statement of Secured & Unsecured Loans appearing in Annexure 13 to this report
9. Statement of Tax Shelter as appearing in Annexure 14 to this report.
10. Statement of Related Party Transactions as appearing in Annexure 15 of this report

C.

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 4 to this report, after making adjustments / restatements and regroupings as considered appropriate and subject to certain matters as stated in Notes to the Restated Financial 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 Asian Logistics Limited, We hereby confirm that:

1. There are no incorrect accounting practices or failures to make provisions or other adjustments to restated accounts which resulted in audit qualifications for which adjustment or rectification was required.
2. There have been no material amounts relating to adjustments for previous years in arriving at the profits of the years to which they relate irrespective of the period in which the event triggering the profit or loss occurred except for adjustments related to previous year which for the purpose of restated accounts has been adjusted in the respective years as stated in Annexure 5 i.e Notes to Restated Financial Statements.
3. There has been no change in accounting policy in the profits or losses of the years under the restated accounts.
4. There has been no incorrect accounting policy which needs recomputation in the financial information.

- b. This report is intended solely for your information and for inclusion in the Offer Document 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 SAP Associates
Chartered Accountants**

Proprietor
Firm Registration No: 08161C
Peer Review Certificate No.: 004626
Place: Ahmedabad
Date: June 14, 2011

ANNEXURE 1

RESTATED STATEMENT OF ASSETS AND LIABILITIES

(Rs in Lakhs)

Year ended on	31.03.07	31.03.2008	31.03.09	31.03.10	31.03.11
A. Fixed Assets:					
Gross Block	807.26	825.87	835.03	898.90	985.18
Less: Depreciation	57.65	108.93	160.94	209.46	193.34
Net Block	749.61	716.94	674.09	689.44	791.84
B. Investments	0.001	0.001	0.001	0.001	0.001
C. Current Assets, Loans and Advances					
Inventories	-	-	-	-	-
Sundry Debtors	64.84	51.70	134.59	195.32	435.24
Cash and Bank Balances	4.99	14.08	12.18	13.45	15.08
Loans and Advances	25.03	22.01	30.10	42.62	413.34
Total	94.86	87.79	176.87	251.39	863.66
D. Liabilities and Provisions:					
Secured Loans	163.37	109.69	53.38	26.02	243.18
Unsecured Loans	10.50	-	-	-	8.75
Current Liabilities and Provisions	5.51	25.42	95.40	74.34	130.96
Deferred Tax Liability	9.80	12.13	9.63	9.46	13.69
Total	189.18	147.24	158.41	109.82	396.58
E. Networth (A+B+C-D)	655.29	657.50	692.55	831.01	1258.92
F. Net worth Represented by					
i. Share Capital	543.10	543.10	543.10	600.00	915.60
ii. Reserves & Surplus	117.85	118.64	152.28	241.48	363.31
iii. Less : Miscellaneous Expenditure not yet written off	5.66	4.24	2.83	10.47	19.99
Networth (i+ ii -iii)	655.29	657.50	692.55	831.01	1258.92

ANNEXURE 2

RESTATED STATEMENT OF PROFIT AND LOSS ACCOUNT

(Rs in Lakhs)

Year ended on	31.03.07	31.03.08	31.03.09	31.03.10	31.03.11
Income					
Operating Income	1001.39	867.75	1001.40	1707.01	2121.53
Other Income	0.68	2.58	3.74	5.10	4.14
Total Income (A)	1002.07	870.33	1005.14	1712.11	2125.67
Expenditure					
Operating Expenses	870.40	759.37	893.94	1441.75	1761.35
Salaries, Wages and Benefits	10.70	11.88	13.44	17.84	27.76
Administration and other Expenses	17.02	12.89	13.35	28.44	71.86
Depreciation	50.51	51.28	52.01	63.26	55.44
Interest & Financial Charges	16.84	11.41	7.02	4.84	5.44
Preliminary Expenses	1.41	1.41	1.41	1.41	1.41
Total Expenditure (B)	966.88	848.24	981.17	1557.54	1923.26
Net Profit before Tax and Extraordinary Items (A-B)	35.19	22.09	23.97	154.57	202.41
Less: Provision for Taxation					
Provision for Current Tax	4.72	3.72	7.75	51.50	55.00
Provision for Deferred Tax	9.80	2.33	(2.50)	(0.17)	4.23
Provision of Fringe Benefit Tax	0.34	0.19	0.14	-	-
Net Profit After Tax but before Extraordinary Items	20.33	15.85	18.58	103.24	143.18
Extraordinary Items	-	-	-	-	-
Net Profit after Extraordinary Items	20.33	15.85	18.58	103.24	143.18

ANNEXURE 3

RESTATED CASH FLOW STATEMENT

(Rs in Lakhs)

Year ended	31.03.07	31.03.08	31.03.09	31.03.10	31.03.11
Cash Flow From Operating Activities					
Net Profit Before Tax and Extraordinary items	35.19	22.09	23.97	154.57	202.41
Adjustment for:					
Depreciation	50.51	51.28	52.01	63.26	55.44
Rental Income	(0.62)	(1.65)	(1.81)	(2.05)	(0.81)
Interest and Financial Charges	16.84	11.41	7.02	4.84	5.44
Loss / (Profit) on Sale of Assets	-	-	-	8.77	32.09
Miscellaneous Exp. Written Off	1.41	1.41	1.41	1.41	1.41
Operating Profit Before Working Capital Changes	103.33	84.54	82.60	230.80	295.98
Adjustment:					
Decrease / (Increase) in Inventories	-	-	-	-	-
Decrease / (Increase) in Debtors	(28.85)	13.14	(82.89)	(60.73)	(239.92)
Decrease / (Increase) in Loans & Advances	(13.97)	10.36	0.46	(24.43)	(379.36)
Increase / (Decrease) in Trade Payable & Other Liabilities	10.65	1.28	77.34	(65.59)	2.35
Cash Generated From Operations	71.16	109.32	77.51	80.05	(320.95)
Direct Taxes Refund / (Paid) Net	(7.76)	(7.68)	(8.74)	(9.11)	0.61
Net Cash from Operating Activities (A)	63.40	101.64	68.77	70.94	(320.34)
Cash Flow From Investing Activities					
Net Purchase of Fixed Assets	(2.91)	(18.61)	(9.15)	(98.26)	(278.90)
Rental Income	0.62	1.65	1.81	2.05	0.81
Proceeds on sale of Assets	-	-	-	10.89	88.96
Net Cash From Investing Activities (B)	(2.29)	(16.96)	(7.34)	(85.32)	(189.13)
Cash Flow From Financing Activities					
Proceeds from Issue of Equity Shares	-	-	-	56.90	315.60
Preliminary Expenses	(7.07)	-	-	(9.05)	(10.93)
Secured Loans (Net)	(45.58)	(53.68)	(56.31)	(27.36)	217.16
Unsecured Loans Taken / Repaid (Net)	9.75	(10.50)	-	-	8.75
Interest and Finance Charges	(16.84)	(11.41)	(7.02)	(4.84)	(5.44)
Dividend Paid (including Dividend Tax)	-	-	-	-	(14.04)
Net Cash From Financing Activities (C)	(59.74)	(75.59)	(63.33)	15.65	511.10
Net increase in Cash and Cash equivalents (A+B+C)	1.37	9.09	(1.90)	1.27	1.63
Cash and Cash equivalent at the beginning of the year	3.62	4.99	14.08	12.18	13.45
Cash and Cash equivalent at the end of year	4.99	14.08	12.18	13.45	15.08

BACKGROUND

Asian Logistics Limited was formed as a Partnership Firm by the name M/s. Asian Roadways on 1st January 1987 and name of the firm was changed to M/s. Asian Logistics w.e.f. 27th April, 2006. The Partnership Firm was converted into Public Limited Company under Part IX of the Companies Act, 1956 under the name of Asian Logistics Limited having certificate of incorporation dated 11th May, 2006.

ANNEXURE 4

SIGNIFICANT ACCOUNTING POLICIES

1. Basis of Preparation of Financial Statements

The financial statements have been prepared in compliance with all material aspects of the mandatory Accounting Standards issued by the ICAI and the relevant provisions of the Companies Act, 1956. Financial Statements are based on historical cost and are prepared on accrual basis.

2. Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires estimates and assumptions to be made that effect the reported amounts of assets and liabilities and disclosure of contingent liabilities on the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates and differences between actual results and estimates are recognized in the periods in which the results are known/ materialize.

3. Revenue Recognition

(i) Revenue (income) is recognized when no significant uncertainty as to the measurability or collect ability exists. The Income comprises of Freight receipts from trucks and attached carrier business, commission, warehousing income etc

(ii) Dividend is accounted when the right to receive payment is established.

4. Fixed Assets

Fixed Assets are stated at cost of acquisition less accumulated depreciation. The installation and direct attributable major expenses incurred on the addition of the assets are capitalized to respective assets.

5. Depreciation

Depreciation on Fixed Assets is provided on Straight Line Method at the rates prescribed under Schedule XIV of the Companies Act, 1956.

6. Impairment of Assets

The Company assesses at each balance sheet date whether there is any indication that an asset may be impaired. If any such indication exists, the Company estimates the recoverable amount of the asset. If such recoverable amount of the asset or recoverable amount of the cash generating unit to which the asset belongs is less than its carrying amount, the carrying amount is reduced to its recoverable amount. The reduction is treated as an impairment loss and is recognized in the Profit and Loss Account. If at the Balance Sheet date there is an indication that if a previously assessed impairment loss no longer exists, the recoverable amount is reassessed and the asset is reflected at the recoverable amount.

7. Investments

Investments that are intended to be held for more than one year, from the date of acquisitions are classified as long-term investment and are carried at cost.

8. Inventories

The Company is in the business of rendering services and does not hold any inventory.

9. Borrowing Costs

Borrowing Costs comprising interest, finance charges etc to the extent related/attributed to the qualifying assets such as new projects and/or specific assets created in the existing business are capitalized up to the date of completion and ready for their intended use. Other borrowing costs are charged to the profit and loss account in the period of their accrual.

10. Foreign Currency Transactions

Foreign currency transactions are recorded at the rate of exchange prevailing on the date of the transaction. Monetary foreign currency assets and liabilities remaining unsettled at the balance sheet date are translated at the rate of exchange prevailing on that date. Non monetary foreign items are carried at cost. Gains / Losses arising on account of such translation & subsequent realization / settlement of foreign exchange transactions are recognized in the respective asset account.

11. Employee Benefit

Contribution to defined contribution scheme such as Provident Fund etc are not applicable as the number of employees employed during the year are less than the prescribed limit given under the Act.

There are no employees in continuous service for 5 years and above in the company. Hence provision for gratuity payable is not applicable.

12. Tax on Income

Current Tax is determined on the basis of the amount of tax payable in respect of taxable income for the year.

Deferred tax is calculated at current statutory income tax rate and is recognized on timing differences, being the difference between taxable income and accounting income that originate in the one period and are capable of reversal in one or more subsequent periods. Deferred tax assets subject to the consideration of prudence, are recognized and carried forward only to the extent that there is a reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realized.

13. Provisions contingent liabilities and contingent assets

Provisions involving substantial degree of estimation in measurement are recognized when there is a present obligation as a result of past events and it is probable that there will be an outflow of resources. Contingent liabilities, if any, are not recognized but disclosed in the notes. Contingent assets are neither recognized nor disclosed in the financial statement. Provisions, contingent liabilities and contingent assets are reviewed at each balance sheet date.

14. Intangible Assets:

Intangible assets include miscellaneous expenditures that are capitalized if specific criteria are met and are amortised over their useful life, generally not exceeding 5 years. The recoverable amount of an intangible asset that is not available for use or is being amortized over a period exceeding 5 years should be reviewed at least at each financial year end even if there is no indication that the asset is impaired.

ANNEXURE 5

NOTES TO RESTATED FINANCIAL STATEMENTS

1. The Disclosure as required by the Accounting Standard -18 (Related Party Disclosure) are given in the Annexure 15 of the Restated Financial Statement.
2. The calculation of Earning Per Share (EPS) has been made in accordance with Accounting Standard (AS) 20 issued by the ICAI. A statement on calculation of Basic and Diluted EPS is given in Annexure 8 of the Restated Financial Statement.
3. **Details of Deferred Tax assets and liabilities:**
In view of the Accounting Standard 22 issued by Institute of Chartered Accountants of India, the significant component and classification of deferred tax liability/asset on account of timing difference comprises of the following:

(Rs. in Lakhs)

Particulars	31.03.07	31.03.08	31.03.09	31.03.10	31.03.11
Deferred Tax Liabilities:					
On account of difference in book and Tax depreciation	9.80	12.13	9.63	9.46	13.69
Deferred Tax Assets	-	-	-	-	-
Net Deferred Tax Liabilities	9.80	12.13	9.63	9.46	13.69

4. There are no contingent liabilities during the reported period.
5. There are no changes in accounting policies during the reported period.
6. In the opinion of the board, the current assets, loans and advances are approximately of the value stated if realized in the ordinary course of business. The provision for all known liabilities are adequate and not in excess of the amount reasonably necessary.
7. **Segment Reporting**
The company is engaged in the service activity having mainly Truck freight charges and Attached Carrier income and there are no separate reportable segments as per Accounting Standard 17 - "Segment Reporting" issued by the Council of the Institute of Chartered Accountants of India.
8. **Current Liability related to Small Scale Industrial Undertakings**

In absence of details of Small Scale Industrial Undertakings to whom the company owes a sum, it is not possible to identify outstanding of Sundry Creditors related to Small Scale Industrial Undertakings for more than 30 days as at 31st March, 2011.

9. **Statement of adjustments in Profit and Loss Accounts:**

(Rs in Lakhs)

Year ended on	31.03.07	31.03.08	31.03.09	31.03.10	31.03.11
Net Profit after Tax and Extraordinary items (as per audited Accounts)	42.08	36.09	43.82	40.85	135.15
Tax of Earlier Years	(4.99)	(3.36)	-	21.12	8.03
Prior Period Item	(0.34)	0.15	0.19	-	-
Provision for Current Tax	0.27	(0.35)	(7.75)	-	-
Provision for Deferred Tax	(9.80)	(2.33)	2.50	-	-
Provision for Fringe Benefit Tax	-	-	(0.14)	-	-
Depreciation / Gross block Adjustment	(6.89)	(14.35)	(20.04)	41.27	-
Net Total (Increase/(Decrease)) due to adjustments	(21.75)	(20.24)	(25.24)	62.39	8.03
Net Profit as per restated Profit and Loss	20.33	15.85	18.58	103.24	143.18

Notes to above adjustments:

1. Tax of earlier years:

The profit and loss account of certain years includes amount paid/provided for or refunded, in respect of short/excess income tax arising out of assessments and on account of short/excess provision of tax of earlier years. The impact on account of such short/excess income tax has been adjusted in respective years.

2. Prior Period Items:

Prior period item relates to fringe benefit tax which was recorded by the company during the accounting year of payment. For the purpose of restated financial statements the effect of this item has been given by providing for fringe benefit tax in the respective year of origination ie March 31, 2007 and March 31, 2008.

3. Provision for Taxation:

(a) *Provision for Income Tax and Deferred Tax:*

In the audited statements, the provision for income tax and deferred tax was not provided for the years ended March 31, 2007, March 31, 2008 and March 31, 2009. In the restated financial statements, the same has been provided.

(b) *Provision for Fringe Benefit Tax:*

In the audited statements, provision for fringe benefit was made only for the year ended March 31, 2009. In the restated financial statements, the same has been provided.

4. Depreciation

In the audited accounts for the year ended March 31, 2010, the company has adjusted shortfall in provision of depreciation for prior years up to year ended March 31, 2009, the cumulative arrears of which has been fully provided in the audited accounts for the year ended March 31, 2010. In the restated financial statements, the same has been adjusted in the gross block and depreciation in the respective years to which they relate.

5. Material Re-groupings:

In the audited statements for the years ended March 31, 2007, March 31, 2008 and March 31, 2009, the Employee costs, Administration & Other Expenses, Interest & Financial Charges, Preliminary Expenses were included under the head "Operating & Other Expenses". For the purpose of the restated financial statements, the same are segregated and shown separately in the restated profit & loss statement. In the audited statements for the year March 31, 2010 and March 31, 2011 expenses are shown under the respective heads.

ANNEXURE 6

STATEMENT OF DIVIDEND

Year ended	31.03.07	31.03.08	31.03.09	31.03.10	31.03.11
Dividend (%)	-	-	-	2	2
Dividend (Rs In Lakhs)	-	-	-	12.00*	18.31*

*excluding Dividend Distribution Tax

ANNEXURE 7

STATEMENT OF OTHER INCOME

(Rs in Lakhs)

Year ended	Recurring/ Non Recurring	31.03.07	31.03.08	31.03.09	31.03.10	31.03.11
Profit Before Tax & extra ordinary items		35.19	22.09	23.97	154.57	202.41
20% of Net Profit Before Tax		7.04	4.42	4.79	30.91	40.48
Other Income for the Year		0.68	2.58	3.74	5.10	4.14
Other Income Details						
Office Rent	Recurring	0.62	1.65	1.81	2.05	0.81
Sale of Old Tyres	Recurring	-	0.92	1.93	3.05	1.96
Miscellaneous Income	Non Recurring	0.06	0.01	-	-	1.37
Total		0.68	2.58	3.74	5.10	4.14

ANNEXURE 8

STATEMENT OF ACCOUNTING RATIOS

(Rs in Lakhs)

Except per share data

Year ended	31.03.07	31.03.08	31.03.09	31.03.10	31.03.11
Net profit after tax	20.33	15.85	18.58	103.24	143.18
Net worth	655.29	657.50	692.55	831.01	1258.92
Return on Net worth (RONW) (%)	3.10	2.41	2.68	12.42	11.37
No. of Equity Shares outstanding at the end of the year	5431050	5431050	5431050	6000000	9156000
Net Asset Value Per share (NAV)	12.07	12.11	12.75	13.85	13.75
Weighted average number of Equity Shares outstanding during the year	5431050	5431050	5431050	5668890	8014233
Basic & Diluted Earnings per Share (EPS)	0.37	0.29	0.34	1.82	1.79

Basic & Diluted Earnings per Share (Rs.) = Net profit after tax/Weighted average number of Equity Shares outstanding during the year

Net Asset Value per Share (in Rs.) = Net Worth/Number of Equity Shares outstanding at the end of the year

Return on Net Worth (%) = Net profit after tax X 100/Net Worth

Notes:

1. The above ratios have been computed on the basis of the Restated Financial Information for the respective year.
2. Earning per share is computed in accordance with Accounting Standard (AS 20) "Earning Per Share" issued by the Institute of Chartered Accountants of India.

ANNEXURE 9

CAPITALISATION STATEMENT

(Rs In Lakhs)

Particulars	Pre Issue as at March 31, 2011	Post Issue
Debt		
Short Term Debt	86.57	[•]
Long Term Debt	165.36	[•]
Total Debt	251.93	[•]
Shareholders Funds		
Share Capital	915.60	[•]
Reserves & Surplus	363.31	[•]
Less: Misc. expenditure not written off	19.99	[•]
Total Shareholders Funds	1258.92	[•]
Long Term Debt/Shareholders Funds	0.13	[•]

Notes:

1. Short Term Debt represents debts which are due within twelve months from March 31, 2011 and includes installment of long term debt repayable within 12 months.
2. Long term debt represent other than short-term debts as defined above
3. The figures disclosed above are based on the restated financial statements of the Company as at March 31, 2011
4. Information pertaining to post issue [•] can be calculated on the conclusion of the book building process.

ANNEXURE 10

STATEMENT OF INVESTMENTS

(Rs In Lakhs)

Year ended	31.03.07	31.03.08	31.03.09	31.03.10	31.03.11
Quoted Investments	-	-	-	-	-
Un-quoted Investments (Current Market Value Rs.0.001 lakhs)	0.001	0.001	0.001	0.001	0.001
Total	0.001	0.001	0.001	0.001	0.001

ANNEXURE 11

STATEMENT SHOWING AGE-WISE ANALYSIS OF SUNDRY DEBTORS

(Rs In Lakhs)

Year ended	31.03.07	31.03.08	31.03.09	31.03.10	31.03.11
Debt outstanding exceeding six months:					
Considered Good	1.91	0.13	0.13	0.30	-

Considered Bad	-	-	-	-	-
Other Debts:					
Considered Good	62.93	51.57	134.46	195.02	435.24
Considered Bad	-	-	-	-	-
Total	64.84	51.70	134.59	195.32	435.24

There are no amounts outstanding from Promoters, Promoters group, associate companies and directors of the Company for the above years.

ANNEXURE 12

STATEMENT OF LOANS & ADVANCES

(Rs in Lakhs)

Year ended	31.03.07	31.03.08	31.03.09	31.03.10	31.03.11
TDS and Advance Tax	10.37	17.71	26.26	14.36	5.72
Security Deposit	0.86	0.85	0.35	0.35	0.35
Advances to Staff	-	-	-	7.87	8.40
Advances to Capital Goods Suppliers	-	-	-	-	40.00
Advances to Transporters, Drivers and Cleaners	-	-	-	-	261.86
Other Loans and Advances (Recoverable in cash or kind for the value to be received)	13.80	3.45	3.49	20.04	97.01
Total	25.03	22.01	30.10	42.62	413.34

The other loans and advances include the following receivable from related parties:

(Rs in Lakhs)

Year ended	31.03.07	31.03.08	31.03.09	31.03.10	31.03.11
KFC Industries Private Limited	6.06	-	-	-	-
Shahinbanu Shaikh	-	-	0.08	-	-
Gulamenasir A.Shaikh	-	-	-	-	12.68
Arjumanbanu Shaikh	-	-	-	-	33.15

ANNEXURE 13

STATEMENT OF SECURED AND UNSECURED LOANS

(A) SECURED LOANS

(Rs In Lakhs)

Year ended	31.03.07	31.03.08	31.03.09	31.03.10	31.03.11
Term Loan (Vehicle Loan From Banks/ Financial Institutions)	163.37	109.69	53.38	26.02	243.18
Total	163.37	109.69	53.38	26.02	243.18

PRINCIPLE TERMS OF SECURED LOANS AND ASSETS CHARGED AS SECURITY

Term Loans (Vehicle Finance)

Name of Lender	Loan Amount (Rs. in Lakhs)	Interest Rate p.a.(%)	Repayment Schedule	Security Created	Outstanding Amount as on 31-03-2011 (Rs. in Lakhs)
Sundaram Finance Limited	12.00	11.93	Repayable in 47 equal monthly instalments of Rs. 0.32 lakh	<ul style="list-style-type: none"> ▪ Guarantee of Mr. Arif Shaikh ▪ Hypothecation of Trucks 	7.43
Sundaram Finance Limited	12.00	11.93	Repayable in 47 equal monthly instalments of Rs. 0.32 lakhs	<ul style="list-style-type: none"> ▪ Guarantee of Mr. Arif Shaikh ▪ Hypothecation of Trucks 	7.44
Sundaram Finance Limited	4.00	11.80	Repayable in 36 equal monthly installment of Rs. 0.13 lakh.	<ul style="list-style-type: none"> ▪ Guarantee of Mr. Arif Shaikh ▪ Hypothecation of Car 	1.68
Sundaram Finance Limited	15.00	12.26	Repayable in 48 equal monthly installment of Rs. 0.39 lakhs	<ul style="list-style-type: none"> ▪ Guarantee of Mr. Arif Shaikh ▪ Hypothecation of Car 	14.33
Sundaram Finance Limited	18.26	11.00	Repayable in 47 equal monthly instalments of Rs.0.48 lakhs	<ul style="list-style-type: none"> ▪ Guarantee of Mr. Arif Shaikh ▪ Hypothecation of Trucks 	17.26
Magna Fincrop Limited	100.00	10.65	Repayable in 60 equal monthly instalments of Rs.2.17 lakhs	<ul style="list-style-type: none"> ▪ Guarantee of Mr. Arif Shaikh ▪ Hypothecation of Trucks 	100.00
Religare Finvest Limited	1.70	10.25	Repayable in 36 equal monthly instalments of Rs.0.05	<ul style="list-style-type: none"> ▪ Guarantee of Mr. Arif Shaikh ▪ Hypothecation of Trucks 	1.70

			lakhs		
Religare Finvest Limited	2.10	10.75	Repayable in 36 equal monthly instalments of Rs.0.07 lakhs	<ul style="list-style-type: none"> ▪ Guarantee of Mr. Arif Shaikh ▪ Hypothecation of Trucks 	2.10
Religare Finvest Limited	18.00	12.75	Repayable in 12 equal monthly instalments of Rs.1.60 lakhs	<ul style="list-style-type: none"> ▪ Guarantee of Mr. Arif Shaikh ▪ Hypothecation of Trucks 	18.00
Religare Finvest Limited	33.51	10.75	Repayable in 58 equal monthly instalments of Rs.0.75 lakhs	<ul style="list-style-type: none"> ▪ Guarantee of Mr. Arif Shaikh ▪ Hypothecation of Trucks 	33.51
Religare Finvest Limited	38.86	10.75	Repayable in 58 equal monthly instalments of Rs.0.86 lakhs	<ul style="list-style-type: none"> ▪ Guarantee of Mr. Arif Shaikh ▪ Hypothecation of Trucks 	38.86
Sundaram Finance Limited(Tyre loan)	2.16	-	Repayable in 04 equal monthly installment of Rs.0.56 lakhs	<ul style="list-style-type: none"> ▪ Guarantee of Mr. Arif Shaikh 	0.54
Sundaram Finance Limited (Tyre loan)	1.30	-	Repayable in 04 equal monthly installment of Rs.0.34 lakhs	<ul style="list-style-type: none"> ▪ Guarantee of Mr. Arif Shaikh 	0.33
Total					243.18

(B) UNSECURED LOANS

(Rs In Lakhs)

Year ended	31.03.07	31.03.08	31.03.09	31.03.10	31.03.11
From Directors /Relatives of Partners/Directors	10.50	-	-	-	8.75
Total	10.50	-	-	-	8.75

Notes:

1. No terms & conditions as to repayment & interest were stipulated in respect of the above loans.
2. The said loans were repayable on demand.
3. No Interest was payable on such loans.

ANNEXURE 14**STATEMENT OF TAX SHELTERS**

(Rs In Lakhs)					
Year ended	31.03.07	31.03.08	31.03.09	31.03.10	31.03.11
Tax Rate (including surcharge and education cess)	33.66%	30.90%	30.90%	33.99%	33.22%
Mat Rate (including surcharge and education cess)	10%	10%	10%	15%	15%
Net Profit/(Loss) before Tax (as restated)	35.19	22.09	23.97	154.57	202.41
Notional Tax Payable(A)	11.84	6.83	7.41	52.54	67.24
Timing Difference					
(i) Difference Between Restated and Income Tax Depreciation	36.00	21.19	12.65	(6.83)	8.50
Total of B	36.00	21.19	12.65	(6.83)	8.50
Permanent Difference (C)	-	-	-	-	-
Net Adjustment (B+C)	36.00	21.19	12.65	(6.83)	8.50
Tax Savings thereon	12.12	6.55	3.91	(2.32)	2.82
Net Tax for the year	-	0.28	3.50	54.86	64.42

Note:

The information pertaining to the years ended 31/03/2007 to 31/03/2010 are as per the Return of Income filed under Section 139(1) of the Income Tax Act, 1961. The effect of assessment / appellate orders has been considered in the above calculation.

ANNEXURE 15**STATEMENT OF RELATED PARTY TRANSACTIONS:**

Nature of relation	Name of Related Parties
Key Management personnel	Mr. Arif Shaikh
	Mr. Yusufbhai Shaikh
Relative of key management personnel	Ms. Shirinbanu Shaikh
	Ms. Shahinbanu Shaikh
	Ms. Ashiyanabanu Shaikh
	Ms. Arjumanbanu Shaikh
	Mr. Gulamenasir Shaikh
Company/entity in which director has significant influence	KFC Industries Private Limited
	KFC Exports Private Limited

1. Transactions with Key Management Personnel

(Rs in Lakhs)

Particulars		31.03.07	31.03.08	31.03.09	31.03.10	31.03.11
Equity Contribution						
Mr. Arif Shaikh	Received during the year	-	-	-	-	23.10
Salary/Remuneration						
Mr. Arif Shaikh	Paid during the year	3.00	-	-	3.20	4.80
Mr. Yusufbhai Shaikh	Paid during the year	3.30	3.90	4.44	4.44	4.80
Unsecured loans						
Mr Arif Shaikh	Opening Balance	0.75	0.75	-	-	-
	Taken during the year	-	-	-	-	18.75
	Repaid during the year	-	0.75	-	-	10.00
	Closing Balance	0.75	-	-	-	8.75

2. Transactions with relatives of Key Management Personnel

(Rs in Lakhs)

Particulars		31.03.07	31.03.08	31.03.09	31.03.10	31.03.11
Salary/Remuneration						
Ms. Arjumanbanu Shaikh	Paid during the year	-	2.52	2.76	2.80	3.20
Mr. Gulamenasir Shaikh	Paid during the year	-	-	-	-	0.40
Unsecured loans						
Ms. Shirinbanu Shaikh	Opening Balance	-	-	-	-	-
	Taken during the year	-	-	-	9.64	-
	Repaid during the year	-	-	-	9.64	-
	Closing Balance	-	-	-	-	-
Ms. Arjumanbanu Shaikh	Opening Balance	-	9.75	-	-	-
	Taken during the year	9.75	1.41	4.00	-	-
	Repaid during the year	-	11.16	4.00	-	-
	Closing Balance	9.75	-	-	-	-
Loans & Advances						
Ms. Arjumanbanu Shaikh	Opening Balance	-	-	-	-	-
	Given during the year	-	-	-	-	33.15
	Received during the year	-	-	-	-	-

	Closing Balance	-	-	-	-	33.15
Mr. Gulamenasir Shaikh	Opening Balance	-	-	-	-	-
	Given during the year	-	-	-	-	24.68
	Received during the year	-	-	-	-	12.10
	Closing Balance	-	-	-	-	12.58
Ms. Shahinbanu Shaikh	Opening Balance	-	-	-	0.08	-
	Given during the year	-	-	0.08	-	-
	Received during the year	-	-	-	0.08	-
	Closing Balance	-	-	0.08	-	-

3. Company/ Entities in which Key Managerial Personnel / their relatives have significant influence

(Rs. in Lakhs)

Particulars		31.03.07	31.03.08	31.03.09	31.03.10	31.03.11
Unsecured loans						
KFC Industries Private Limited	Opening Balance	-	-	-	-	-
	Taken during the year	-	-	-	5.00	-
	Repaid during the year	-	-	-	5.00	-
	Closing Balance	-	-	-	-	-
Loans & Advances						
KFC Industries Private Limited	Opening Balance	-	6.06	-	-	-
	Given during the year	6.06	4.20	-	-	-
	Received during the year	-	10.26	-	-	-
	Closing Balance	6.06	-	-	-	-
KFC Exports Private Limited	Opening Balance	-	-	-	-	-
	Given during the year	-	-	-	-	0.05
	Received during the year	-	-	-	-	0.05
	Closing Balance	-	-	-	-	-
Amount Due to Creditors						
KFC Industries Private Limited	Opening Balance	-	-	-	-	22.15
	Purchases during the year	-	-	-	28.15	-
	Payment during the year	-	-	-	6.00	8.00
	Closing Balance	-	-	-	22.15	14.15

MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

You should read the following discussion of our financial condition and results of operations together with our audited financial statements (as restated) for the period ended March 31, 2007, March 31, 2008, March 31, 2009, March 31, 2010 and March 31, 2011 including the schedules, annexure and notes thereto and the reports thereon, which appear in the section titled "Financial Statements of the Company" beginning on page no. 89 of this Draft Red Herring Prospectus. You are also advised to read the section titled "Risk Factors" beginning on page no. iii of this Draft Red Herring Prospectus, which discusses a number of factors and contingencies that could impact our financial condition, results of operations and cash flows. These financial statements are prepared in accordance with Indian GAAP, the Companies Act and the SEBI (ICDR) Regulations, 2009 and restated as described in Auditor's Report of M/s SAP Associates dated June 14, 2011.

The following discussions are based on our restated financial statements for the period ended March 31, 2007, March 31, 2008, March 31, 2009, March 31, 2010 and March 31, 2011 which has been prepared in accordance with Indian GAAP, the Companies Act and the SEBI (ICDR) Regulations, 2009 and on information available from other sources. Our fiscal year ends on March 31 each year, so all references to a particular year are to the twelve-month period ended on March 31 of that year.

Industry Overview

The size of the Indian road transport sector was estimated at ₹ 2,700 billion during FY 2010 (at current prices), accounting for around 4.5% of India's gross domestic product (GDP). By comparison, GDP from railways was estimated at ₹ 601 billion during FY 2010. The importance of the transport industry results from the fact that it is the dominant motorised mode of transport linking the remote and hilly areas with rest of the economy. During FY 2009, the share of transport sector in GDP aggregated 6.40% at current prices and 6.56% at constant prices.

Road transport has emerged as the dominant segment in India's transportation sector with a share of 4.8% in India's GDP. Road transport also accounts for 74% of total GDP emanating from the transport sector. The contribution of road transport in the transport GDP of India has consistently increased from around 50% in FY 1971 to 60% by the early-1990s, and to 74% in FY 2009. Further, around 74% of the incremental increase in transport GDP during FY 2003-09 has come from road transport sector.

Easy accessibility, flexibility of operations, door-to-door service and reliability have enabled road transport to report an increasingly higher share of both passenger and freight traffic vis-à-vis other transport modes. The share of road transport has increased most sharply over the past decades, while the share in the modal split of rail and inland waterways has declined substantially. This is mainly due to the effect of the structure of goods in the industrial sectors. Mass commodities, suitable for rail and inland waterway transport, are becoming less important. The share of time-sensitive, high-value goods in overall output is increasing. In addition to the effect of the structure of goods, various factors account for the above-average growth in road transport.

Our Business Overview

We are engaged in the business of providing logistics services viz. goods transport, warehousing, packing and moving etc. The goods transportation is generally carried out using road, railway and air as the mode of transport. We carry out goods transport with roadways as the mode of transport. Further the goods transport is done on Full Truck Load (FTL) basis for bulk as well as non bulk freight. Gradually our Company has enlarged the scope of services by commencing warehousing activities in FY 2009-10 and packing and moving activities in the FY 2010-11.

Our Company has its head office in Ahmedabad and booking office at Ahmedabad and Hyderabad. We operate with a fleet of 21 owned vehicles and more than 500 attached carriers.

Factors affecting results of our operations

Our results of operations could potentially be affected by the following factors

- (a) Road infrastructure
- (b) Fuel cost
- (c) Government policy including taxes and duties
- (d) Compliance with necessary regulatory norms
- (e) General economic and business conditions
- (f) Competition

Components of Revenue & Expenditure

Income

Our total income comprises of the following:

1. Operating income
2. Other Income

Operating income

Operating income includes freight income from own vehicles and from attached carriers, warehousing income, commission income, income from moving and packing activities, etc.

Other income

Other income includes rental income, income from sale of old tyres, etc.

Expenses

Our major heads of expenses are as under:

Operating expenses

The operating expenses are mainly the freight payment and truck expenses.

Employee cost

Employee costs include Directors' remuneration, salary, staff welfare expenses, diwali bonus, etc.

Administrative & other expenses

Administrative and other expenses include stationery & printing, business promotion expenses, office expenses, traveling expenses, telephone expenses, audit fees, advertisement expenses, insurance expenses, professional fees, etc.

Interest and finance charges

Interest and finance charges comprise of loan processing charges, interest and financial charges.

Depreciation

The depreciation expenses mainly consist of depreciation on the vehicles, land & building, furnitures and fixtures, office equipments, motor vehicles, etc.

Taxation

Income taxes are accounted for on accordance with AS-22, issued by ICAI on "Accounting for Taxes on Income". Taxes comprise current tax, deferred tax & fringe benefit tax. Fringe benefit tax was applicable only till FY 2008-09.

Analysis on results of financial operations

(Rs in Lakhs)

Year ended on	31.03.07	31.03.08	31.03.09	31.03.10	31.03.11
Income					
Operating Income	1001.39	867.75	1001.40	1707.01	2121.53
Other Income	0.68	2.58	3.74	5.10	4.14
Total Income (A)	1002.07	870.33	1005.14	1712.11	2125.67
Expenditure					
Operating Expenses	870.40	759.37	893.94	1441.75	1761.35
Salaries, Wages and Benefits	10.70	11.88	13.44	17.84	27.76
Administration and other Expenses	17.02	12.89	13.35	28.44	71.86
Depreciation	50.51	51.28	52.01	63.26	55.44
Interest & Financial Charges	16.84	11.41	7.02	4.84	5.44
Preliminary Expenses	1.41	1.41	1.41	1.41	1.41
Total Expenditure (B)	966.88	848.24	981.17	1557.54	1923.26
Net Profit before Tax and Extraordinary Items (A-B)	35.19	22.09	23.97	154.57	202.41
Less: Provision for Taxation					
Provision for Current Tax	4.72	3.72	7.75	51.50	55.00
Provision for Deferred Tax	9.80	2.33	(2.50)	(0.17)	4.23
Provision of Fringe Benefit Tax	0.34	0.19	0.14	-	-
Net Profit After Tax but before Extraordinary Items	20.33	15.85	18.58	103.24	143.18
Extraordinary Items	-	-	-	-	-
Net Profit after Extraordinary Items	20.33	15.85	18.58	103.24	143.18

Comparison between FY 2009-10 & FY 2010-11

Income

Our total income increased from ₹ 1712.11 lakhs for the FY 2010 to ₹ 2125.67 lakhs in FY 2011 showing an increase of 24.15%. The increase in income was mainly on account of increase in freight income from attached carriers and increase in warehousing income. Further, the Company started moving & packing activities in the FY 2010-11, which also contributed to the income during the year.

Other income decreased marginally from ₹ 5.10 lakhs in FY 2010 to ₹ 4.14 lakhs in FY 2011 due to decrease in rental income and income from sale of old tyres.

Expenses

Operating expenses

Operating expenses increased from ₹ 1441.75 lakhs in FY 2010 to ₹ 1761.35 lakhs in FY 2011 i.e. an increase of 22.17% which is in line with the increase in turnover.

Employee cost

Employee cost was ₹ 17.84 lakhs in FY 2010 to ₹ 27.76 lakhs in FY 2011. This accounts to 1.04% of the total income in the FY 2010 and 1.31% in FY 2011. The increase is due to normal annual increments and addition of new employees.

Administrative & other expenses

The expenditure on administrative and other expenses increased from ₹ 28.44 lakhs in FY 2010 to ₹ 71.86 lakhs in FY 2011 which is due to increase in advertisement expenses, repairs, godown maintenance expenses, hamali and office expenses. The increase is also due to non recurring items such as loss on sale of property during the year. The administrative and other expenses accounts to 1.66% of the total income in the FY 2010 and 3.38% in the FY 2011.

Interest and finance charges

The Interest and finance charges increased from ₹ 4.84 lakhs in FY 2010 to ₹ 5.44 lakhs in FY 2011 which shows as increase of 12.40% which is mainly due to availing new vehicle loans.

Depreciation

Depreciation marginally decreased from ₹ 63.26 lakhs in FY 2010 to ₹ 55.44 lakhs in FY 2011 on account of sale of some of the assets of the Company.

Preliminary expenses

Preliminary expenses for the FY 2011 is ₹ 1.41 lakhs.

Profit before tax

Profit before tax has increased from ₹ 154.57 lakhs in FY 2010 to ₹ 202.41 lakhs in FY 2011 which is inline with the increase in the turnover. Profit before tax as a % of total income marginally increased from 9.03% in FY 2010 to 9.52% in FY 2011.

Taxation

The provision of taxation increased from ₹ 51.33 lakhs in FY 2010 to ₹ 59.23 lakhs in FY 2011. The increase in taxation is due increase in profitability during FY 2011.

Profit after tax

Profit after tax increased from ₹ 103.24 lakhs in FY 2010 to ₹ 143.18 lakhs in FY 2011. Profit after tax as a percentage of total income increased from 6.03% in FY 2010 to 6.74 % in FY 2011.

Comparison between FY 2008-09 and FY 2009-10

Income

Our total income increased from ₹ 1005.14 lakhs during FY 2009 to ₹ 1712.11 lakhs during FY 2010 showing an increase of 70.34%. The increase in income was on account of increase in business activities of the Company. Further, the Company started warehousing activities in the FY 2009-10, which also contributed to the income during the year.

Other income increased from ₹ 3.74 lakhs in FY 2009 to ₹ 5.10 lakhs in FY 2010 showing an increase of 36.36%. The increase in other income was mainly due to increase in rental income and income from sale of old tyres.

Expenses

Operating expenses

Our operating expenses increased from ₹ 893.94 lakhs in FY 2009 to ₹ 1441.75 lakhs in FY 2010 i.e. an increase of 61.28% which was in line with the increase in turnover.

Employee cost

The expenditure on employee costs increased from ₹ 13.44 lakhs in FY 2009 to ₹ 17.84 lakhs in FY 2010. This accounts to 1.34% of the total income in the FY 2009 and 1.04% in FY 2010. Employee costs increased on account of normal increments and increase in staff welfare expenses.

Administrative & other expenses

Our administrative and other expenses increased from ₹ 13.35 lakhs in FY 2009 to ₹ 28.44 lakhs in FY 2010 which was due to increase in insurance expenses and loss on sale of vehicles. The administrative and other expenses accounts to 1.33% of the total income in the FY 2009 and 1.66% in the FY 2010.

Interest and finance charges

The interest and financial charges decreased from ₹ 7.02 lakhs in FY 2009 to ₹ 4.84 lakhs in FY 2010 on account of substantial repayment of vehicle loans.

Depreciation

Depreciation increased from ₹ 52.01 lakhs in FY 2009 to ₹ 63.26 lakhs in FY 2010. The increase in depreciation was mainly due to addition in fixed assets.

Preliminary expenses

Preliminary expenses for the FY 2010 is ₹ 1.41 lakhs.

Profit before tax

Our profit before tax increased from ₹ 23.97 lakhs in FY 2009 to ₹ 154.57 lakhs in FY 2010. Profit before tax as a percentage of total income increased from 2.38% in FY 2009 to 9.03% in FY 2010. This increase is mainly on account of increase in operating income.

Taxation

The provision of taxation increased from ₹ 5.39 lakhs in FY 2009 to ₹ 51.33 lakhs in FY 2010. The increase in taxation is due to increase in profitability during FY 2010.

Profit after tax

Our profit after tax increased from ₹ 18.58 lakhs in FY 2009 to ₹ 103.24 lakhs in FY 2010. Profit after tax as a percentage of total income increased from 1.85% in FY 2009 to 6.03 % in FY 2010.

Comparison between FY 2007-08 and FY 2008-09

Income

Our total income increased from ₹ 870.33 lakhs in FY 2008 to ₹ 1005.14 lakhs in FY 2009 registering a growth of 15.49%. The increase in income was on account of increase in freight income.

Other income increased from ₹ 2.58 lakhs in FY 2008 to ₹ 3.74 lakhs in FY 2009 showing an increase of 44.96%. The increase was mainly due to increase in income from sale of old tyres.

Expenses

Operating expenses

Our operating expenses increased from ₹ 759.37 lakhs in FY 2008 to ₹ 893.94 lakhs in FY 2009 which was in line with the increase in the operating income.

Employee cost

The expenditure on employee cost increased from ₹ 11.88 lakhs in FY 2008 to ₹ 13.44 lakhs in FY 2009. Employee cost was 1.34% of the total income in FY 2009 as against 1.36% in FY 2008.

Administrative & other expenses

Our administrative and other expenses marginally increased from ₹ 12.89 lakhs in FY 2008 to ₹ 13.35 lakhs in FY 2009. The administrative and other expenses accounts to 1.48% of the total income in the FY 2008 and 1.33% in the FY 2009.

Interest and finance charges

The interest and financial charges decreased from ₹ 11.41 lakhs in FY 2008 to ₹ 7.02 lakhs in FY 2009 on account of repayment of some of the loans taken for purchase of vehicles.

Depreciation

Depreciation increased from ₹ 51.28 lakhs in FY 2008 to ₹ 52.01 lakhs in FY 2009. The increase in depreciation was mainly due to addition in number of vehicles.

Preliminary expenses

Preliminary expenses for the FY 2009 is ₹ 1.41 lakhs.

Profit before tax

Our profit before tax has marginally increased from ₹ 22.09 lakhs in FY 2008 to ₹ 23.97 lakhs in FY 2009. The profit before tax increased by 8.51% in FY 2009. This increase was on account of increase in the business activities of the Company.

Taxation

The provision of taxation including current deferred and fringe benefit taxes decreased from ₹ 6.24 lakhs in FY 2008 to ₹ 5.39 lakhs in FY 2009. The decrease in taxation is due to deferred tax assets of ₹ 2.50 lakhs in FY 2009.

Profit after tax

Our profit after tax increased from ₹ 15.85 lakhs in FY 2008 to ₹ 18.58 lakhs in FY 2009 showing an increase of 17.22%. Profit after tax as a percentage of total income increased from 1.82% in FY 2008 to 1.85% in FY 2009.

Other matters***Unusual or infrequent events or transactions***

There are no unusual or infrequent events or transactions that have significantly affected our business.

Significant economic changes that materially affected or are likely to affect income from continuing operations

To our knowledge, there are no significant economic changes that materially affected company's operations or are likely to affect income from continuing operations except for any major changes in policies of government like changes in taxation policies, changes in the usual course of business etc.

Known trends or uncertainties that have had or are expected to have a material adverse impact on income from continuing operations

There are no known trends or uncertainties that have had or are expected to have a material adverse impact on income from continuing operations except as described in the section titled "Risk Factors" and in "Management's Discussion and Analysis of Financial Condition and Results of Operations" beginning on page nos iii and 108 respectively of this Draft Red Herring Prospectus.

Future changes in relationship between cost and income

Our Company reasonably does not foresee any factor that may have a material adverse impact on the operation and finances except as disclosed in "Risk Factors" and "Management's Discussion and Analysis of Financial condition and Results of Operations" beginning on page nos. iii and 108 respectively of this Draft Red Herring Prospectus.

Increases in income and introduction of new services or increased freight rates

Increase in income is mainly linked to increase in operating income of our Company. Other than that described in the Draft Red Herring Prospectus, we do not have any new services or business segment.

Total turnover of each major industry segment in which the company operated

Our Company operates in a single industry segment viz. logistics industry.

Seasonality of business

Our Company's business is not seasonal in nature.

Competitive conditions

We operate in a competitive environment and we face competition from existing players in our industry. Please refer to the sections "Our Business", "Industry Overview" and "Risk Factors" beginning on page nos. 53, 47 and iii respectively of this Draft Red Herring Prospectus.

Details of material developments after the date of last balance sheet

No circumstances have arisen since the date of the last financial statements until the date of filing of this Draft Red Herring Prospectus, which materially and adversely affect or are likely to affect the operations or profitability of our Company, or value of its assets, or its ability to pay its liability within next twelve months.

SECTION VI: LEGAL AND OTHER INFORMATION

OUTSTANDING LITIGATIONS AND MATERIAL DEVELOPMENTS

Except as stated herein, as per the knowledge of the Company as of date, there are no outstanding or pending litigation, suits, civil prosecution, criminal proceedings or tax liabilities against our Company, our Directors, our Promoters, Promoter Group and Promoter Group Companies and there are no defaults, non-payment of statutory dues, overdues to banks and financial institutions, defaults against bank and financial institutions and there are no outstanding debentures, bonds, fixed deposits or preference shares issued by our Company; no default in creation of full security as per the terms of the issue, no proceedings initiated for economic or other offences (including past cases where penalties may or may not have been awarded and irrespective of whether they are specified under paragraph (I) of Part I of Schedule XIII of the Companies Act, 1956), and no disciplinary action has been taken by SEBI or any stock exchanges against our Company, our Promoters, our Directors, Promoter Group or Promoter Group Companies.

Further, as stated below, there are no show-cause notices / claims served on our Company, our Subsidiary, our Promoters, our Directors or Promoter Group from any statutory authority / revenue authority that would have a material adverse effect on our business.

I. Cases filed against our Company, our Promoters and our Directors

There is no litigation pending against our Company, our Promoters and our Directors involving criminal offences, securities and economic laws, statutory, civil and labour laws.

II. Cases filed against our Company, our Promoters and our Directors

There is no litigation filed by our Company, our Promoters and our Directors involving criminal offences, securities and economic laws, statutory, civil and labour laws.

III. Cases filed against our Promoter Group Companies

Except as stated herein below, there are no litigations pending against our Promoter Group Companies involving criminal offences, securities and economic laws, statutory, civil and labour laws:

1. Gujarat VAT Tribunal, Ahmedabad, Second Appeal No. 654 of 2010:

Parties: KFC Exports Private Limited (KFC Exports)

Show cause notice dated March 6, 2010 was served upon KFC Exports by the assistant commissioner of commercial tax stating that the appellant has not done any purchase or sale of goods and an explanation was sought as to why penalty should not be imposed under section 31 (3) and section 31 (4) of the VAT Act for illegally collecting tax on transactions that were not actually transactions of sale.

Pursuant to the aforesaid show cause notice, a detailed reply was filed by the company dated April 20, 2010 vide which the company admitted the circumstances in which the transactions were made were on paper and that there was no actual transacting of goods. It was admitted that the company

and other dealers had neither sold nor purchased goods and yet collection of tax under the VAT Act was done. However, the company objected to the proposed imposition of penalty under section 31(3) and/or 31(4) of the VAT Act on the ground that if the transactions were not of sale, the provisions of VAT Act would not apply. Further, the company had paid tax on purchase to the vendors and differential tax payable after claiming input tax credit was also paid. Thus, no amount was wrongly retained and no penalty can be levied on ground of illegal imposition of tax.

However, vide assessment order dated April 30, 2010, the Assistant Commissioner of Commercial taxes passed provisional assessment order under Section 32 of the VAT Act and vide the order of provisional assessment, demanded an amount of ₹ 262.01 lakhs under Section 31(3) and 31(4) of the Gujarat VAT Act, 2003 as penalty and the amount of ₹ 0.47 lakhs deposited as tax by KFC Exports was seized.

Being aggrieved by the aforesaid order, KFC Exports preferred 1st appeal dated May 20, 2010 under the provision of Section 73 of the VAT Act. In the said appeal, it was submitted that the appellant had not made any sale or purchase of goods and there is no applicability of the VAT Act in view of Entry 54, List II of the Seventh Schedule to the Constitution of India and the Supreme Court Decision in 44 STC 117 (Bom). However, the same came to be rejected vide the Order of the Deputy Commissioner of Commercial Tax dated July 9, 2010, in which the learned Deputy commissioner of Commercial Tax insisted for a payment of 25% of the total dues and furnishing of bank guarantee as a condition for admission of first appeals failing which, the first appeals have been summarily rejected on the ground of non-payment. Moreover penalty was imposed under the provision of Section 31(3) and Section 31(4) of the VAT Act.

Against the Order of the Deputy Commissioner of Commercial Tax dated July 9, 2010, KFC Exports preferred a second appeal vide Second Appeal No. 654 of 2010 which has been filed before the Gujarat Value Added Tax Tribunal. The grounds taken by the Company in the second appeal, inter alia, is that the learned Deputy Commissioner of Commercial Tax has erred in summarily rejecting the first appeal on the ground of non-payment of tax and has failed to appreciate material relevant facts.

Second Appeal No. 654 of 2010 before the Gujarat VAT Tribunal has been preferred against the order of the learned Deputy Commissioner of Commercial Taxes, which is currently pending.

2. Gujarat VAT Tribunal, Ahmedabad, Second Appeal No. 671 of 2010:

Parties: KFC Industries Private Limited (KFC Industries)

Show cause notice dated March 6, 2010 was served upon KFC Industries by the assistant commissioner of commercial tax stating that the appellant has not done any purchase or sale of goods and an explanation was sought as to why penalty should not be imposed under section 31 (3) and section 31 (4) of the VAT Act for illegally collecting tax on transactions that were not actually transactions of sale.

Pursuant to the aforesaid show cause notice, a detailed reply was filed by the company dated April 20, 2010 vide which the company admitted the circumstances in which the transactions were made were on paper and that there was no actual transacting of goods. It was admitted that the company

and other dealers had neither sold nor purchased goods and yet collection of tax under the VAT Act was done. However, the company objected to the proposed imposition of penalty under section 31(3) and/or 31(4) of the VAT Act on the ground that if the transactions were not of sale, the provisions of VAT Act would not apply. Further, the company had paid tax on purchase to the vendors and differential tax payable after claiming input tax credit was also paid. Thus, no amount was wrongly retained and no penalty can be levied on ground of illegal imposition of tax.

However, vide assessment order dated April 30, 2010, the Assistant Commissioner of Commercial taxes passed provisional assessment order under Section 32 of the VAT Act and vide the order of provisional assessment, demanded an amount of ₹ 260.12 lakhs under Section 31(3) and 31(4) of the Gujarat VAT Act, 2003 as penalty and the amount of ₹ 0.47 lakhs deposited as tax by KFC Industries was seized.

Being aggrieved by the aforesaid order, KFC Industries preferred 1st appeal dated May 24, 2010 under the provision of Section 73 of the VAT Act. In the said appeal, it was submitted that the appellant had not made any sale or purchase of goods and there is no applicability of the VAT Act in view of Entry 54, List II of the Seventh Schedule to the Constitution of India and the Supreme Court Decision in 44 STC 117 (Bom). However, the same came to be rejected vide the Order of the Deputy Commissioner of Commercial Tax dated July 9, 2010, in which the learned Deputy commissioner of Commercial Tax insisted for a payment of 25% of the total dues and furnishing of bank guarantee as a condition for admission of first appeals failing which, the first appeals have been summarily rejected on the ground of non-payment. Moreover penalty was imposed under the provision of Section 31(3) and Section 31(4) of the VAT Act.

Against the Order of the Deputy Commissioner of Commercial Tax dated July 9, 2010, KFC Industries preferred a second appeal vide Second Appeal No. 671 of 2010, which has been filed before the Gujarat Value Added Tax Tribunal. The grounds taken by the Company in the second appeal, inter alia, is that the learned Deputy Commissioner of Commercial Tax has erred in summarily rejecting the first appeal on the ground of non-payment of tax and has failed to appreciate material relevant facts.

Second Appeal No. 671 of 2010 before the Gujarat VAT Tribunal has been preferred against the order of the learned Deputy Commissioner of Commercial Taxes, which is currently pending.

Amounts owed to small scale undertakings

The Company does not owe any amount exceeding ₹ 1 lakh to small scale undertakings or any other creditors which is outstanding for more than thirty days, except the following:

Sr.No.	Name of Creditor	Amount (₹ in lakh)
1.	Satguru Transport Corporation	2.41
2.	Sai Samarth Transport	2.28
3.	Shree Bharat Transport	1.11
4.	New Owner Transport Service	1.10
5.	Sarkhej Motor Transport	1.02
6.	Micro Links Private Limited	1.16
7.	KFC Industries Private Limited	14.15
8.	Haryana Motors Body Builders	4.36

Details of property case in respect of our Registered Office

The property, on which our Registered Office is situated, was initially acquired by Mr. Arif Shaikh (erstwhile partner and now Promoter) on behalf of and for the benefit of the firm. This property was acquired with the intention of transferring the same in the name of the erstwhile firm after conversion of the said property into non-agricultural land. Thus, Mr. Arif Shaikh entered into an Agreement to Sell dated January 27, 2005 with the erstwhile partnership firm.

A permission was required from the Collector for conversion of the said property from agricultural to non-agricultural usage, however, no permission was obtained for using the said property for commercial purposes. We had obtained an order no. N.A./Unit-2/LAMBHA/CASE NO. 266, 302, 380/2006-07 dated December 29, 2009 from the Office of the Deputy Collector, Jilla Seva Sadan, Subhash Bridge Circle, Ahmedabad, which levied a penalty for commercial usage since year 1998-99. Pursuant to this Order, we had paid a penalty of ₹ 3.27 lakhs in September, 2010. Further, the said order also stated that within three months the construction standing on the said land shall be removed and same to be vacated or in three months the occupant shall obtain permission and get the plan approved from Ahmedabad Municipal Corporation. The above said order also states that and their office had issued a legal notice/show-cause notice to the erstwhile owners for taking necessary action. We, our Promoters either in their capacity as Promoter(s) of our Company or as partners of erstwhile firm, however, had not received any correspondence from any regulatory authorities in this regard. Our Company had made an application dated February 11, 2011 for approval of plans for regularizing the construction standing on the said land.

Material Developments

No circumstances have arisen since the date of the last financial statement until the date of filing of this Draft Red Herring Prospectus with SEBI, which materially and adversely affect or is likely to affect the operations or profitability of our Company, or value of its assets, or its ability to pay its liability within next twelve months.

GOVERNMENT APPROVALS / LICENSING ARRANGEMENTS

In view of the approvals listed below, we can undertake this Issue and our present business activities and no further major approvals from any governmental or regulatory authority or any other entity are required to undertake this Issue and our present business activities. It must however, be distinctly understood that in granting the above approval, the Government and the other authorities do not take any responsibility for the financial soundness of the Company or for the correctness of any of the statement or any commitments made or opinion expressed. Unless otherwise stated, these approvals are all valid as of the date of this Draft Red Herring Prospectus.

I. Approvals for the Issue

1. The Board of Directors has, pursuant to resolutions passed at its meeting held on April 16, 2010 authorised the Issue, subject to the approval by the shareholders of our Company under section 81(1A) of the Companies Act.
2. The shareholders of our Company have, pursuant to a resolution dated August 13, 2010 under Section 81(1A) of the Companies Act, authorised the Issue.

II. Approvals related to the Issue

1. In-principle approval from the National Stock Exchange of India Limited dated [●].
2. In-principle approval from the Bombay Stock Exchange Limited dated [●].

III. Company specific approvals

1. Certificate of Incorporation in the name of our Company i.e., Asian Logistics Limited issued by the Registrar of Companies Ahmedabad, Gujarat on May 11, 2006. Our Company's Registration Number is 048257 and our Corporate Identification Number is U60231GJ2006PLC048257.
2. The Registrar of Companies at Ahmedabad, Gujarat issued a certificate of Commencement of Business on May 23, 2006.
3. Our Company's Permanent Account Number is AAGCA3750N.
4. Our Company has been allotted Tax Deduction Account Number (TAN) AHMA08325C by the Income Tax Department on October 17, 2008.
5. Our Company has obtained certificate of registration under section 69 of the Finance Act, 1994 dated August 9, 2007 from the Superintendent, Service Tax Division-II, Ahmedabad. The Registration number is AAGCA3750NST001 for payment of service tax on transport of goods by road.
6. Our Company has obtained Registration Certificate of Establishment vide registration number PII/LMB/09/0000023 under Bombay Shops and Establishments Act, 1948 for our Registered Office. The certificate is valid till December 31, 2015.

7. Our Company has applied for registration of Establishment under Andhra Pradesh Shops and Establishments Act, 1988 vide letter dated March 16, 2011 for our booking office situated at Hyderabad.
8. Our Company has applied for registration under Motor Transport Workers Act, 1961 vide letter dated March 16, 2011.
9. Our Company has obtained national permits for commercial vehicles owned by us. The details of which are as under:

Sr. no.	Permit no. & Registration mark	Name of the holder	Issuing authority	Date of issue	Valid till
1	AP013/639/NPPUC/2011 AP13X1507	Asian Roadways (Erstwhile firm)	Regional Transport Authority, Hyderabad	April 23, 2011	April 22, 2016
2	AP013/655/NPPUC/2011 AP13X1512	Asian Roadways (Erstwhile firm)	Regional Transport Authority, Hyderabad	April 25, 2011	April 24, 2016
3	I/AD/NP/2007/82 GJ-1-AZ 8258	Asian Logistics Limited	Regional Transport Authority, Ahmedabad	February 15, 2007	February 14, 2012
4	I/AD/NP/2007/81 GJ-1-AZ 8267	Asian Logistics Limited	Regional Transport Authority, Ahmedabad	February 15, 2007	February 14, 2012
5	I/AD/NP/2007/80 GJ-1-AZ 8309	Asian Logistics Limited	Regional Transport Authority, Ahmedabad	February 15, 2007	February 14, 2012
6	I/AD/NP/2009/542 GJ-1-BV-2983	Asian Logistics Limited	Regional Transport Authority, Ahmedabad	August 18, 2009	August 17, 2014
7	I/AD/NP/2009/541 GJ-1-BV-2984	Asian Logistics Limited	Regional Transport Authority, Ahmedabad	August 18, 2009	August 17, 2014
8	I/AD/NP/2011/28 GJ-1-CU 1117	Asian Logistics Limited	Regional Transport Authority, Ahmedabad	January 7, 2011	January 5, 2016
9	I/AD/NP/2011/305 GJ-1-CU 5885	Asian Logistics Limited	Regional Transport Authority, Ahmedabad	March 5, 2011	March 3, 2016
10	I/AD/NP/2011/306 GJ-1-CU 5952	Asian Logistics Limited	Regional Transport Authority, Ahmedabad	March 5, 2011	March 3, 2016
11	I/AD/NP/2011/353 GJ-1-CU 6973	Asian Logistics Limited	Regional Transport Authority, Ahmedabad	March 15, 2011	March 9, 2016
12	I/AD/NP/2011/361	Asian Logistics	Regional Transport	March	March 9,

	GJ-1-CU 6972	Limited	Authority, Ahmedabad	16, 2011	2016
13	I/AD/NP/2011/362 GJ-1-CU 6981	Asian Logistics Limited	Regional Transport Authority, Ahmedabad	March 16, 2011	March 9, 2016
14	I/AD/NP/2011/363 GJ-1-CU 6982	Asian Logistics Limited	Regional Transport Authority, Ahmedabad	March 16, 2011	March 9, 2016
15	I/AD/NP/2011/364 GJ-1-CU 6986	Asian Logistics Limited	Regional Transport Authority, Ahmedabad	March 16, 2011	March 9, 2016
16	I/AD/NP/2011/365 GJ-1-CU 6998	Asian Logistics Limited	Regional Transport Authority, Ahmedabad	March 16, 2011	March 9, 2016
17	I/AD/NP/2011/366 GJ-1-CU 7014	Asian Logistics Limited	Regional Transport Authority, Ahmedabad	March 16, 2011	March 9, 2016
18	I/AD/NP/2011/367 GJ-1-CU 7042	Asian Logistics Limited	Regional Transport Authority, Ahmedabad	March 16, 2011	March 9, 2016
19	NP/GJ/01/062011/38556 GJ-1-CV 3849	Asian Logistics Limited	Regional Transport Authority, Ahmedabad	June 15, 2011	June 14, 2016
20	NP/GJ/01/062011/38570 GJ-1-CV 3874	Asian Logistics Limited	Regional Transport Authority, Ahmedabad	June 15, 2011	June 14, 2016
21	NP/GJ/01/062011/38598 GJ-1-CV 3985	Asian Logistics Limited	Regional Transport Authority, Ahmedabad	June 15, 2011	June 14, 2016

IV. Approvals in relation to proposed expansion

A. Approvals to be obtained by our Company for purchase of vehicles

1. RTO Registration of vehicles
2. National Permits for vehicles

B. Approvals to be obtained by our Company for the proposed transport yards & offices at Ahmedabad & Vijayawada

1. Execution of appropriate Agreement for ownership/possession of the proposed transport yards and offices and registration of the same with the revenue department, if applicable.
2. Sanction from the local authorities for construction of the facility
3. Sanction of development plans from Government Authorities
4. Commencement Certificate
5. Completion Certificate
6. Registration under Shops and Establishment Act

SECTION VII: OTHER REGULATORY AND STATUTORY DISCLOSURES

Authority for the Issue

The Issue of Equity Shares in the Issue by the Company has been authorized by the resolution of the Board of Directors passed at their meeting held on April 16, 2010 subject to the approval of shareholders through a special resolution is to be passed pursuant to Section 81(1A) of the Companies Act, 1956. The shareholders approved the issue at the Extra Ordinary General Meeting of the Company held on August 13, 2010.

Prohibition by SEBI

The Company, its Directors, its Promoters, the Promoter Group, and the companies in which the Directors are associated as directors, have not been prohibited from accessing or operating in the capital market or restrained from buying, selling or dealing in securities under any order or directions passed by SEBI or any other authority.

Our Directors are not in any manner associated with the securities market and there has been no action taken by SEBI against the Directors or any entity our Directors are involved in as promoters or Directors.

Neither our Company nor our Directors, our Promoters, their relatives, our Promoter Group are detained as willful defaulters by RBI/Government authorities and there are no proceedings relating to violations of securities laws pending against them and there are no violations of securities laws committed by them in the past.

Eligibility for the Issue

Our Company is eligible for the Issue under Regulation 26(1) of SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2009. As confirmed by the Auditors of our Company:

- our Company has net tangible assets of atleast ₹ 300.00 lakhs in each of the 3 preceding full years (of 12 months each) of which not more than 50% is held in monetary assets.
- our Company has a pre-issue net worth of not less than ₹ 100.00 lakhs in each of the three preceding full years (of 12 months each).
- our Company has a track record of distributable profits as per Section 205 of the Companies Act, 1956, for atleast three out of the immediately preceding five years (extraordinary items are not considered for calculating distributable profits in terms of Section 205 of the Companies Act, 1956).
- the proposed issue size including all previous issues in the same financial year would not exceed five (5) times the pre-issue net worth of our Company as per the audited accounts for the year ended March 31, 2011.
- our Company has not changed its name within the last one year.

The net tangible assets, monetary assets, distributable profits and net worth as derived from the restated financial statements prepared in accordance with SEBI (ICDR) Regulations, for the last five financial years is set forth below:

(₹ in Lakhs)					
Financial Year	2006-07	2007-08	2008-09	2009-10	2010-11
Net tangible assets	838.96	779.31	755.56	866.49	1524.54

Monetary assets	4.99	14.08	12.18	13.45	15.08
Monetary assets as a %age of net tangible assets	0.59	1.81	1.61	1.55	0.99
Distributable profits	20.33	15.85	18.58	103.24	143.18
Net Worth	655.29	657.50	692.55	831.01	1258.92

- (1) Net tangible assets is defined as the sum of fixed assets (including capital work in progress and excluding revaluation reserves), investments, current assets (excluding deferred tax assets) less current liabilities (excluding deferred tax liabilities and long term liabilities).
- (2) Monetary assets include cash on hand and bank.
- (3) The distributable profits of the company as per section 205 of the Companies Act have been calculated from the restated Financial Statements.
- (4) Net Worth includes equity share capital and reserves (net off miscellaneous expenditure not written off, if any).

Further, in accordance with Regulation 26(4) of the SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2009, our Company shall ensure that number of prospective allottees to whom the Equity Shares will be allotted in the Issue shall not be less than 1000, failing which the entire application money will be refunded forthwith.

SEBI Disclaimer clause

AS REQUIRED, A COPY OF THIS DRAFT RED HERRING PROSPECTUS HAS BEEN SUBMITTED TO SEBI. IT IS TO BE DISTINCTLY UNDERSTOOD THAT SUBMISSION OF THE DRAFT RED HERRING PROSPECTUS TO SECURITIES AND EXCHANGE BOARD OF INDIA (SEBI) SHOULD NOT IN ANY WAY BE DEEMED OR CONSTRUED THAT THE SAME HAS BEEN CLEARED OR APPROVED BY SEBI. SEBI DOES NOT TAKE ANY RESPONSIBILITY EITHER FOR THE FINANCIAL SOUNDNESS OF ANY SCHEME OR THE PROJECT FOR WHICH THE ISSUE IS PROPOSED TO BE MADE OR FOR THE CORRECTNESS OF THE STATEMENTS MADE OR OPINIONS EXPRESSED IN THE DRAFT RED HERRING PROSPECTUS. THE BOOK RUNNING LEAD MANAGER, ALMONDZ GLOBAL SECURITIES LIMITED, HAS CERTIFIED THAT THE DISCLOSURES MADE IN THE DRAFT RED HERRING PROSPECTUS ARE GENERALLY ADEQUATE AND ARE IN CONFORMITY WITH THE SECURITIES AND EXCHANGE BOARD OF INDIA (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 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, ALMONDZ GLOBAL SECURITIES LIMITED IS EXPECTED TO EXERCISE DUE DILIGENCE TO ENSURE THAT THE COMPANY DISCHARGE THEIR RESPONSIBILITY ADEQUATELY IN THIS BEHALF AND TOWARDS THIS PURPOSE, THE BOOK RUNNING LEAD MANAGER, ALMONDZ GLOBAL SECURITIES LIMITED HAS FURNISHED TO SEBI, A DUE DILIGENCE CERTIFICATE DATED JUNE 25, 2011 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 COMPANY, ITS 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 AND OTHER PAPERS FURNISHED BY THE ISSUER,

WE CONFIRM THAT:

- (A) THE DRAFT RED HERRING PROSPECTUS FILED WITH THE BOARD IS IN CONFORMITY WITH THE DOCUMENTS, MATERIALS AND PAPERS RELEVANT TO THE ISSUE;
 - (B) ALL THE LEGAL REQUIREMENTS RELATING TO THE ISSUE, AS ALSO THE REGULATIONS, GUIDELINES, INSTRUCTIONS, ETC. FRAMED / ISSUED BY THE BOARD, THE CENTRAL GOVERNMENT AND ANY OTHER COMPETENT AUTHORITY IN THIS BEHALF HAVE BEEN DULY COMPLIED WITH; AND
 - (C) THE DISCLOSURES MADE IN THE DRAFT RED HERRING PROSPECTUS ARE TRUE, FAIR AND ADEQUATE TO ENABLE THE INVESTORS TO MAKE A WELL INFORMED DECISION AS TO THE INVESTMENT IN THE PROPOSED ISSUE AND SUCH DISCLOSURES ARE IN ACCORDANCE WITH THE REQUIREMENTS OF THE COMPANIES ACT, 1956, THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2009 AND OTHER APPLICABLE LEGAL REQUIREMENTS.
3. WE CONFIRM THAT BESIDES OURSELVES, ALL THE INTERMEDIARIES NAMED IN THE DRAFT RED HERRING PROSPECTUS ARE REGISTERED WITH SEBI AND THAT TILL DATE SUCH REGISTRATION IS VALID.
 4. WHEN UNDERWRITTEN, WE SHALL SATISFY OURSELVES ABOUT THE CAPABILITY OF THE UNDERWRITERS TO FULFIL THEIR UNDERWRITING COMMITMENTS.
 5. WE CERTIFY THAT WRITTEN CONSENT FROM THE PROMOTERS HAS BEEN OBTAINED FOR INCLUSION OF THEIR EQUITY SHARES AS PART OF THE PROMOTERS' CONTRIBUTION SUBJECT TO LOCK-IN AND THE EQUITY SHARES PROPOSED TO FORM PART OF THE PROMOTERS' CONTRIBUTION SUBJECT TO LOCK-IN SHALL NOT BE DISPOSED OR SOLD OR 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 THE LOCK-IN PERIOD AS STATED IN THE DRAFT RED HERRING PROSPECTUS.
 6. WE CERTIFY THAT REGULATION 33 OF THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS,

2009, WHICH RELATES TO SPECIFIED SECURITIES INELIGIBLE FOR COMPUTATION OF PROMOTERS' CONTRIBUTION, HAS BEEN DULY COMPLIED WITH AND APPROPRIATE DISCLOSURES AS TO COMPLIANCE WITH THE SAID REGULATIONS HAVE BEEN MADE IN THE DRAFT RED HERRING PROSPECTUS.

7. WE UNDERTAKE THAT SUB-REGULATION (4) OF REGULATION 32 AND CLAUSE (c) AND (d) OF SUB-REGULATION (2) OF REGULATION 8 OF THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2009 SHALL BE COMPLIED WITH. WE CONFIRM THAT ARRANGEMENTS HAVE BEEN MADE TO ENSURE THAT PROMOTERS' CONTRIBUTION SHALL BE RECEIVED AT LEAST ONE DAY BEFORE THE OPENING OF THE ISSUE. WE UNDERTAKE THAT AUDITORS' CERTIFICATE TO THIS EFFECT SHALL BE DULY SUBMITTED TO THE BOARD. WE FURTHER CONFIRM THAT ARRANGEMENTS HAVE BEEN MADE TO ENSURE THAT PROMOTERS' CONTRIBUTION SHALL BE KEPT IN AN ESCROW ACCOUNT WITH A SCHEDULED COMMERCIAL BANK AND SHALL BE RELEASED TO THE COMPANY ALONG WITH THE PROCEEDS OF THE PUBLIC ISSUE. - NOT APPLICABLE.
8. WE CERTIFY THAT THE PROPOSED ACTIVITIES OF THE ISSUER FOR WHICH THE FUNDS ARE BEING RAISED IN THE PRESENT ISSUE FALL WITHIN THE 'MAIN OBJECTS' LISTED IN THE OBJECT CLAUSE OF THE MEMORANDUM OF ASSOCIATION OR OTHER CHARTER OF THE ISSUER AND THAT THE ACTIVITIES WHICH HAVE BEEN CARRIED OUT UNTIL NOW ARE VALID IN TERMS OF THE OBJECT CLAUSE OF ITS MEMORANDUM OF ASSOCIATION.
9. WE CONFIRM THAT NECESSARY ARRANGEMENTS HAVE BEEN MADE TO ENSURE THAT THE MONEYS RECEIVED PURSUANT TO THE ISSUE ARE KEPT IN A SEPARATE BANK ACCOUNT AS PER THE PROVISIONS OF SUB-SECTION (3) OF SECTION 73 OF THE COMPANIES ACT, 1956 AND THAT SUCH MONEYS SHALL BE RELEASED BY THE SAID BANK ONLY AFTER PERMISSION IS OBTAINED FROM ALL THE STOCK EXCHANGES MENTIONED IN THE PROSPECTUS. WE FURTHER CONFIRM THAT THE AGREEMENT ENTERED INTO BETWEEN THE BANKERS TO THE ISSUE AND THE ISSUER SPECIFICALLY CONTAINS THIS CONDITION.
10. WE CERTIFY THAT A DISCLOSURE HAS BEEN MADE IN THE DRAFT RED HERRING PROSPECTUS THAT THE INVESTORS SHALL BE GIVEN AN OPTION TO GET THE SHARES IN DEMAT OR PHYSICAL MODE. NOT APPLICABLE- AS THE ISSUE SIZE IS MORE THAN ₹ 1000 LAKHS, HENCE UNDER SECTION 68B OF THE COMPANIES ACT, 1956, THE EQUITY SHARES ARE TO BE ISSUED IN DEMAT ONLY.
11. WE CERTIFY THAT ALL THE APPLICABLE DISCLOSURES MANDATED IN THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2009 HAVE BEEN MADE IN ADDITION TO DISCLOSURES WHICH, IN OUR VIEW, ARE FAIR AND ADEQUATE TO ENABLE THE INVESTOR TO MAKE A WELL INFORMED DECISION.
12. WE CERTIFY THAT THE FOLLOWING DISCLOSURES HAVE BEEN MADE IN THE DRAFT RED HERRING PROSPECTUS:

- (A) AN UNDERTAKING FROM THE ISSUER THAT AT ANY GIVEN TIME THERE SHALL BE ONLY ONE DENOMINATION FOR THE 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 (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 BACKGROUND OR THE ISSUER, SITUATION AT WHICH THE PROPOSED BUSINESS STANDS, THE RISK FACTORS, PROMOTERS EXPERIENCE, ETC.
15. WE ENCLOSE A CHECKLIST CONFIRMING REGULATION-WISE COMPLIANCE WITH THE APPLICABLE PROVISIONS OF THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2009, CONTAINING DETAILS SUCH AS THE REGULATION NUMBER, ITS TEXT, THE STATUS OF COMPLIANCE, PAGE NUMBER OF THE DRAFT RED HERRING PROSPECTUS WHERE THE REGULATION HAS BEEN COMPLIED WITH AND OUR COMMENTS, IF ANY."

THE FILING OF THE DRAFT RED HERRING PROSPECTUS DOES NOT, HOWEVER, ABSOLVE THE COMPANY FROM ANY LIABILITIES UNDER SECTIONS 63 OR 68 OF THE COMPANIES ACT, 1956 OR FROM THE REQUIREMENT OF OBTAINING SUCH STATUTORY OR OTHER CLEARANCES AS MAY BE REQUIRED FOR THE PURPOSE OF THE PROPOSED ISSUE. SEBI, FURTHER, RESERVES THE RIGHT TO TAKE UP, AT ANY POINT OF TIME, WITH THE BOOK RUNNING LEAD MANAGER, ANY IRREGULARITIES OR LAPSES IN THE OFFER DOCUMENT.

ALL LEGAL REQUIREMENTS PERTAINING TO THE ISSUE WILL BE COMPLIED WITH AT THE TIME OF FILING OF THE RED HERRING PROSPECTUS WITH THE REGISTRAR OF COMPANIES, MUMBAI IN TERMS OF SECTION 60B OF THE COMPANIES ACT, 1956.

Disclaimer from the Issuer Company and the Book Running Lead Manager

The Company, its Directors and the Book Running Lead Manager accept no responsibility for statements made otherwise than in this Draft Red Herring Prospectus or in the advertisement or any other material issued by or at its instance and that anyone placing reliance on any other source of information would be doing so at his or her own risk.

The BRLM accept no responsibility, save to the limited extent as provided in the Memorandum of Understanding entered into between the Book Running Lead Manager, Almondz Global Securities Limited and our Company dated June 23, 2011 and the Underwriting agreement to be entered into between the Underwriters and our Company.

All information shall be made available by the BRLM and the Company to the public and investors at large and no selective or additional information would be available for a section of investors in any manner whatsoever including road show presentations, research or sales reports or at collection centres or elsewhere.

Neither the Company nor BRLM or Syndicate Member or SCSB shall be liable to the Bidders for any failure in downloading the bids due to faults in any software/ hardware system or otherwise.

Caution

Investors that bid in this Issue will be required to confirm and will be deemed to have represented to the Company and the Underwriters and their respective directors, officers, agents, affiliates and representatives that they are eligible under all applicable laws, rules, regulations, guidelines and approval to acquire Equity Shares and will not offer, sell, pledge or transfer the Equity Shares to any person who is not eligible under applicable laws, rules, regulations, guidelines and approval to acquire Equity Shares. The Company and the Underwriters and their respective directors, officers, agents, affiliates and representatives accept no responsibility or liability for advising any investor on whether such investor is eligible to acquire Equity Shares.

Disclaimer in respect of jurisdiction

This Issue is being made in India to persons resident in India (including Indian nationals resident in India), who are majors, HUF, companies, corporate bodies and societies registered under the applicable laws in India and authorised to invest in shares, Indian Mutual Funds registered with SEBI, Indian financial institutions, commercial banks, regional rural banks, co-operative banks (subject to RBI permission), trusts registered under the Societies Registration Act, 1860, as amended from time to time, or any other trust law and who are authorised under their constitution to hold and invest in shares, permitted insurance companies and pension funds and to NRIs on non-repatriable basis and FIIs and sub-account registered with SEBI other than a sub-account which is a foreign corporate or foreign individual. This Draft Red Herring Prospectus does not, however, constitute an Issue to sell or 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 this Draft Red Herring Prospectus comes into is required to inform himself 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 Ahmedabad, Gujarat only.

No action has been or will be taken to permit a public offering in any jurisdiction where permission would be required for that purpose, except that this Draft Red Herring Prospectus has been filed with SEBI for observations and SEBI has given its observations and the Red Herring Prospectus has been filed with RoC as per the provisions of the Act. Accordingly, the Equity Shares, represented thereby may not be offered or sold, directly or indirectly, and this Draft Red Herring Prospectus may not be distributed, in any jurisdiction, except in requirements applicable in such jurisdiction. Neither the delivery of this Draft Red Herring Prospectus nor any sale hereunder shall, under any circumstances, create any implication that there has been no change in the affairs of the Company since the date hereof or that the information contained herein is correct as of any time subsequent to this date.

The Equity Shares have not been and will not be registered under the US Securities Act ("the Securities Act") or any state securities laws in the United States and may not be issued or sold

within the United States or to, or for the account or benefit of, “US persons” (as defined in Regulation S under the Securities Act), except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act.

Accordingly, the Equity Shares are only being issued and sold (i) in the United States to “qualified institutional buyers”, as defined in Rule 144A of the Securities Act in reliance on Rule 144A under the Securities Act and (ii) outside the United States to certain persons in offshore transactions in compliance with Regulation S under the Securities Act and the applicable laws of the jurisdiction where those issues and sales occur.

Disclaimer clause of Bombay Stock Exchange limited (BSE, the Designated Stock Exchange)

As required, a copy of this Draft Red Herring Prospectus has been submitted to BSE. The disclaimer clause as intimated to the Company by the BSE, post-scrutiny of the Draft Red Herring Prospectus, shall be included in the Red Herring Prospectus prior to the RoC filing.

Disclaimer clause of the National Stock Exchange of India Limited (NSE)

As required, a copy of this Draft Red Herring Prospectus has been submitted to NSE. The disclaimer clause as intimated to the Company by the NSE, post-scrutiny of the Draft Red Herring Prospectus, shall be included in the Red Herring Prospectus prior to the RoC filing.

Disclaimer clause of ICRA for IPO Grading

As required, we have appointed ICRA as the grading agency. The Disclaimer Clause as intimated by ICRA shall be included in the Red Herring Prospectus prior to RoC filing.

Filing

A copy of this Draft Red Herring Prospectus has been filed with SEBI at SEBI Western Regional Office, Unit No.: 002, Ground Floor, SAKAR I, Near Gandhigram Railway Station, Opposite Nehru Bridge, Ashram Road, Ahmedabad – 380 009.

A copy of the Red Herring Prospectus, along with the documents required to be filed under Section 60B of the Companies Act, will be delivered for registration to the RoC and a copy of the Prospectus required to be filed under Section 60 of the Companies Act will be delivered for registration to the RoC situated at Registrar of Companies, RoC Bhavan, opposite Rupal Park, Naranpura, Ahmedabad, Gujarat-380 013.

Listing

The initial listing applications have been made to Bombay Stock Exchange Limited (BSE) and National Stock Exchange of India Limited (NSE) for permission to list the Equity Shares and for an official quotation of the Equity Shares of the Company. The Bombay Stock Exchange Limited (BSE) will be the Designated Stock Exchange.

In case the permission for listing of the Equity Shares and for official quotation of the Equity Shares is not granted by any of the above mentioned Stock Exchanges, the Company shall forthwith repay, without interest, all monies received from the applicants in pursuance of this Draft Red Herring Prospectus and if such money is not repaid within eight days after the day from which the Issuer becomes liable to repay it, then the Company and every Director of the Company who is an officer

in default shall, on and from the expiry of 8 days, be jointly and severally liable to repay the money with interest prescribed under Section 73 of the Companies Act 1956.

The Company with the assistance of the Book Running Lead Manager shall ensure that all steps for the completion of the necessary formalities for listing and commencement of trading at both the Stock Exchanges mentioned above are taken within twelve working days of the Bid /Issue Closing Date.

Consents

Consents in writing of Directors, the Company Secretary, Compliance Officer, the Statutory Auditor, Peer Review Auditor, Bankers to the Company, Book Running Lead Manager to the Issue, Registrars to the Issue, and Legal Advisors, to act in their respective capacities, have been obtained and shall be filed along with a copy of the Red Herring Prospectus with the Registrar of Companies, as required under Sections 60 of the Companies Act, 1956 and such consents have not been withdrawn up to the time of delivery of a copy of the Red Herring Prospectus, for registration with the Registrar of Companies, Ahmedabad.

M/s SAP Associates, Peer Review Auditor, has also given their consent to the inclusion of their report as appearing hereinafter in the form and context in which it appears in this Draft Red Herring Prospectus and such consent and report have not been withdrawn up to the time of delivery of this Draft Red Herring Prospectus for registration with the Registrar of Companies, Ahmedabad.

Expert opinion

No opinion of any expert has been obtained by the Company, except that of M/s SAP Associates, Peer Review Auditor of our Company, Wadia Ghandy & Co., Advocates & Solicitors, Legal Advisors to the Issue and the report provided by the IPO Grading agency (copy of which will be annexed to the Red Herring Prospectus).

Public issue expenses*

The expenses for this Issue includes Issue management fees, underwriting & selling commission (including commission to SCSB/Syndicate/sub-Syndicate for ASBA applications) & brokerage, registrars' fee, grading fee, fees payable to the Bankers to the Issue, printing and distribution of Issue stationery, advertisement and marketing expenses, legal advisor's fees, depository charges and listing fees payable to the stock exchanges, among others. The total expenses for this Issue are estimated to be ₹ [•] lakhs, details of which are as under:

Sr. No.	Activity	Amount	% of Total Issue size	(₹ in lakhs) % of Issue Expenses
1	Issue Management Fees	[•]	[•]	[•]
2	Underwriting, selling commission and brokerage	[•]	[•]	[•]
3	Processing fee to the SCSBs for processing Bid cum ASBA Forms procured by members of the Syndicate and submitted to SCSBs under the Syndicate ASBA process	[•]	[•]	[•]
4	Registrars fees	[•]	[•]	[•]

5	Fees payable to the Bankers to the Issue	[•]	[•]	[•]
6	Advertising and marketing expenses, printing and stationery, distribution, postage, etc.	[•]	[•]	[•]
7	Other expenses (IPO grading agency, legal advisors, Auditors, etc.)	[•]	[•]	[•]
	Total	[•]	[•]	[•]

* Will be incorporated after finalization of Issue Price

Fees payable to the BRLM, underwriting, brokerage and selling commission

The total fees payable to the BRLM including brokerage and selling commission for the Issue will be as per the engagement letter(s) dated May 10, 2011, a copy of which is available for inspection at the Registered Office of the Company.

Fees payable to the Registrar to the Issue

The total fees payable to the Registrar to the Issue will be as per the Memorandum of Understanding executed between the Company and the Registrar dated July 20, 2010, copy of which is available for inspection at the Registered Office of the Company.

Adequate funds will be provided to the Registrar to the Issue to enable them to send refund order(s) or allotment advice by registered post or speed post or under certificate of posting.

Previous public and rights issues

The Company has not made any public or rights issue during the last five years.

Previous issues of shares otherwise than for cash

The Company has not issued shares for consideration other than for Cash, except as stated in the title "Capital Structure" on page no. 16 of this Draft Red Herring Prospectus.

Commission and brokerage paid on previous issues

Since this is the initial public issue of the Company, no sum has been paid or has been payable as commission or brokerage for subscribing to or procuring or agreeing to procure subscription for any of Equity Shares of the 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 our Company and other listed companies under the same management within the meaning of Section 370(1)(B) of the Act at present or during the last three years.

Option to subscribe

Equity Shares being issued through this Draft Red Herring Prospectus can be applied for in Dematerialized form only.

Promise vis-à-vis performance

Our Company has not made any Issue.

Listed ventures of promoter

Our promoter does not have any listed ventures.

Outstanding debentures, bonds, redeemable preference shares or other instruments

As on the date of the Draft Red Herring Prospectus, our Company does not have any outstanding debentures, bonds, redeemable preference shares or other instruments.

Stock market data for equity shares of the company

As this is the Initial Public Issue of our Company, the Equity Shares are not listed on any stock exchange.

Mechanism for redressal of investor grievances

We have appointed Link Intime India Private Limited as the Registrar to the Issue, to handle the investor grievances in co-ordination with Compliance Officer of our Company. All grievances relating to the present issue may be addressed to the Registrars to the Issue, 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 Bidder/Bank branch where the application was submitted. Our Company will monitor the work of the Registrars to the Issue to ensure that the grievances are settled expeditiously and satisfactorily.

All grievances relating to the ASBA process may be addressed to the 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 or the collection centres of the SCSB where the Bid cum ASBA Form was submitted by the ASBA Bidders.

Disposal of investor grievances

Link Intime India Private Limited, the Registrars to the Issue, or the SCSBs in case of ASBA Bidders, will handle investor grievances pertaining to the Issue. A fortnightly status report of the complaints received and redressed by them would be forwarded to our Company. Our Company would also be coordinating with Registrar to the Issue in attending to the grievances of the investors. Our Company assures that the Board of Directors, in respect of the complaints, if any, to be received, shall adhere to the following schedules:

Sr. No.	Nature of Complaint	Time Taken
1.	Non-receipt of refund	Within 7 days of receipt of complaint, subject to production of satisfactory evidence.
2.	Change of Address notification	Within 7 days of receipt of Information
3.	Any other complaint in relation to Public Issue	Within 7 days of receipt of complaint with all relevant details

We have appointed Mr. Muntaha Shaikh, as Compliance Officer who would directly deal with SEBI with respect to implementation/compliance of various laws, regulations and other directives issued by SEBI and matters related to investor Complaints. The investor may contact the Compliance Officer in case of any pre issue/post issue related problems. The Compliance Officer

can be contacted at the following address:

Mr. Muntaha Shaikh

Chief Finance Officer & Compliance Officer

Asian Logistics Limited

Asian House, beside Shreenath Transport Nagar,
Opp. Bharat Petrol Pump, Lambha, Aslali,
Ahmedabad- 382427

Tel: No: +91-79-25731932

Fax: No: +91-79-25731351

Email: cfo@asianlogisticsgroup.com

Changes in Auditors

There has been no change in the Auditors of the Company during the last three years.

Capitalization of reserves or profits (during the last five years)

The Company has not capitalized its profits or reserves at any time except as stated in the section titled “Financial Statements of the Company” and “Capital Structure” on page no. 89 and 17 of this Draft Red Herring Prospectus.

Revaluation of assets (during the last five years)

The Company has not revalued its assets during the last five years.

SECTION VIII: ISSUE RELATED INFORMATION

TERMS OF THE ISSUE

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

Ranking of Equity Shares

The Equity Shares being issued shall be subject to the provisions of the Companies Act, Memorandum and Articles of Association of our Company and shall rank pari-passu in all respects with the existing Equity Shares of our Company including rights in respect of dividend. The allottees will be entitled to dividend or any other corporate benefits, if any, declared by our Company after the date of allotment. For further details, please see the section titled "Main Provisions of Articles of Association of the Company" beginning from page no. 183 of the Draft Red Herring Prospectus.

Mode of payment of Dividend

Our Company shall pay dividend to its shareholders as per the provisions of the Companies Act, 1956.

Face Value and Issue Price

The Equity Shares with a face value of ₹ 10/- each are being issued in terms of the Draft Red Herring Prospectus / Red Herring Prospectus / Prospectus at a Issue Price of ₹ [•] per Equity Share. At any given point of time there shall be only one denomination for the Equity Shares, subject to applicable laws.

Rights of the Equity Shareholders

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

- Right to receive dividend, if declared;
- Right to attend general meetings and exercise voting powers, unless prohibited by law;
- Right to vote on a poll either in person or by proxy;
- Right to receive offers for rights shares and be allotted bonus shares, if announced;
- Right to receive surplus on liquidation subject to any statutory and other preferential claims being satisfied;
- Right of free transferability; and
- Such other rights, as may be available to a shareholder of a listed public company under the Companies Act and Memorandum and Articles of Association of the Company.

For a detailed description of the main provisions of Articles of Association of our Company dealing with voting rights, dividend, forfeiture and lien, transfer and transmission and/or consolidation/splitting, please refer to the section “Main Provisions of Articles of Association of the Company” beginning on page no. 183 of this Draft Red Herring Prospectus.

Market lot and trading lot

In terms of Section 68B of the Companies Act, the Equity Shares of the Company shall be allotted only in dematerialised form. As per existing SEBI (ICDR) Regulations, the trading of Equity Shares of our Company shall be in dematerialised form only. Since trading of Equity Shares of the Company is compulsorily in dematerialized mode, the tradable lot is one Equity Share. Allotment through this Issue will be done only in electronic form in multiples of [●] Equity Share subject to a Minimum Allotment of [●] Equity Shares.

Joint Holders

Subject to provisions contained in our Articles, where two or more persons are registered as the holders of any Equity Shares, they shall be deemed to hold the same as joint tenants with benefits of survivorship.

Nomination facility to the investor

In accordance with Section 109A of the Companies Act, the sole or first Bidder, along with other joint Bidder, may nominate any one Person in whom, in the event of the death of sole Bidder or in case of joint Bidders, death of all the Bidders, as the case may be, the Equity Shares allotted, if any, shall vest. A Person, being a nominee, entitled to the Equity Shares by reason of the death of the original holder(s), shall in accordance with Section 109A of the Companies Act, be entitled to the same benefits to which he or she would be entitled if he or she were the registered holder of the Equity Share(s). Where the nominee is a minor, the holder(s) may make a nomination to appoint, in the prescribed manner, any Person to become entitled to Equity Share(s) in the event of his or her death during the minority. A nomination shall stand rescinded upon a sale/ transfer/ alienation of Equity Share(s) by the Person nominating. A buyer will be entitled to make a fresh nomination in the manner prescribed. Fresh nomination can be made only on the prescribed form available on request at the registered office of our Company or with the Registrar or 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 monies payable in respect of the Equity Shares, until the requirements of the notice have been complied with.

Since the allotment of Equity Shares in the Issue will be made only in dematerialised mode, there is no need to make a separate nomination with the Company. Nominations registered with the respective depository participant of the applicant would prevail. If an investor needs to change the nomination, they are requested to inform their respective Depository Participant.

Issue Period

Bidders may submit their Bids only in the Bid/Issue Period. The Bid/Issue Opening Date is [●] and the Bid/Issue Closing Date is [●].

Minimum Subscription

If our Company does not receive the minimum subscription of 90% of the Issue to the public to the extent of the amount, including devolvement of 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 eight days after our Company become liable to pay the amount (i.e., 60 days from the Bid Closing Date), our Company shall pay interest prescribed under Section 73 of the Companies Act.

In accordance with Regulation 26(4) of the SEBI (ICDR) Regulations, our Company shall ensure that the number of prospective allottees to whom the Equity Share will be allotted will not be less than 1000.

Application by NRIs, FIIs, Sub-Accounts and FVCIs

It is to be distinctly understood that there is no reservation for NRIs, FIIs, Sub-Accounts and FVCIs. As per existing regulations, OCBs cannot participate in this Issue.

Arrangements for disposal of odd lots

There are no arrangements for disposal of odd lots.

Restriction on Transfer of Shares

Except for the lock-in of the pre-Issue capital of our Company and the Promoter's contribution as provided the section titled "Capital Structure" on page no. 17 of this Draft Red Herring Prospectus and otherwise as provided in our Articles, there are no restrictions on transfer and transmission of shares / debentures and on their consolidation and splitting. Please see section "Main Provisions of Articles of Association of the Company" on page no. 183 of the Draft Red Herring Prospectus.

Withdrawal of the issue

In accordance with the SEBI Regulations, our Company, in consultation with Book Running Lead Manager, reserves the right not to proceed with this Issue at anytime after the Bid /Issue Opening Date, without assigning the reasons therefor. However, if our Company withdraws the Issue after the Bid Closing Date, we will give the reason thereof within two days of the Bid /Issue Closing Date by way of a public notice which shall be published within two days of the Bid /Issue Closing Date in the same newspapers where the pre-Issue advertisement was published. Further, the Stock Exchanges shall be informed promptly in this regard and the Book Running Lead Manager, through the Registrar to the Issue, shall notify the SCSBs to unblock the Bank Accounts of the ASBA Bidders within one day from the date of receipt of such notification. In the event of withdrawal of the Issue and subsequently, plans of an IPO by our Company, a Draft Red Herring Prospectus will be submitted again for observations of SEBI.

Notwithstanding the foregoing, this Issue is also subject to obtaining the final listing and trading approvals of the Stock Exchanges, which our Company shall apply for after allotment, and the final RoC approval of the Prospectus.

In terms of the SEBI Regulations, QIBs Bidding in the Net QIB Portion shall not be allowed to withdraw their Bids after the Bid Closing Date.

Option to receive Equity Shares in Dematerialised Form

Investors should note that allotment of Equity Shares to all successful Bidders will only be in dematerialised 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 dematerialised segment of the Stock Exchanges.

Jurisdiction

Exclusive jurisdiction for the purpose of this Issue is with competent courts/authorities in Ahmedabad, Gujarat, India.

ISSUE PROCEDURE

This section applies to all Bidders. Please note that pursuant to the SEBI circular dated April 29, 2011, bearing no. CIR/CFD/DIL/1/2011, all non-Retail Individual Bidders i.e. QIBs (excluding those bidding under the Anchor Investor Portion) and Non-Institutional Bidders are mandatorily required to submit their Bids by way of ASBA. ASBA Bidders should note that the ASBA process involves application procedures that are different from the procedure applicable to the Bidders other than the ASBA Bidders. Bidders applying through the ASBA process should carefully read the provisions applicable to such applications before making their application through the ASBA process. Please note that all the Bidders are required to make payment of the full Bid Amount along with the Bid cum Application Form. In case of ASBA Bidders, an amount equivalent to the full Bid Amount will be blocked by the SCSBs.

Our Company, the BRLM and the Syndicate Member do not accept any responsibility for the completeness and accuracy of the information stated in this section, and are not liable for any amendment modification or change in applicable law, which may occur after the date of this Draft Red Herring Prospectus. Bidders are advised to make their independent investigations and ensure that their Bids do not exceed the investment limits or maximum number of Equity Shares that can be held by them under applicable law or as specified in this Draft Red Herring Prospectus, and as will be specified in the Red Herring Prospectus and the Prospectus.

Book Building Procedure

This Issue is being made through a 100% Book Building Process wherein not more than 50% of the Issue to Public shall be allocated on a proportionate basis to Qualified Institutional Buyers ("QIBs"). 5% of the QIB Portion shall be available for allocation on a proportionate basis to Mutual Funds only and the remainder shall be available for allocation on a proportionate basis to QIBs and Mutual Funds, subject to valid bids being received from them at or above the Issue Price. Further, not less than 15% of the Issue to Public shall be available for allocation on a proportionate basis to Non-Institutional Bidders and not less than 35% of the Issue to Public shall be available for allocation on a proportionate basis to Retail Individual Bidders, subject to valid bids being received at or above the Issue Price.

Undersubscription, if any, in any category, would be allowed to be met with spill-over from any other category or combination of categories at the discretion of our Company, in consultation with the BRLM and the Designated Stock Exchange.

In case of QIBs, Bidding through the Syndicate ASBA, the BRLM and their affiliate Syndicate Member may reject Bids at the time of acceptance of the Bid cum ASBA Form provided that the reasons for such rejection shall be disclosed to such Bidder in writing. In case of Non-Institutional Bidders, Retail Individual Bidders and Eligible Employees, our Company has a right to reject Bids based on technical grounds only.

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. The Bid cum Application Forms which do not have the details of the Bidders' depository account, including DP ID, PAN and beneficiary account number, shall be treated as incomplete and will be rejected.

Bid cum Application / ASBA Form

Copies of the Bid cum Application Form will be available for all categories of Bidders, with the Syndicate Member and our Registered Office. In addition, Bid cum ASBA Forms in physical form will be available with the Designated Branches, and electronic Bid cum ASBA Forms will be available on the websites of the SCSBs and of the Stock Exchanges at least one day prior to the Issue Opening Date. Copies of the Red Herring Prospectus shall, on a request being made by any Bidder, be furnished to such Bidder at our Registered Office, BRLM and the Designated Branches.

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 Draft Red Herring Prospectus, unless they are using the ASBA process. The Bidder shall have the option to make a maximum of three Bids (in terms of number of Equity Shares and respective bid prices) in the Bid cum Application Form and such options shall not be considered as multiple Bids.

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 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 and the Bidder shall preserve this and should provide the same for any queries relating to non-Allotment of Equity Shares in the Issue.

Upon determination of the Issue Price 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 our Company to make the necessary changes in the Red Herring Prospectus and the Bid cum Application Form as would be required for filing the Prospectus with the RoC and as would be required by RoC after such filing, without prior or subsequent notice of such changes to the Bidder.

Bidders can also submit their Bids through the ASBA by submitting Bid cum ASBA Forms, either in physical or electronic mode, to the SCSB with whom the ASBA Account is maintained or through the Syndicate/ sub-Syndicate Member (ASBA Bids through the Syndicate/ sub-Syndicate Member shall hereinafter be referred to as the “**Syndicate ASBA**”). **However, ASBA Bids through Syndicate ASBA is permitted only at the Syndicate ASBA Centres. All the SCSBs which are providing ASBA facility in any of the Syndicate ASBA centres shall name atleast one branch where Syndicate/Sub-syndicate Members can submit the Bid cum ASBA Forms. The list of such branches is available at <http://www.sebi.gov.in/pmd/scsb-asba.html>.** An ASBA Bidder shall use the ASBA Form obtained from the Designated Branches for the purpose of making a Bid.

ASBA Bidders can submit their Bids, either in physical or electronic mode. In case of application in physical mode, the ASBA Bidder shall submit the ASBA Form to the relevant Designated Branch or to the Syndicate/ sub-Syndicate Members at Syndicate ASBA Centres. In case of application in electronic form, the ASBA Bidder shall submit the ASBA Form either through the internet banking facility available with the SCSB, or such other electronically enabled mechanism for bidding and blocking funds in the ASBA Account held with SCSB, and accordingly registering such Bids. The

SCSB shall block an amount in the ASBA Account equal to the Bid Amount specified in the ASBA Form. Upon completing and submitting the ASBA Form to the SCSB or to the Syndicate/sub-Syndicate Member, the ASBA Bidder is deemed to have authorised our Company to make the necessary changes in the Red Herring Prospectus and the ASBA Form, as would be required for filing the Prospectus with the RoC and as would be required by RoC after such filing, without prior or subsequent notice of such changes to the ASBA Bidder.

The following table illustrates the mode and manner of bidding for each category of the Bidder:

Category of the Bidder	Available mode of Bidding	Application Form to be used for bidding	Application Form to be submitted to		
			In case of ASBA		In case of non ASBA
			Physical	Electronic	
Retail Individual Investor	ASBA or non ASBA	ASBA Form (physical or electronic) or Bid cum Application Form	1. Syndicate/sub-Syndicate Members at Syndicate ASBA centres only; or 2. Designated Branches of the SCSBs	1. Through internet banking where the ASBA account is maintained	1. Syndicate/sub-Syndicate Members at the bidding centres
Non Institutional Investors & QIBs	ASBA	ASBA Form (physical or electronic)	1. Syndicate/sub-Syndicate Members at Syndicate ASBA centres only; or 2. Designated Branches of the SCSBs	1. Through internet banking where the ASBA account is maintained	NA

The prescribed colour of the Bid cum Application Form/Bid cum ASBA Form for various categories is as follows:

Category	Colour of Bid cum Application Form including Bid cum ASBA Form *
Resident Indians and eligible NRIs applying on a non-repatriation basis	White
Eligible NRIs, FIIs or Foreign Venture Capital Funds registered with SEBI, Multilateral and Bilateral Development Financial Institutions applying on a repatriation basis	Blue

* Excluding electronic Bid cum ASBA forms. Electronic ASBA Forms for ASBA Bidders will be available on the website of the NSE (www.nseindia.com) and BSE (www.bseindia.com) at least one day prior to Bid/Issue Opening Date. A hyperlink to the website of the Stock Exchanges for this facility will be provided on the website of the BRLM and the SCSBs.

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) or in the names of their minor children as natural/legal guardians 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 and corporate bodies registered under the applicable laws in India and authorized to invest in Equity shares;
5. 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;
6. Mutual funds registered with SEBI;
7. Indian financial institutions, scheduled commercial banks (excluding foreign banks), regional rural banks, co-operative banks (subject to RBI regulations and SEBI Guidelines and Regulations, as applicable);
8. FIIs and sub-account registered with SEBI, other than a sub-account which is a foreign corporate or foreign individual;
9. Sub-accounts of FIIs registered with SEBI which are foreign corporate or foreign individuals only under the Non-Institutional Bidders category.
10. Venture capital funds registered with SEBI;
11. Foreign venture capital funds registered with SEBI;
12. State Industrial Development Corporations;
13. Insurance companies registered with the Insurance Regulatory and Development Authority;
14. As permitted by the applicable laws, Provident funds with minimum corpus of ₹ 2500 Lakhs and who are authorized under their constitution to hold and invest in Equity Shares;
15. Pension funds with minimum corpus of ₹ 2500 Lakhs and who are authorized under their constitution to hold and invest in Equity Shares;
16. Multilateral and bilateral development financial institutions;
17. Eligible Non-residents including NRIs and FIIs on a repatriation basis or a non- repatriation basis subject to applicable local laws;
18. Scientific and/or industrial research organizations in India authorized under their constitution to invest in equity shares;
19. Limited liability partnerships;
20. National Investment Fund set up by resolution F. No. 2/3/2005-DD-11 dated November 23,

2005 of Government of India, published in the Gazette of India;

21. Insurance funds set up and managed by army, navy or air force of the Union of India; and

22. Insurance funds set up and managed by Department of Posts, India

As per existing regulations, OCBs are prohibited from investing in this Issue.

Note: The BRLM and Syndicate Member shall not be allowed to subscribe to this Issue in any manner except towards fulfilling their underwriting obligations, if any. However, associates and affiliates of the BRLM and Syndicate Member are entitled to bid and subscribe to Equity Shares in the Issue either in the QIB Portion or in Non Institutional Portion as may be applicable to such investors, where the allocation will be on a proportionate basis.

Bidders are advised to ensure that any single Bid from them does not exceed the investment limits or maximum number of Equity Shares that can be held by them under applicable law.

Bids by Mutual Funds

An eligible Bid by a Mutual Fund shall first be considered for allocation proportionately in the Mutual Funds Portion. In the event that the demand is greater than 76,525 Equity Shares, allocation shall be made to Mutual Funds on proportionate basis to the extent of the Mutual Funds Portion. The remaining demand by Mutual Funds shall, as part of the aggregate demand by QIB Bidders, be made available for allocation proportionately out of the remainder of the QIB Portion, after excluding the allocation in the Mutual Funds Portion.

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 for which the Bid has been made.

No Mutual Fund scheme shall invest more than 10% of its net asset value in equity shares or equity related instruments of any company provided that the limit of 10% shall not be applicable for investments in index funds or sector or industry specific funds. No Mutual Fund under all its schemes should own more than 10% of any company's paid-up capital carrying voting rights. These limits would have to be adhered to by the mutual funds for investment in the Equity Shares. The Bids made by Asset Management Companies or custodians of Mutual Fund shall clearly indicate the name of the concerned schemes for which the application is being made.

Bids by Eligible NRIs

Eligible NRI Bidders may please note that only such Bids as are accompanied by payment in freely convertible foreign exchange shall be considered for allotment. Eligible 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). All instruments accompanying bids shall be payable in Mumbai only.

Bids by FIIs

As per the current regulations, the following restrictions are applicable for investments by FIIs:

The total holding by a single FII or a sub-account cannot exceed 10% of the post-Issue paid-up Equity Share capital of our Company and the total holdings of all FIIs and sub-accounts cannot exceed 24% of the post-Issue paid-up Equity Share capital of our Company. The said 24% limit can be increased up to the applicable sectoral cap by passing a resolution by the Board followed by passing a special resolution to that effect by the shareholders of our Company. Under the current foreign investment policy applicable to us foreign equity participation upto 100% is permissible under the automatic route. Our Company has not obtained Board or shareholders approval to increase the FII limit to more than 24%. Thus as of now, the aggregate FII holding in our Company cannot exceed 24% of the total issued and paid-up equity share capital of our Company.

Subject to compliance with all applicable Indian laws, rules, regulations guidelines and approvals in terms of Regulation 15A(1) of the Securities and Exchange Board of India (Foreign Institutional Investors) Regulations, 1995, as amended (the SEBI FII Regulations), an FII, as defined in the SEBI FII Regulations, may issue or otherwise deal in or hold, offshore derivative instruments (as defined under the SEBI FII Regulations as any instrument, by whatever name called, which is issued overseas by a FII against securities held by it that are listed or proposed to be listed on any recognised stock exchange in India, as its underlying), directly or indirectly, only in the event (i) such offshore derivative instruments are issued only to persons who are regulated by an appropriate regulatory authority; and (ii) such offshore derivative instruments are issued after compliance with 'know your client' norms. An FII is also required to ensure that no further issue or transfer of any offshore derivative instrument is made by or on behalf of it to any persons that are not regulated by an appropriate foreign regulatory authority as defined under the SEBI FII Regulations. Associates and affiliates of the Underwriters including the BRLM and the Syndicate Member that are FIIs may issue offshore derivative instruments against Equity Shares Allotted to them in the Issue. Any such offshore derivative instrument does not constitute any obligation or claim or claim on or an interest in, our Company.

Bids by SEBI registered VCF and FVCI

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 investment by any VCF or FVCI should not exceed the prescribed investment limit as the case may be.

Accordingly, the holding by any individual VCFs in one company should not exceed 25% of the corpus of the said VCF. Further, VCFs and FVCIs can invest only up to 33.33% of their respective investible funds in various prescribed instruments, including in public offerings.

Pursuant to Regulation 37(b) of Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009, the equity shares held by a venture capital fund or foreign venture capital investor would be exempt from the lock-in requirements only if the equity shares have been held for a period of at least one year prior to the date of the filing of the Draft Red Herring Prospectus with the SEBI.

Bids and revision of Bids by non-residents including Eligible NRIs, FIIs and Foreign Venture capital Funds registered with SEBI on a repatriation basis must be made:

1. On the prescribed Bid cum Application Form or Revision Form, as applicable (blue in colour) and completed in full in BLOCK LETTERS in ENGLISH in accordance with the instructions contained therein.
2. In a single name or joint names (not more than three and in the same order as their Depository Participant details);
3. Eligible NRIs for a Bid Amount of up to ₹ 2,00,000 would be considered under the Retail Bidders portion for the purposes of allocation and Bids for a Bid amount of more than ₹ 2,00,000 would be considered under the Non-Institutional Bidders portion for the purposes of allocation; Other Non-Resident Bidders must bid for a minimum of such number of Equity Shares and in multiples of [•] Equity Shares thereafter that the Bid amount exceeds ₹ 2,00,000; for further details see "Maximum and Minimum Bid Size" at page no. 146 of this Draft Red Herring Prospectus.
4. In the names of individuals, or in the names of FIIs or in the names of Foreign Venture Capital Funds registered with SEBI, Multilateral and Bilateral Development Financial Institutions 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 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 or if the Bidders so desire, will be credited to their Non-Resident External (NRE) accounts, details of which should be furnished in the space provided for this purpose in the Bid cum Application Form. The Company 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.

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, the Company reserves the right to accept or reject any Bid in whole or in part, in either case without assigning any reason thereof.

Bids by provident funds / pension funds

In case of Bids made by provident fund with the minimum corpus of ₹ 2500 Lakhs (subject to applicable law) and pension fund with the minimum corpus of ₹ 2500 Lakhs, 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, the Company reserves the right to accept or reject any Bid in whole or in part, in either case without assigning any reason thereof.

Bids by limited liability partnerships

In case of Bids made by limited liability partnerships registered under the Limited Liability Partnership Act, 2008, a certified copy of certificate of registration issued under the Limited Liability Partnership Act, 2008, must be attached to the Bid cum Application Form or the Bid cum ASBA Form. Failing this, our Company reserves the right to reject any Bid without assigning any reason thereof.

The above information is given for the benefit of the Bidders. Our Company and the BRLM are not liable for any amendments or modifications or changes in the applicable laws or regulations, which may occur after the date of this Draft Red Herring Prospectus. Bidders are advised to make their independent investigations and ensure that the number of Equity Shares bid for do not exceed the applicable limits under laws or regulations.

Bids under Power of Attorney

In case of bids made pursuant to a power of attorney by limited companies, corporate bodies, registered societies, FIIs, Mutual Funds, insurance companies and provident funds with a minimum corpus of ₹ 2500 lakhs (subject to applicable law) and pension funds with a minimum corpus of ₹ 2500 lakhs, a certified copy of the power of attorney or the relevant resolution or authority, as the case may be, along with a certified copy of the Memorandum and 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 either case, without assigning any reason thereof.

In addition to the above, certain additional documents are required to be submitted by the following entities:

(a) With respect to Bids by FIIs, FVCIs, VCFs and Mutual Funds, a certified copy of their SEBI registration certificate must be lodged along with the Bid cum Application Form.

(b) With respect to Bids by insurance companies registered with the Insurance Regulatory and Development Authority, in addition to the above, a certified copy of the certificate of registration issued by the Insurance Regulatory and Development Authority must be lodged along with the Bid cum Application Form.

(c) With respect to Bids made by provident funds with a minimum corpus of ₹ 2500 lakhs (subject to applicable law) and pension funds with a minimum corpus of ₹ 2500 lakhs, a certified copy of a certificate from a chartered accountant certifying the corpus of the provident fund/pension fund must be lodged along with the Bid cum Application Form.

In case of Bids made pursuant to Power of Attorney by ASBA Bidders, a certified copy of the power of attorney must be lodged along with the ASBA Form. Failing this, the Company reserves the right to accept or reject any Bid in whole or in part, in either case, without assigning any reason.

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 Bid cum Application Form/ASBA Form, subject to such terms and conditions as the Company and the BRLM may deem fit.

The Company in its absolute discretion reserves the right to permit the holder of the power of attorney to request the Registrar to the Issue that for the purpose of printing particulars on the refund order and mailing of the refund order/CANs/allocation advice, the Demographic details given on the Bid cum Application Form/ ASBA Form should be used (and not those obtained from the Depository of the Bidder). In such cases, the Registrar to the Issue shall use Demographic details as given on the Bid cum Application Form instead of those obtained from the Depositories.

Maximum and Minimum Bid size

For Retail Individual Bidders: The Bid must be for a minimum of [•] Equity Shares and in multiples of [•] Equity Shares thereafter and it must be ensured that the Bid Amount payable by the Bidder does not exceed ₹ 2,00,000. *Bidders may note that the total Bid amount will be used to determine if a Bid is in the retail category or not, and not just the amount payable on Application.* In case of revision of Bids, the Retail Individual Bidders have to ensure that the Bid amount does not exceed ₹ 2,00,000. In case the Bid amount is over ₹ 2,00,000 due to revision of the Bid or revision of the Price Band or on exercise of option to Bid at Cut-off Price, the Bid would be considered for allocation under the Non-Institutional Portion. The option to Bid at Cut-off Price is an option given only to the Retail Individual Bidders indicating their agreement to Bid for and purchase Equity Shares at the final Issue Price as determined at the end of the Book Building Process.

For Non-Institutional Bidders and QIB Bidders: The Bid must be for a minimum of such number of Equity Shares in multiples of [•] Equity Shares thereafter such that the Bid Amount payable by the Bidder exceeds ₹ 2,00,000. A Bid cannot be submitted for more than the Issue size. However, the maximum Bid by a QIB investor should not exceed the investment limits prescribed for them by applicable laws. **A QIB Bidder cannot withdraw its Bid after the Bid/Issue Closing Date and is required to pay the full Bid Amount upon submission of the Bid. Our Company in consultation with the BRLM, may close Bid/Issue Period for QIBs one working day prior to the Bid/ Issue Closing Date. Accordingly, a QIB bidder will not be allowed to withdraw their Bids after the Bid/Issue Closing Date or one working day prior to the Bid/ Issue Closing Date as may be applicable.**

In case of revision in Bids, the Non-Institutional Bidders who are individuals have to ensure that the Bid Amount is greater than ₹ 2,00,000, for being considered for allocation in the Non-Institutional Portion. In case the Bid Amount reduces to ₹ 2,00,000 or less due to a revision in Bids or revision of the Price Band, the same would be considered for allocation under the Retail Portion in respect of the Bids by Non-Institutional Bidders who are otherwise eligible for allocation under the Retail Portion. Non Institutional Bidders and QIBs are not allowed to Bid at 'Cut-off Price'.

Bidders are advised to ensure that any single Bid from them does not exceed the investment limits or maximum number of Equity Shares that can be held by them under applicable law or regulation or as specified in the Draft Red Herring Prospectus.

The maximum and minimum bid size applicable to a QIB, Retail Individual Bidder or a Non-Institutional Bidder shall be applicable to an ASBA Bidder in accordance with the category that such ASBA Bidder falls under.

Information for the Bidders

- a. Our Company will file the Red Herring Prospectus with the RoC at least three days before the Bid/Issue Opening Date.
- b. Our Company and the BRLM shall declare the Bid/Issue Opening Date, Bid/Issue Closing Date and Price Band after registering the Red Herring Prospectus with RoC and also publish the same in two widely circulated national newspapers (one each in English and Hindi) and in one Gujarati newspaper with wide circulation. 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 SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2009.
- c. The Members of the syndicate shall accept bids from the Bidders during the Bidding/Issue Period in accordance with the terms of the syndicate agreement.
- d. The Members of the Syndicate will circulate copies of the Red Herring Prospectus along with the Bid cum Application Form to their potential investors.
- e. 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 the Registered Office of our Company or from the BRLM, or from a Syndicate Member.
- f. Eligible investors who are interested in subscribing for the Equity Shares should approach the BRLM or Syndicate Member or their authorized agent(s) to register their Bids.
- g. The Bids should be submitted on the prescribed Bid cum Application Form only. Bid cum Application Forms should bear the stamp of a Member of the Syndicate, otherwise they will be rejected.
- h. Except for Bids submitted on behalf of the Central Government or the State Government or officials appointed by a court and Bidders resident in the state of Sikkim who may be exempt from specifying their PAN for transacting in the securities market, all Bidders should mention their Permanent Account Number (PAN) allotted under the IT Act. In case of Bids submitted on behalf of the Central Government or the State Government or officials appointed by a court, such Bidders shall provide sufficient documentary evidence in support of the fact that such Bids have been submitted on behalf of the Central Government or the State Government or officials appointed by a court. Residents of Sikkim shall provide sufficient documentary evidence in support of their address as provided in the SEBI MRD circular MRD/DOP/Dep/cir-29/2004 dated August 24, 2004. With effect from August 16, 2010, the beneficiary accounts of Bidders for whom PAN details have not been verified have been labelled "suspended for credit" by the Depositories, and no credit of Equity Shares pursuant to the Issue will be made in the accounts of such Bidders.
- i. Copies of the Bid cum Application Form will be available for all categories of Bidders, with the Members of the Syndicate and at our Registered Office. ASBA Bid cum Application Forms in physical form will be available with the Designated Branches and with the Members of the Syndicate; and electronic ASBA Forms will be available on the websites of the SCSBs and the Stock Exchanges at least one day prior to the Issue Opening Date.
- j. Eligible Bidders who are interested in subscribing for the Equity Shares should approach BRLM or Syndicate Member or their authorised agent(s) to register their Bids.

- k. In case the Price Band is revised, the Bidding/ Issue Period may be extended, if required, by an additional three days, subject to the total Bidding/ Issue Period not exceeding 10 working days. The revised Price Band and Bidding/ Issue Period, if applicable, will be widely disseminated by notification to the BSE and the NSE, and by publishing in two widely circulated national newspapers (one each in English and Hindi) and in one Gujarati newspaper with wide circulation and also by indicating the change on the websites of the Book Running Lead Manager and at the terminals of the Syndicate Member.
- l. We, in consultation with the BRLM, can finalise the Issue Price within the Price Band, without the prior approval of, or intimation to the Bidders.

Additional information specific to ASBA Bidders

- a. ASBA Bidders who would like to obtain the Red Herring Prospectus and/or the ASBA Form can obtain the same from the Designated Branches or the Syndicate Members. ASBA Bidders can also obtain a copy of the Red Herring Prospectus and/or the ASBA Form in electronic form on the websites of the SCSBs. ASBA Forms will be available on the websites of the SCSBs and the Stock Exchanges at least one day prior to the Issue Opening Date.
- b. Copies of ASBA Bid cum Application Forms will be available for downloading and printing, from website of the Stock Exchanges (which provide electronic interface for ASBA facility). A unique application number will be generated for every Bid cum ASBA Form downloaded and printed from the websites of the Stock Exchanges.
- c. The Bids should be submitted to the SCSBs on the prescribed ASBA Form if applied in physical mode. SCSBs may provide the electronic mode of bidding either through an internet enabled bidding and banking facility or such other secured, electronically enabled mechanism for bidding and blocking funds in the ASBA Account.
- d. The SCSBs shall accept Bids only during the Bidding Period and only from the ASBA Bidders.
- e. The Book Running Lead Manager shall ensure that adequate arrangements are made to circulate copies of the Red Herring Prospectus and ASBA Form to the SCSBs and Syndicate Members (in case of Syndicate ASBA). The SCSBs will then make available such copies to investors intending to apply in this Issue through the ASBA process. Additionally, the Book Running Lead Manager shall ensure that the SCSBs are provided with soft copies of the abridged prospectus as well as the ASBA Form and that the same are made available on the websites of the SCSBs.
- f. The Bid cum ASBA Form shall bear the stamp of the Designated Branch or the Syndicate Member (in case of Bids through Syndicate ASBA), if not, the same shall be rejected.

Public Announcement post filing of the Draft Red Herring Prospectus

Our Company shall, either on the date of filing of this Draft Red Herring Prospectus or on the next day, make a public announcement in one English national daily, one Hindi national daily and one Gujarati newspaper, each with wide circulation, disclosing to the public the fact of filing of the Draft Red Herring Prospectus with the SEBI and inviting the public to give their comments to the SEBI in respect of disclosures made in the Draft Red Herring Prospectus.

Announcement of Pre-Issue Advertisement

Subject to Section 66 of the Companies Act, our Company shall, after registering the Red Herring

Prospectus with Registrar of Companies, make a pre-Issue Advertisement in the format specified in Part A of Schedule XIII of SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2009, in one English national daily, one Hindi national daily and one Gujarati newspaper, each with wide circulation.

Method and Process of bidding

1. During the Bidding period, Bidders should approach Members of the Syndicate or their authorised agents to register their Bids. ASBA Bidders Bidding through Syndicate ASBA should submit their Bids to the Syndicate/ sub Syndicate Members. ASBA Bidders Bidding through the SCSBs are required to submit their Bids to the Designated Branches of such SCSBs.
2. The Price Band has been fixed at ₹ [•] to ₹ [•] per Equity Share. The Bidders can bid at any price within the Price Band, in multiples of ₹ 1 (One). Each Bid cum Application Form will give the Bidder the choice to bid for up to three optional prices (for details refer to the paragraph titled "Bids at Different Price Levels" on page no. 150 of this Draft 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.
3. The Bidder cannot bid on another Bid cum Application Form or ASBA Form after Bids on one Bid cum Application Form or ASBA Form have been submitted to any Member of the Syndicate or SCSB as the case may be. Submission of a second Bid cum Application Form to either the same or to another Member of the Syndicate or an ASBA Form to any SCSB or Syndicate Member will be treated as multiple bids and is liable to be rejected either before entering the Bid into the electronic bidding system, or at any point of time prior to the allotment of Equity Shares in this Issue. However, the Bidder can revise the Bid through the Revision Form, the procedure for which is detailed in the paragraph "Build up of the Book and Revision of Bids" on page no. 161 of this Draft Red Herring Prospectus.
4. The Members of the Syndicate or SCSB will enter each bid option into the electronic bidding system as a separate Bid and generate a Transaction Registration Slip, ("TRS"), for each price and demand option and give the same to the Bidder. Therefore, a Bidder can receive up to three TRSs for each Bid cum Application Form or ASBA Form.
5. During the Bidding Period, the Bidders may approach the Syndicate Member to submit their Bid. Every Syndicate Member shall accept Bids from all clients/investors who place orders through them and shall have the right to vet the Bids.
6. Along with the Bid cum Application Form, all Bidders will make payment in the manner described under the paragraph "Terms of Payment and Payment into the Escrow Collection Account" on page no. 163 of this Draft Red Herring Prospectus.
7. With regard to Syndicate ASBA, , upon receipt of the Bid cum ASBA Form by a Syndicate/sub

Syndicate Member, the concerned Syndicate/sub Syndicate Member shall issue an acknowledgement by giving the counter foil of the Bid cum ASBA Form to the ASBA Bidder as proof of having accepted the Bid. Thereafter, the Syndicate/sub Syndicate Member shall upload the details of the Bid in the electronic Bidding system of the Stock Exchanges and forward the ASBA Bid cum Application Form to the concerned SCSB. The SCSB shall carry out further action for such ASBA Bid cum Application Forms such as signature verification and blocking of funds. If sufficient funds are not available in the ASBA Account, the SCSB shall reject such Bids. If sufficient funds are available in the ASBA Account, the SCSB shall block an amount equivalent to the Payment Amount mentioned in the ASBA Bid cum Application Form and generate a TRS for each price and demand option. The TRS shall be furnished to the ASBA Bidder on request.

8. With regard to ASBA Bidders Bidding through the SCSBs, upon receipt of an Bid cum ASBA Form, submitted whether in physical or electronic mode, the respective Designated Branch shall verify if sufficient funds equal to the Bid Amount are available in the ASBA Account, as mentioned in the ASBA Form, prior to uploading such Bids with the Stock Exchanges. If sufficient funds are not available in the ASBA Account, the respective Designated Branch shall reject such Bids and shall not upload such Bids with the Stock Exchanges. If sufficient funds are available in the ASBA Account, the SCSB shall block an amount equivalent to the Bid Amount mentioned in the ASBA Form and will enter each Bid option into the electronic bidding system as a separate Bid and generate a TRS for each price and demand option. The TRS shall be furnished to the ASBA Bidder on request.
9. The Bid Amount shall remain blocked in the ASBA Account until finalization of the basis of allocation' or withdrawal/failure of the Issue or withdrawal/rejection of the ASBA Bid, as the case may be. In the event the ASBA Account does not have a sufficient credit balance for the Bid Amount, the Bid shall be rejected by the SCSB and no funds shall be blocked in that ASBA Account.
10. The ASBA Form should not be accompanied by cash, draft, money order, postal order or any mode of payment other than blocked amount in the ASBA Account.
11. On the Designated Date, the SCSBs shall initiate transfer of the blocked Bid Amount from the ASBA Account for successful Bids into the Public Issue Account and the balance amount, if any, shall be unblocked. Not more than five ASBA Forms can be submitted when utilizing an ASBA Account.

Bids at different price levels

1. The Price Band has been fixed at ₹ [●] to ₹ [●] per Equity Share of ₹ 10/- each, ₹ [●] being the lower end of the Price Band and ₹ [●] being the higher end of the Price Band. The Bidders can bid at any price with in the Price Band, in multiples of ₹ 1 (One).
2. Our Company, in consultation with the BRLM, can revise the Price Band during the Bid/Issue Period in accordance with the SEBI (ICDR) Regulations, 2009, in which case the Bidding Period shall be extended further for a period of additional three working days, subject to the total Bidding Period not exceeding ten working days. The cap on the Price Band should not be more

than 20% of the Floor of the Price-band. Subject to compliance with the immediately preceding sentence, the floor of Price Band can move up or down to the extent of 20% of the Floor Price disclosed in this Draft Red Herring Prospectus.

3. Any revision in the Price Band and the revised Bid/Issue Period, if applicable, will be widely disseminated by informing the stock exchanges and the SCSBs and by issuing a public notice in two widely circulated national newspapers (one each in English and Hindi) and in one Gujarati newspaper with wide circulation and also indicating the change on the relevant website of the BRLM, Company and the terminals of the Members of the Syndicate.
4. The Company, in consultation with the BRLM, can finalise the Issue Price within the Price Band, in accordance with this clause, without the prior approval of, or intimation to, the Bidders.
5. The Bidder can bid at any price within the Price Band. The Bidder has to bid for the desired number of Equity Shares at a specific price. Retail Individual Bidders applying for a maximum Bid in any of the bidding options not exceeding ₹ 2,00,000 may bid at "Cut-off Price". However, bidding at "Cut-off Price" is not permitted for QIB or Non-Institutional Bidders who bid for and such Bids from QIBs and Non-Institutional Bidders shall be rejected.
6. Retail Individual Bidders who bid at the Cut-off Price agree that they shall purchase the Equity Shares at any price within the Price Band. Retail Individual Bidders bidding at Cut-off Price shall deposit the Bid Amount based on the Cap Price in the Escrow Account. In case of ASBA Bidders Bidding at the Cut-off Price, the ASBA Bidders will instruct the SCSBs to block an amount based on the Cap Price. In the event the Bid Amount is higher than the subscription amount payable by the Retail Individual Bidders who bid at the Cut-off Price, such Bidders shall receive the refund of the excess amounts from the respective Refund Account.

General Instructions

Do's:

- (a) Check if you are eligible to apply having regard to applicable laws, rules, regulations, guidelines and approvals and the terms of this Draft Red Herring Prospectus;
- (b) Read all the instructions carefully and complete the Bid cum Application Form;
- (c) Ensure that the details about Depository Participant and beneficiary account are correct and the beneficiary account is activated, as allotment of Equity Shares will be in the dematerialised form only;
- (d) Ensure that the Bids are submitted at the Bidding Centres only on forms bearing stamp of the Syndicate Member;
- (e) 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;
- (f) Ensure that you request for and receive 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) Each Bidder should mention his or her Permanent Account Number (PAN) allotted under the I.T. Act;
- (j) Except for Bids (i) on behalf of the Central or State Government and officials appointed by the courts, and (ii) from the residents of the state of Sikkim, each of the Bidders should provide their PAN. Bid cum Application Forms/ASBA Forms in which the PAN is not provided will be rejected. In case of Bids submitted on behalf of the Central Government or the State Government or officials appointed by a court, such Bidders shall provide sufficient documentary evidence in support of the fact that such Bids have been submitted on behalf of the Central Government or the State Government or officials appointed by a court. Residents of Sikkim shall provide sufficient documentary evidence in support of their address as provided in the SEBI MRD circular MRD/DOP/Dep/cir-29/2004 dated August 24, 2004;
- (k) Ensure that demographic details are updated, true and correct in 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, money order, postal order or by stockinvest;
- f. Do not Bid at cut off price (for QIB Bidders and Non-Institutional Bidders);
- g. Do not bid where bid amount exceeds ₹ 2,00,000 (for Retail Individual Bidders);
- h. Do not fill up the Bid cum Application Form for an amount that exceeds the Issue size and/or investment limit or maximum number of Equity Shares that can be held by a Bidder under the applicable laws/regulations or maximum amount permissible under the applicable regulations;
- i. Do not send Bid cum Application Form by post; instead submit the same to a Member of the Syndicate only;
- j. Do not provide your GIR number instead of your PAN as bid is liable to be rejected on those ground;
- k. Do not submit the Bid without the Full Bid Amount through the Bid cum Application Form;
- l. Do not bid if you are not competent to contract under the Indian Contract Act, 1872.

Additional instructions specific to ASBA Bidders

Do's:

- a. Ensure that you use the Bid cum ASBA Form specified for the purposes of ASBA process;
- b. Read all the instructions carefully and complete the Bid cum ASBA Form;
- c. 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;
- d. Before submitting the physical ASBA Form with the Member of the Syndicate for Bidding through Syndicate ASBA ensure that the SCSB, whose name has been filled in the ASBA Form, has named a branch in that centre;
- e. For ASBA Bidders Bidding through Syndicate ASBA, ensure that your ASBA Form is submitted

- to the Members of the Syndicate at the Syndicate ASBA Centre and not to the Escrow Collection Banks (assuming that such bank is not a SCSB), to our Company or the Registrar to the Issue;
- f. For ASBA Bidders Bidding through the SCSBs, ensure that your ASBA Form is submitted at a Designated Branch of the SCSB where the ASBA Account is maintained, and not to the Escrow Collection Banks (assuming that such bank is not a SCSB), to our Company, the Registrar to the Issue or the Members of the Syndicate;
 - g. Ensure that the Bid cum ASBA Form is signed by the account holder in case the applicant is not the account holder;
 - h. Ensure that you have mentioned the correct ASBA Account number in the Bid cum ASBA Form;
 - i. Ensure that you have funds equal to the Bid Amount mentioned in the Bid cum ASBA Form available in your ASBA Account before submitting the Bid cum ASBA Form to the respective Designated Branch of the SCSB;
 - j. Ensure that you have correctly checked the authorisation box in the Bid cum ASBA 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 Bid cum ASBA Form in your ASBA Account;
 - k. Ensure that you receive an acknowledgement from the Designated Branch of the concerned SCSB or the concerned Member of the Syndicate, as the case may be for the submission of your Bid cum ASBA Form;
 - l. Submit the ASBA Revision Form with the same Designated Branch or concerned Member of the Syndicate, as the case may be, through whom the Bid cum ASBA Form was placed and obtain a revised acknowledgment;
 - m. Ensure that the name(s) given in the Bid cum ASBA 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 Bid cum ASBA Form;
 - n. Ensure that the Demographic Details are updated, true and correct, in all respects.

Don'ts:

- a. Do not Bid or revise Bid price to less than the floor price or more than the Cap Price;
- b. Do not Bid for lower than the minimum Bid size;
- c. Do not Bid through another ASBA Form or Bid cum Application Form after you have submitted a Bid to a Designated Branch of the SCSB or a Member of Syndicate as the case may be;
- d. Do not submit the Bid cum ASBA Form with a Member of the Syndicate at a location other than the Syndicate ASBA Centres;
- e. 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;
- f. Do not send your physical Bid cum ASBA Form by post; instead submit the same to a Designated Branch of the SCSB or a Syndicate/sub Syndicate Member, as the case may be;
- g. Do not fill up the Bid cum ASBA 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;

- h. Do not instruct your respective banks to release the funds blocked in the bank account under the ASBA process;
- i. Do not submit more than five ASBA Forms per ASBA Account.

Instructions for completing the Bid cum Application / ASBA Form

- (a) Bids and revision of Bids must be made only in the prescribed Bid cum Application Form, Revision Form, ASBA Form or ASBA Revision Form as applicable;
- (b) In single name or in joint names (not more than three, and in the same order as their Depository Participant details).
- (c) Bid cum Application Form, ASBA Form, Revision Form or ASBA Revision Form are to be completed in full, in BLOCK LETTERS in ENGLISH and in accordance with the instructions contained herein, in the Red Herring Prospectus, Bid cum Application Form or in the ASBA Form.
- (d) The Bids from the Retail Individual Bidders must be for a minimum of [•] Equity Shares and in multiples of [•] Equity Shares thereafter, subject to a maximum Bid Amount of ₹ 2,00,000.
- (e) For Non-Institutional Bidders and QIB Bidders, Bids must be for a minimum of such number of Equity Shares in multiples of [•] Equity Shares such that the Bid Amount exceeds ₹ 2,00,000 and in multiples of [•] Equity Shares thereafter. Bids cannot be made for more than the Issue. Bidders are advised to ensure that a single Bid from them should not exceed the investment limits or maximum number of shares that can be held by them under the applicable laws or regulations.
- (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.
- (g) Bids through ASBA must be:
 - a. made only in the prescribed ASBA Form (if submitted in physical mode) or the electronic mode.
 - b. made in single name or in joint names (not more than three, and in the same order as their details appear with the Depository Participant).
 - c. completed in full, in BLOCK LETTERS in ENGLISH and in accordance with the instructions contained in the Red Herring Prospectus and in the ASBA Form.
- (h) ASBA Bidders should correctly mention the ASBA Account number and ensure that funds equal to the Bid Amount are available in the ASBA Account before submitting the ASBA Form to the Designated Branch or Syndicate/sub Syndicate Member otherwise the concerned SCSB shall reject the Bid.

- (i) If the ASBA Account holder is different from the ASBA Bidder, the ASBA Form should be signed by the ASBA Account holder, in accordance with the instructions provided in the ASBA Form.
- (j) Bidders should correctly mention their name, DP ID and Client ID and such other details as required in the Bid cum Application Form, or the ASBA Form, as the case may be. For the purpose of evaluating the validity of Bids, the Demographic Details of Bidders shall be derived from the DP ID and Client ID mentioned in the Bid cum Application Form, or the ASBA Form, as the case may be.
- (k) For ASBA Bidders, SCSBs may provide the electronic mode of bidding either through an internet enabled bidding and banking facility or such other secured, electronically enabled mechanism for bidding and blocking funds in the ASBA Account.
- (l) ASBA Forms should bear the stamp of the Syndicate Member and/or Designated Branch. ASBA Forms which do not bear the stamp will be rejected.

Application in the Issue

Equity Shares being issued through this Draft Red Herring Prospectus can be applied for in the dematerialized form only.

Bidder's Depository Account Details

Bidders should note that on the basis of the sole/first Bidder's PAN, Depository Participant Identification number and beneficiary account number provided by them in the Bid cum Application Form, the Registrar to the Issue will obtain from the Depository demographic details of the Bidders such as address, bank account details for printing on refund orders or giving credit through ECS, Direct Credit, RTGS or NEFT or unblocking of ASBA Account (hereinafter referred to as "Demographic Details"). Hence, Bidders are advised to immediately update their bank account details as appearing on the records of the Depository Participant. Please note that failure to do so could result in delays in despatch/ credit of refunds to Bidders or unblocking of ASBA Account at the Bidders sole risk and neither the Members of the Syndicate or the Registrar to the Issue or the Escrow Collection Banks or the SCSBs nor our Company or the Selling Shareholders shall have any responsibility and undertake any liability for the same. Hence, Bidders should carefully fill in their Depository Account details in the Bid cum Application Form or ASBA Form.

IT IS MANDATORY FOR ALL THE BIDDERS TO GET THEIR EQUITY SHARES IN THE DEMATERIALISED FORM. ALL BIDDERS SHOULD MENTION THEIR PAN, DEPOSITORY PARTICIPANT'S IDENTIFICATION NUMBER AND BENEFICIARY ACCOUNT NUMBER IN THE BID CUM APPLICATION FORM OR ASBA FORM. INVESTORS MUST ENSURE THAT THE DP ID, BENEFICIARY ACCOUNT NUMBER AND PAN GIVEN IN THE BID CUM APPLICATION FORM OR ASBA FORM IS EXACTLY THE SAME AS THE DP ID, BENEFICIARY ACCOUNT NUMBER AND PAN AVAILABLE IN THE DEPOSITORY DATABASE. IN CASE THE BID CUM APPLICATION FORM OR 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 BID CUM APPLICATION FORM OR ASBA FORM.

These Demographic Details would be used for all correspondence with the Bidders including mailing of the refund orders/CANs/allocation advice and printing of Bank particulars on the refund order or for refunds through electronic transfer of funds, as applicable. The Demographic Details given by Bidders in the Bid cum Application Form or ASBA Form would not be used for any other purposes by the Registrar to the Issue.

Hence, Bidders are advised to update their Demographic Details as provided to their Depository Participants and ensure that they are true and correct.

By signing the Bid cum Application Form or ASBA Form, Bidder would be deemed to have authorised the depositories to provide, upon request, to the Registrar to the Issue, the required Demographic details as available on its records.

Refund orders/allocation advice/CANs would be mailed to the Bidder as per the Demographic Details received from the Depositories. Bidders may note that delivery of refund orders/allocation advice/CANs may get delayed if the same once sent to the address obtained from the depositories are returned undelivered. In such an event, the address and other details given by the Bidders other than ASBA 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 and neither our Company, the Registrar, Escrow Collection Bank(s) nor the BRLM/Syndicate Member shall be liable to compensate the Bidder for any losses caused to the Bidder due to any such delay or liable to pay any interest for such delay. In case of refunds through electronic modes as detailed in this Draft Red Herring Prospectus, bidders may note that refunds may get delayed if bank particulars obtained from the Depository Participant are incorrect.

In case no corresponding record is available with the Depositories that matches three parameters, namely, PAN of the sole/first Bidder, the Depository Participant's identification number (DP ID) and the beneficiary account number, then such Bids are liable to be rejected. Our Company in its absolute discretion, reserve the right to permit the holder of the power of attorney to request the Registrar that for the purpose of printing particulars on the refund order and mailing of the refund order/CANs/allocation advice/ refunds through electronic transfer of funds, the Demographic Details given on the Bid cum Application Form or ASBA Form should be used (and not those obtained from the Depository of the Bidder). In such cases, the Registrar shall use Demographic Details as given in the Bid cum Application Form or ASBA Form instead of those obtained from the depositories.

Refunds, dividends and other distributions, if any, will be payable in Indian Rupees only and net of bank charges and / or commission. In case of Bidders who remit money through Indian Rupee drafts purchased abroad, such payments in Indian Rupees will be converted into US Dollars or any other freely convertible currency as may be permitted by the RBI at the rate of exchange prevailing at the time of remittance and will be dispatched by registered post or if the Bidders so desire, will be credited to their NRE accounts, details of which should be furnished in the space provided for this purpose in the Bid cum Application Form or ASBA Form. Our

Company and/or the Book Running Lead Manager will not be responsible for loss, if any, incurred by the Bidder on account of conversion of foreign currency.

OTHER INSTRUCTIONS

Joint Bids in the case of Individuals

Individuals may make bid in single or joint names (not more than three). In the case of joint Bids, all refunds 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 as per the Demographic Details received from the Depository.

Further, ASBA Bids may be made in single or joint names (not more than three). In case of joint Bids by ASBA Bidders, all communications will be addressed to the first Bidder and will be dispatched to his/her address.

Multiple Bids

A Bidder should submit only one (and not more than one) Bid.

In case of a Mutual Fund, a separate Bid may be made in respect of each scheme of the Mutual Fund and such Bids in respect of over 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.

After submitting a bid using an Bid cum ASBA Form either in physical or electronic mode, where such ASBA Bid has been submitted to the SCSBs and uploaded with the Stock Exchanges, an ASBA Bidder cannot Bid, either in physical or electronic mode, whether on another Bid cum ASBA Form, or on a (non-ASBA) Bid cum Application Form to either the same or another Designated Branch of the SCSB or Syndicate/sub Syndicate Member, as the case may be. Submission of a second Bid in such manner will be deemed a multiple Bid and would 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 the Equity Shares in the Issue. However, ASBA Bidders may revise their Bids through the ASBA Revision Form, the procedure for which is described in "Build up of the Book and Revision of Bids" on page 161 of this Draft Red Herring Prospectus.

More than one ASBA Bidder may Bid for Equity Shares using the same ASBA Account, provided that the SCSBs will not accept a total of more than five Bid cum ASBA Forms with respect to any single ASBA Account.

Duplicate copies of Bid cum ASBA Forms downloaded and printed from the website of the Stock Exchanges bearing the same application number shall be treated as multiple Bids and are liable to be rejected.

Our Company in consultation with the BRLM, reserve the right to reject, in its absolute discretion, all (or all except one) multiple Bid(s) in any or all categories. In this regard, the procedures which

would be followed by the Registrar to the Issue to detect multiple Bids are provided below:

1. All Bids will be checked for common PAN as per the records of Depository. For Bidders other than Mutual Funds and FII sub-accounts, Bids bearing the same PAN will be treated as multiple Bids and will be rejected.
2. The Bids from Mutual Funds and FII sub-accounts, which were submitted under the same PAN, as well as Bids on behalf of the Central or State Government, an official liquidator or receiver appointed by a court and residents of Sikkim, for whom the submission of PAN is not mandatory, the Bids were scrutinized for DP ID and beneficiary account numbers. In case such Bids bear the same DP ID and beneficiary account numbers, these were treated as multiple Bids and were rejected.

Permanent Account Number (PAN)

Except for the Bids on behalf of Central and State Government, exempted persons, residents in Sikkim and officials appointed by Court, the Bidders or in the case of Bid made in joint names, each of the Bidder, should mention his or her Permanent Account Number (PAN) allotted under the I.T. Act. SEBI has issued a Circular No. MRD/DoP/Cir-05/2007 dated April 27, 2007 requiring that with effect from July 2, 2007 the PAN would be the sole identification number for the participants transacting in the securities market, irrespective of the amount of transaction. **Applications without this information will be considered incomplete and are liable to be rejected. It is to be specifically noted that Bidders should not submit the GIR number instead of the PAN, as the Bid is liable to be rejected on this ground.**

However, the exemption for the Central or State Government and the officials appointed by the courts and for investors residing in the State of Sikkim is subject to the Depository Participants' verifying the veracity of such claims of the investors by collecting sufficient documentary evidence in support of their claims. At the time of ascertaining the validity of these Bids, the Registrar will check under the Depository records for the appropriate description under the PAN field i.e. either Sikkim category or exempt category.

With effect from August 16, 2010, the beneficiary accounts of Bidders for whom PAN details have not been verified have been labelled "suspended for credit" by the Depositories and no credit of Equity Shares pursuant to the Issue will be made in the accounts of such Bidders.

IMPERSONATION

Attention of the applicants is specifically drawn to the provisions of sub-section (1) of Section 68A of the Companies Act, which is reproduced below:

"Any person who:

- (a) makes in a fictitious name, an application to a Company for acquiring or subscribing for, any shares therein, or**
- (b) otherwise induces a Company to allot, or register any transfer of shares therein to him, or any other person in a fictitious name,**

shall be punishable with imprisonment for a term which may extend to five years.”

Submission of Bid cum Application Form

All Bid cum Application Forms or Revision Forms duly completed and accompanied by Account Payee cheques or drafts shall be submitted to the Members of the Syndicate at the time of submitting the Bid cum Application Form.

No separate receipts shall be issued for the money payable on submission of Bid cum Application Form or Revision Form. However, the collection centre of the Members of the Syndicate will acknowledge the receipt of the Bid cum Application Forms or Revision Forms by stamping and returning to the Bidder the acknowledgement slip. This acknowledgement slip will serve as the duplicate of the Bid cum Application Form for the records of the Bidder.

Electronic Registration of Bids by Bidders

- (a) The Members of the Syndicate and SCSBs will register the Bids using the on-line facilities of the Stock Exchanges. There will be at least one on-line connectivity in each city, where a stock exchange is located in India and where Bids are being accepted. The Members of the Syndicate, our Company, and the Registrar to the Issue are not responsible for any acts, mistakes or errors or omission and commissions in relation to, (i) the Bids accepted by the Syndicate Members or SCSBs, (ii) the Bids uploaded by the Syndicate Members or SCSBs, (iii) the Bids accepted but not uploaded by the Syndicate Members or SCSBs or (iv) with respect to ASBA Bids accepted and uploaded without blocking funds in the ASBA Accounts. It shall be presumed that for Bids uploaded by the SCSBs or Syndicate Members, the Bid Amount has been blocked in the relevant ASBA Account. The Members of the Syndicate and the SCSBs shall be responsible for any error in the Bid details uploaded by them.
- (b) The Members of the Syndicate and the SCSBs will undertake modification of selected fields in the Bid details already uploaded within one working day from the Issue Closing Date.
- (c) In case of apparent data entry error by either the Members of the Syndicate or the collecting bank in entering the Bid cum Application Form number in their respective schedules other things remaining unchanged, the Bid cum Application Form may be considered as valid and such exceptions may be recorded in minutes of the meeting submitted to Stock Exchange(s). In the event of mistake in capturing the Bid cum Application Form number by either the Member of the Syndicate or collecting bank leading to rejection of the Bid cum Application Form, the Registrar may identify based on the Bid cum Application Form, the entity responsible for the error.
- (d) The Stock Exchanges will offer an electronic facility for registering Bids for the Issue. This facility will be available with Members of the Syndicate and their authorised agents and the SCSBs during the Issue Period. The Members of the Syndicate and the Designated Branches 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 Process on a regular basis. On the Issue Closing Date, the Members of the Syndicate and the Designated Branches shall upload the Bids till such time as may be permitted by the Stock Exchanges. This information will be available with the Members of the Syndicate on a regular basis. Bidders are cautioned that a high inflow of high volumes on the last day of the Offer

Period may lead to some Bids received on the last day not being uploaded and such Bids will not be considered for allocation.

- (e) Based on the aggregate demand and price for Bids registered on the electronic facilities of the Stock Exchanges, a graphical representation of consolidated demand and price would be made available at the bidding centres during the Issue Period.

In case of non ASBA Bidder: 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 Bidder(s): Bidders 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, Bidders 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;
- PAN (of First Bidder in case of more than one Bidder);
- Numbers of Equity Shares bid for;
- Bid price;
- Bid cum Application Form number;
- Cheque details;
- Depository Participant Identification Number and beneficiary account number of the demat Account of the Bidder.

In case of non ASBA Bidder: At the time of registering each Bid, the Designated Branches of the SCSBs or the Member of the Syndicate, as the case may be, shall enter the information pertaining to the investor into the online system, including the following details:

- Name of the Bidder(s): Bidders should ensure that the name given in the Bid cum ASBA Form is exactly the same as the name in which the Depository Account is held. In case the Bid cum ASBA Form is submitted in joint names, Bidders 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 ASBA Form;
- Investor Category;
- Permanent Account Number (of First Bidder in case of more than one Bidder);
- Number of Equity Shares Bid for;
- Bid price;
- ASBA Form Number;
- Bank Account number;
- Depository Participant Identification Number and beneficiary account number of the demat Account of the Bidder.

- (f) A system generated TRS will be given to the Bidder/ ASBA Bidder as a proof of the registration of each of the bidding options. **It is the Bidder's/ASBA Bidder's responsibility to obtain the TRS from the Members of the Syndicate or the Designated Branches of the SCSBs.** The registration of the Bid by the Members of the Syndicate or the Designated Branches of the SCSBs does not guarantee that the Equity Shares shall be allocated by our Company.

- (g) Such TRS will be non-negotiable and by itself will not create any obligation of any kind.
- (h) The BRLM/Syndicate Member have the right to accept the Bid or reject it in case of QIBs bidding through Syndicate ASBA; however, such rejection should be made at the time of receiving the bid and only after assigning a reason for such rejection in writing. In case of Non-Institutional Bidders and Retail Individual Bidders, Bids should not be rejected except on the technical grounds listed on page no. 167 of this Draft Red Herring Prospectus. The Members of the Syndicate may also reject Bids if all the information required is not provided and the Bid cum Application Form/Bid cum ASBA Form is incomplete in any respect. The SCSBs shall have no right to reject Bids, except on technical grounds. Subsequent to the acceptance of the Bid by the Designated Bbranch, the Company will have a right to reject the Bids only on technical grounds listed in the Red Herring Prospectus and the Prospectus.
- (i) It is to be distinctly understood that the permission given by NSE and BSE to use their network and software of the online IPO system should not in any way be deemed or construed to mean that the compliance with various statutory and other requirements by our Company or BRLM are cleared or approved by NSE and BSE; nor does it in any manner warrant, certify or endorse the correctness or completeness of any of the compliance with the statutory and other requirements nor does it take any responsibility for the financial or other soundness of our Company, our Promoters, our management or any scheme or project of our Company.
- (j) It is also to be distinctly understood that the approval given by BSE and/or NSE should not in any way be deemed or construed that this Draft Red Herring Prospectus has been 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 contents of this Draft Red Herring Prospectus; nor does it warrant that the Equity Shares will be listed or will continue to be listed on the BSE and NSE.
- (k) 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 BSE or NSE and Members of the Syndicate, the decision of the BRLM based on the physical records of Bid cum Application Form shall be final and binding to all concerned.

Build up of the Book and Revision of Bids

- (a) Bids registered by various Bidders through the Members of the Syndicate and the SCSBs shall be electronically transmitted to the NSE or BSE mainframe on a regular basis.
- (b) The book gets build up at various price levels. At the end of each day of the Bidding Period, the demand shall be shown graphically on the bidding terminals of the Syndicate Member and the websites of the Stock Exchanges. This information will be available with the Member of the Syndicate at the end of the Bidding Period.
- (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 or ASBA Revision Form, which is a part of the Bid cum Application Form/ASBA Form. Retail Individual Bidders may revise their Bids within the Price Band at any

time until finalization of the basis of allocation.

- (d) Revisions can be made in both the desired numbers of Equity Shares and the bid price by using the Revision Form or ASBA Revision Form, as the case may be. Apart from mentioning the revised options in the Revision Form or ASBA Revision Form, as the case may be, the Bidder must also mention the details of all the options in his or her Bid cum Application Form/ ASBA Form or earlier Revision Form/ ASBA Revision Form. For example, if a Bidder has bid for three options in the Bid cum Application Form/ ASBA Form and he is changing only one of the options in the Revision Form/ ASBA Revision Form, he must still fill the details of the other two options that are not being changed, in the Revision Form/ ASBA Revision Form. Incomplete or inaccurate Revision Forms/ ASBA Revision Form will not be accepted by the Members of the Syndicate or the Designated Branches.
- (e) The Bidder can make revision any number of times during the Bidding Period. However, for any revision(s) in the Bid, the Bidders will have to use the services of the same Member of the Syndicate or the same SCSB through whom he or she had placed the original Bid.
- (f) Bidders are advised to retain copies of the blank Revision Form and the revised Bid must be made only in such Revision Form/ ASBA Revision Form or copies thereof.
- (g) In case of an upward revision in the Price Band, Retail Individual Bidders, who had bid at Cut-Off Price could either (i) revise their Bid or (ii) make additional payment based on the cap of the revised Price Band (such that the total amount i.e. original Bid Amount plus additional payment does not exceed ₹ 2,00,000 if the bidder wants to continue to bid at Cut-off Price), with the Member of the Syndicate or SCSB to whom the original Bid was submitted. In case the total amount (i.e. original Bid Amount plus additional payment) exceeds ₹ 2,00,000, the Bid by Retail Individual Bidder will be considered for allocation under the Non-Institutional portion 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 higher end of the Price Band prior to revision, the number of Equity Shares bid for shall be adjusted downward for the purpose of allocation, such that no additional payment would be required from the Bidder and the Bidders is deemed to have approved such revised Bid at Cut-off Price.
- (h) In case of a downward revision in the Price Band, 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 respective Refund Account or unblocked in the respective ASBA Accounts, in case of ASBA Bidders.
- (i) In the event of any revision in the Price Band, whether upwards or downwards, the Minimum Application Size shall be within the range of ₹ 5,000 to ₹ 7,000. The Company in consultation with the BRLM shall accordingly stipulate the minimum application size (in terms of number of shares) falling within the aforesaid range.
- (j) 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. With respect to the ASBA Bids, if revision of the Bids results in an incremental amount, the SCSBs shall block the additional Bid Amount. In case of Bids, other than ASBA Bids, the Members of the Syndicate shall collect the payment in the form of cheque or demand draft if any, to be paid on account of the upward revision of the Bid at the time of one or more revisions. In such cases, the Members of the Syndicate will revise the earlier Bid details with the revised Bid and provide the cheque or demand draft number of the new payment instrument in the

electronic book. The Registrar will reconcile the Bid data and consider the revised Bid data for preparing the basis of allocation. 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.

- (k) 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 or the SCSB, as the case may be. **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.**
- (l) 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 BSE or NSE and Members of the Syndicate, the decision of the BRLM based on the physical records of Bid cum Application Form/ ASBA Form shall be final and binding to all concerned.
- (m) QIBs shall not be allowed to withdraw their bids after the Bid/Issue Closing Date.

PAYMENT INSTRUCTIONS

Escrow Mechanism for Bidders other than ASBA Bidders

1. Our Company and Members of the Syndicate shall open Escrow Accounts with one or more Escrow Collection Banks in whose favour the Bidders shall make 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 this Draft 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 the monies from the Escrow Account to the Public Issue Account with the Bankers to the Issue and to the Refund Account as per the terms of the Escrow Agreement. Payment of refund to the relevant Bidders shall also be made from the Refund Account as per the terms of the Escrow Agreement and this Draft Red Herring Prospectus.
2. The Bidders may note that the Escrow Mechanism is not prescribed by SEBI and the same has been established as an arrangement between our Company, the Members of the Syndicate, Escrow Collection Bank(s) and the Registrar to the Issue to facilitate collections from the Bidders.

Terms of Payment and Payment into the Escrow Collection Account

Pursuant to SEBI circular bearing number CIR/CFD/DIL/1/2011 dated April 29, 2011 non- retail Investors are mandatorily required to utilise the ASBA facility to participate in the Issue.

Each Bidder, shall provide the applicable Bid Amount, with the submission of the Bid cum Application Form by drawing a cheque or demand draft in favour of the Escrow Account of the Escrow Collection Bank(s) as per the below terms:

- (a) 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 whose bids have been accepted from the Escrow Account, as per the terms of the Escrow Agreement, into the Public Issue Account with the Banker(s) to the Issue and the SCSBs will also transfer the funds represented by allocation of Equity Shares from the respective ASBA Accounts to the Public Issue Account. The balance amount after transfer to the Public Issue Account shall be held in the Refund Account for the benefit of the Bidders who are entitled to refunds.
- (b) Bidders would be required to pay their Full Bid Amount at the time of the submission of the Bid cum Application Form by way of 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 Member of the Syndicate to whom the Bid is being submitted. (For details please see the section titled "Issue Procedure - Payment Instructions" beginning on page no. 163 of this Draft Red Herring Prospectus. The Bid Amount payable by each category of Bidders is mentioned in the section titled "Basic Terms of Issue" beginning on page no. 33 of this Draft Red Herring Prospectus. Bid cum Application Forms accompanied by cash shall not be accepted. The maximum Bid Price has to be paid at the time of submission of the Bid cum Application Form based on the highest bidding option of the Bidder.
- (c) Where the Bidder has been allocated lesser number of Equity Shares than he or she had bid for, the excess amount paid on bidding, if any, after adjustment for allocation, will be refunded to such ASBA Bidder(s) within 9 working days and to Non-ASBA Bidders within 10 working days from the Bid Closing Date/Issue Closing Date, failing which our Company shall pay interest @ 15% per annum for any delay beyond the periods mentioned above.
- (d) The Bidders shall, at the time of submission of the Bid cum Application Form, draw a payment instrument for the Bid Amount in favour of the Escrow Account of our Company and submit the same to the Member of the Syndicate. If the payment is not made favouring the Escrow Account along with the Bid cum Application Form, the Bid of the Bidder shall be rejected.
- (e) The payment instruments for payment into the Escrow Account of our Company should be drawn in favour of:
 - (i) In case of Resident Retail Individual Bidders- **"Escrow Account-Asian- Public Issue - R"**
 - (ii) In case of Non -Resident Retail Individual Bidders - **"Escrow Account -Asian- Public Issue - NR"**
- (f) In case of Bids by Eligible NRIs applying on repatriation basis, only Bids accompanied by payment in Indian Rupees or freely convertible foreign exchange will be considered for Allotment. Eligible NRIs who intend to make payment through freely convertible foreign exchange and are Bidding on a repatriation basis may make the payments must be made through Indian Rupee drafts purchased abroad or cheques or bank drafts, for the amount payable on application remitted through normal banking channels or out of funds held in Non-Resident External (NRE) Accounts or Foreign Currency Non-Resident (FCNR) Accounts,

maintained with banks authorised to deal in foreign exchange in India, along with documentary evidence in support of the remittance. Payment will not be accepted out of Non-Resident Ordinary (NRO) Account of Non-Resident Bidder Bidding on a repatriation basis. Payment by drafts should be accompanied by bank certificate confirming that the draft has been issued by debiting to NRE Account or FCNR Account.

- (g) In case of Bids by Eligible NRIs applying on non repatriation basis, the payments must be made through Indian Rupee drafts purchased abroad or cheques or bank drafts, for the amount payable on application remitted through normal banking channels or out of funds held in Non-Resident External (NRE) Accounts or Foreign Currency Non-Resident (FCNR) accounts, maintained with banks authorised to deal in foreign exchange in India, along with documentary evidence in support of the remittance or out of a NRO account of a Non-Resident Bidder bidding on non repatriation basis Payment by drafts should be accompanied by a bank certificate confirming that the draft has been issued by debiting an NRE or FCNR Account or an NRO account.
- (h) In case of Bids by FIIs, FVCIs registered with SEBI 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.
- (i) The monies deposited in the Escrow Account of our Company will be held for the benefit of the Bidders till the Designated Date. 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.
- (j) On the Designated Date and no later than 10 working days from the Bid/Issue Closing Date, the Escrow Collection Bank shall refund all amounts payable to unsuccessful Bidders (other than ASBA Bidders) and the excess amount paid on Bidding, if any, after adjusting for allocation to the Bidders.
- (k) 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 center where the Bid cum Application Form is submitted. Outstation cheque/bank drafts drawn on banks not participating in the clearing process will not be accepted and applications accompanied by such cheques or bank drafts are liable to be rejected. Cash/ stockinvest/ money orders/ postal orders will not be accepted.
- (l) Bidders are advised to mention the number of the Bid cum Application Form on the reverse of the cheque or demand draft to avoid misuse of the instrument submitted along with the Bid cum Application Form.

Payment mechanism for ASBA Bidders

The ASBA Bidders shall specify the ASBA Account number in the ASBA Form and the relevant SCSB shall block an amount equivalent to the application money in the ASBA Account specified in the ASBA 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 the ASBA Form or for unsuccessful ASBA Forms, the Registrar to the Issue shall give instructions to the SCSB to unblock the application money in the relevant bank account within 9 working days of the Issue Closing Date. The Bid Amount shall remain blocked in the ASBA Account until approval of the basis of allocation 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.

Payment by stock-invest

In terms of Reserve Bank of India Circular No. DBOD No. FSC BC 42/24.47.00/2003-2004 dated November 5, 2003, the option to use the stock-invest instrument in lieu of cheques or bank drafts for payment of Bid money has been withdrawn. Hence, payment through stock-invest would not be accepted in this Issue.

Right to Reject Bids

In case of QIB Bidders bidding through Syndicate ASBA, the BRLM and its affiliate Syndicate Member may reject a Bid placed by a QIB for reasons to be recorded in writing, provided that such rejection shall be made at the time of acceptance of the Bid and the reasons therefore shall be disclosed to the QIB Bidders in writing. In case of Non-Institutional Bidders and Retail Individual Bidders, the Company would have a right to reject Bids only on technical grounds.

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 maintained with the SCSB. Subsequent to the acceptance of the Bid by ASBA Bidder by the SCSB or Syndicate Member, our Company would have a right to reject the ASBA Bids only on technical grounds.

The Bidders may note that in case the DP ID, beneficiary account number and PAN mentioned in the Bid cum Application Form and as entered into the electronic Bidding system of the Stock Exchanges by the Members of the Syndicate and the SCSBs, as the case may be, do not match with the DP ID, beneficiary account number and PAN available in the depository database, the Bid is liable to be rejected.

Bids by persons prohibited from buying, selling or dealing in securities directly or indirectly by SEBI or any other regulatory authority shall be rejected by the BRLM.

Withdrawal of Bids

In case an ASBA investor wants to withdraw his/her ASBA during the bidding period, he/she shall submit his withdrawal request to the concerned SCSB or the concerned Syndicate Member, which shall do the necessary, including deletion of details of the withdrawn ASBA Form from the electronic bidding system of the Stock Exchanges and unblocking of funds in the relevant ASBA Account.

In case an ASBA Investor (except in case of a QIB Bidder) wants to withdraw his/her Bid after the Bid/ Issue Closing Date, he/she shall submit the withdrawal request to the Registrar before finalization of basis of allocation. The Registrar shall delete the withdrawn Bid from the bid file. The instruction for unblocking of funds in the relevant ASBA Account, in such withdrawals, shall

be forwarded by the Registrars to the Issue to the SCSB on finalization of the basis of allocation.

Grounds for technical rejections

Bidders should note that incomplete Bid cum Application Forms/ASBA Forms and Bid cum Application Forms/ASBA Forms that are not legible will be rejected by the Members of the Syndicate or the SCSBs.

Bidders are advised to note that Bids are liable to be rejected, inter alia, on the following technical grounds:

1. Amount paid doesn't tally with the amount payable for the highest value of Equity Shares bid for. With respect to Bids by ASBA Bidders, the amounts mentioned in the Bid cum ASBA Form does not tally with the amount payable for the value of the Equity Shares Bid for;
2. Age of First Bidder not given;
3. In case of Partnership firms, the shares may be registered in the name of individual partners and no such partnership firm shall be entitled to apply. However a limited liability partnership firm can apply in its own name;
4. Bids by Persons not competent to contract under the Indian Contract Act, 1872, including minors, insane Persons;
5. PAN not stated (except for Bids on behalf of the Central or State Government, residents of Sikkim and the officials appointed by the courts);
6. Bids for lower number of Equity Shares than specified for that category of investors;
7. Bids at a price less than the lower end of the Price Band;
8. Bids at a price more than the higher end of the Price Band;
9. Bids for number of Equity Shares, which are not in multiples of [•];
10. Category not ticked;
11. Multiple bids as defined in this Draft Red Herring Prospectus;
12. In case of Bid under power of attorney by limited companies, corporate, trust etc., relevant documents are not submitted;
13. Bids accompanied by stock invest/money order/ postal order/ cash;
14. Signature of sole and/or joint Bidders missing In addition, with respect to ASBA Bids, the Bid cum ASBA Form not being signed by the account holders, if the account holder is different from the Bidder;
15. Bid cum Application Form or ASBA Form does not have the stamp of the BRLM or the Syndicate Member or the SCSB (except for electronic ASBA Bids);
16. Bid cum Application Form or ASBA Form does not have Bidder's depository account details or the details given are incomplete or incorrect;
17. Submission of more than five Bid cum ASBA Forms per bank account;
18. Bid cum Application Forms or ASBA Form are not submitted by the Bidders within the time prescribed as per the Bid cum Application Form or ASBA Form and the Draft Red Herring Prospectus and as per the instructions in the Draft Red Herring Prospectus and the Bid cum Application Form or ASBA Form;
19. Bids for amounts greater than the maximum permissible amounts prescribed by the

- regulations;
20. In case no corresponding record is available with the Depositories that matches three parameters, namely, PAN, the Depository Participant's Identification Number (DP ID) and the beneficiary account number;
 21. Bids by OCBs;
 22. Bids by US persons other than "Qualified Institutional Buyers" as defined in Rule 144A of the Securities Act or other than in reliance of Regulation S under the Securities Act;
 23. Bids by QIBs and Non Institutional Bidders which are not made through the ASBA facility;
 24. Bids by NRIs not disclosing their residential status;
 25. If GIR number is mentioned instead of PAN number;
 26. Bids where clear funds are not available in Escrow Accounts as per final certificate from the Escrow Collection Banks;
 27. With respect to ASBA Bids, inadequate funds in the ASBA Account to block the Bid Amount specified in the ASBA Form at the time of blocking such Bid Amount in the ASBA Account;
 28. Bids by persons prohibited from buying, selling or dealing in the shares directly or indirectly by SEBI or any other regulatory authority;
 29. Bids by any person resident outside India, if not in compliance with applicable foreign and Indian laws, or by any persons who are not eligible to acquire Equity Shares of the Company, in terms of all applicable laws, rules, regulations, guidelines and approvals;
 30. Bids at Cut-off Price by Non-Institutional and QIB Bidders;
 31. Bids or revision thereof by QIBs and Non-Institutional Bidders where the Bid Amount is in excess of ₹ 2,00,000, uploaded after 4.00 p.m. or any such time as prescribed by Stock Exchanges on the Bid/Issue Closing Date;
 32. In case of ASBA Forms submitted to the Members of the Syndicate, if the SCSB whose name has been included in the ASBA Form does not have a branch at the relevant ASBA bidding locations, as displayed on the website of SEBI, to accept the ASBA Forms;
 33. Bids in respect of which the Bid cum Application Form or ASBA Form does not reach the Registrar to the Issue prior to the finalisation of the basis of allocation;
 34. Authorisation for blocking funds in the ASBA Account not ticked or provided;
 35. Bids not uploaded in the books; and on the terminals of the Stock Exchanges.

Price Discovery and Allocation

- (a) After the Bid/Issue Closing Date, the BRLM shall analyze the demand generated at various price levels. The Registrar to the Issue shall aggregate the demand generated under the ASBA and provide the same to the BRLM.
- (b) Our Company, in consultation with the BRLM shall finalise the "Issue Price" and the number of Equity Shares to be allotted in each category to Bidders.
- (c) Not more than 50% of the Issue to Public shall be allotted on a proportionate basis to Qualified Institutional Buyers ("QIBs"). 5% of the QIB Portion shall be available for allocation on a proportionate basis to Mutual Funds only and the remainder shall be available for allotment

on a proportionate basis to QIBs and Mutual Funds, subject to valid bids being received from them at or above the Issue Price. Further, not less than 15% of the Issue to Public shall be available for allocation on a proportionate basis to Non Institutional Bidders and not less than 35% of the Issue to Public shall be available for allocation on a proportionate basis to Retail Individual Bidders, subject to valid bids being received at or above the Issue Price

- (d) Under-subscription, if any, in any category of the Issue, would be allowed to be met with spill over from any other category or combination of categories at the discretion of our Company, in consultation with BRLM. If the aggregate demand by Mutual Funds is less than 76,525 Equity Shares, the balance Equity Shares available for allocation in the Mutual Fund Portion will first be added to the QIB Portion and be allotted proportionately to the QIB Bidders. In the event that the aggregate demand in the QIB portion has been met, under-subscription, if any, would be allowed to be met with spillover from any other category or combination of categories at the discretion of our Company, in consultation with the BRLM and the Designated Stock Exchange.
- (e) Allocation to Eligible NRIs, FIIs, foreign venture capital funds, multi-lateral and bilateral development financial institutions registered with SEBI applying on repatriation basis will be subject to the applicable laws, rules, regulations, guidelines and approvals.
- (f) The BRLM, in consultation with our Company shall notify the Syndicate Member of the Issue Price and allocations to their respective Bidders.
- (g) Our Company, in consultation with the BRLM, reserves the right not to proceed with the Issue in accordance with SEBI (ICDR) Regulations. Provided, if our Company withdraws the Issue after the Bid/Issue Closing Date, the reason thereof shall be provided within two days of the Bid/Issue Closing Date by way of a public notice in the same newspapers in which the pre-issue advertisement had appeared. The Stock Exchanges shall also be informed promptly.
- (h) In terms of SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2009, QIB Bidders shall not be allowed to withdraw their bid after the bid / issue closing date.
- (i) The allotment details shall be put on the website of the Registrar to the Issue at www.linkintime.co.in.

Signing of Underwriting Agreement and RoC Filing

- (a) Our Company, the BRLM, and the Syndicate Member shall enter into an Underwriting Agreement on or immediately after the finalisation of the Issue Price.
- (b) After signing the Underwriting Agreement, our Company will update and file the updated Red Herring Prospectus with RoC in accordance with the applicable law, which then would be termed 'Prospectus'. The Prospectus will contain details of the Issue Price, Issue Size, underwriting arrangements and will be complete in all material respects.

Advertisement regarding Issue Price and Prospectus

An advertisement will be issued by our Company in one English national daily, one Hindi national daily and one Gujarati newspaper, each with wide circulation, after filing of the Prospectus with the RoC. This advertisement in addition to the information that has to be set out in the advertisement shall indicate the Issue Price. Any material updates between the date of the Red Herring Prospectus and the Prospectus will be included in such advertisement.

Issuance of Confirmation of Allocation Note

- (a) Upon approval of the basis of allocation by the Designated Stock Exchange, the Registrar to the Issue shall send to the Syndicate Member or the Controlling Branches of the SCSBs a list of their Bidders who have been allocated Equity Shares in the Issue. The approval of the basis of allocation by the Designated Stock Exchange for QIB Bidders may be done simultaneously with or prior to the approval of the basis of allocation for the Retail and Non-Institutional Bidders. Investor should note that our Company shall ensure that the demat credit of the Equity Shares pursuant to allotment shall be made on the same date to all investors in this Issue;
- (b) The Registrar to the Issue would then send the CAN to their Bidders who have been allocated Equity Shares in the Issue. The dispatch of a CAN shall be deemed to be a valid, binding and irrevocable contract for the Bidder to pay the entire Issue Price for all the Equity Shares allocated to such Bidder;
- (c) Such Bidders who have been allocated Equity Shares and who have already paid the full Bid Amount into the Escrow Account at the time of bidding shall directly receive the CAN from the Registrars to the Issue subject, however, to realization of their cheque or demand draft paid into the Escrow Account. The dispatch of a CAN shall be deemed to be a valid, binding and irrevocable contract for the Bidder.

Designated Date and Allotment of Equity Shares

1. Our Company will ensure that (i) Allotment of Equity Shares; and (ii) dispatch of instructions for credit to the successful Bidder's depository account will be completed within 10 (ten) working days of the Bid/Issue Closing Date.
2. **As per the SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2009, Equity Shares will be issued and allotment shall be made only in the dematerialised form to the allottees.** Allottees will have the option to re-materialise the Equity Shares so allotted, if they so desire, as per the provisions of the Companies Act and the Depositories Act.

Investors are advised to instruct their Depository Participant to accept the Equity Shares that may be allocated/ allotted to them pursuant to this Issue.

Basis of allocation

A. For Retail Individual Bidders

- Bids received from the Retail Individual Bidders at or above the Issue Price shall be grouped together to determine the total demand under this category. The allotment to all the successful Retail individual Bidders will be made at the Issue Price.
- The Issue size less allocation to Non-Institutional Bidders and QIB Bidders 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 valid Bids in this category is less than or equal to 10,71,350 Equity Shares at or above the Issue Price, full allotment shall be made to the Retail Individual Bidders to the extent of their valid bids.
- If the valid Bids in this category is greater than 10,71,350 Equity Shares at or above the Issue Price, the allocation shall be made on a proportionate basis up to a minimum of [•] Equity Shares and in multiples of one Equity Shares thereafter. For the method of proportionate basis of allocation, refer below.

B. For Non-Institutional Bidders

- Bids received from Non-Institutional Bidders at or above the Issue Price shall be grouped together to determine the total demand under this category. The allotment to all successful Non-Institutional Bidders will be made at the Issue Price.
- The Issue size less allocation to QIB Bidders and Retail Individual Bidders 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 valid Bids in this category is less than or equal to 4,59,150 Equity Shares at or above the Issue Price, full allotment shall be made to Non-Institutional Bidders to the extent of their demand.
- In case the valid Bids in this category is greater than 4,59,150 Equity Shares at or above the Issue Price; allocation shall be made on a proportionate basis up to a minimum of [•] Equity Shares and in multiples of one Equity Shares thereafter. For the method of proportionate basis of allocation refer below.

C. For QIB Bidders

- Bids received from the QIB Bidders at or above the Issue Price shall be grouped together to determine the total demand under this portion. The allocation to all the QIBs will be made at the Issue Price.
- The Issue size less allocation to Non-Institutional portion and Retail Portion shall be available for allocation to QIB Bidders who have bid in the Issue at a price, which is equal to or greater than the Issue Price.
- However, eligible Bids by Mutual Funds only shall first be considered for allocation proportionately in the Mutual Funds Portion. After completing proportionate allocation to Mutual Funds up to 76,525 Equity Shares (the Mutual Funds Portion), the remaining demand by Mutual Funds, if any, shall then be considered for allocation proportionately, together with Bids by other QIBs, in the remainder of the QIB Portion (i.e. after excluding the Mutual Funds Portion). For the method of allocation in the QIB Portion, see the paragraph titled “Illustration of Allotment to QIBs and Mutual Funds” appearing below. If

the valid Bids by Mutual Funds are for less than 76,525 Equity Shares, the balance Equity Shares available for allocation in the Mutual Funds Portion will first be added to the QIB Portion and allocated proportionately to the QIB Bidders.

- The allotment shall be undertaken in the following manner –
 - (a) In the first instance, allocation to Mutual Funds for upto 5% of the QIB portion shall be determined as follows-
 - In the event that bids from Mutual Funds exceed 5% of the QIB portion, allocation to Mutual Funds shall be done on a proportionate basis upto 5% of the QIB portion.
 - In the event that the aggregate demand from Mutual Funds is less than 5% of QIB portion, then all Mutual Funds shall get full allotment to the extent of valid bids received above the Issue Price.
 - Equity Shares remaining unsubscribed, if any, not allocated to Mutual Funds shall be available for allocation to all QIB Bidders as set out in as (b) below;
 - (b) In the second instance, allocation to all QIBs shall be determined as follows –
 - In the event that the over subscription 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 upto 95% of the QIB portion.
 - Mutual Funds, who have received allocation as per (a) above, for less than the number of equity shares Bid for by them, are eligible to receive Equity Shares on a proportionate basis along with other QIB Bidders.
 - 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.

Under-subscription, if any, in any category would be allowed to be met with spillover from any other category or combination of categories at the sole discretion of the Company in consultation with the BRLM.

Procedure and Time Schedule for Allotment

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 [●] and expire on [●]. Following the expiration of the Bidding Period, our Company, in consultation with the BRLM, will determine the Issue Price, and, in consultation with the BRLM, the basis of allocation and entitlement to allotment are finalised based on the bids received and subject to the confirmation by the BSE/NSE. Successful bidders will be provided with a confirmation of their allocation and will be required to pay any unpaid amount for the Equity Shares within a prescribed time. The Prospectus will be filed with SEBI and the Registrar of Companies and will be made available to investors. SEBI (ICDR) Regulations require our Company to complete the allotment and credit to successful bidders within 11 working days of the expiration of the Bidding Period. Upon approval by the Stock Exchanges, the Equity Shares will be listed and trading will commence.

Unblocking of ASBA Account

Once the basis of allocation 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:

- (i) Number of shares to be allotted against each valid ASBA
- (ii) Amount to be transferred from the relevant bank account to the Public Issue account, for each valid ASBA
- (iii) The date by which the funds referred to in sub-para (ii) above, shall be transferred to the ASBA Public Issue account
- (iv) The 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. SCSB shall thereafter unblock the amounts blocked in the account of the ASBA Investor.

Method of proportionate basis of allocation

In the event of the issue being over-subscribed, our Company shall finalise the basis of allocation in consultation with the Designated Stock Exchange. The Executive Director or Managing Director (or any other senior official nominated by them) of the Designated Stock Exchange along with the BRLM and the Registrars to the Issue shall be responsible for ensuring that the basis of allocation is finalized in a fair and proper manner.

Bidders will be categorized according to the number of Equity Shares applied for by them and the allotment shall be made on a proportionate basis as explained below:-

- (a) 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.
- (b) Number of Equity Shares to be allotted to the successful Bidders will be arrived at on a proportionate basis, which is the total number of Equity Shares applied for by each Bidder in that category multiplied by the inverse of the over-subscription ratio.
- (c) If the proportionate allotment to a Bidder is a number that is more than [•] but is not a multiple of one (which is the market lot), the decimal would be rounded off to the higher whole number if that decimal is 0.5 or higher. If that number is lower than 0.5, it would be rounded off to the lower whole number. Allotment to all Bidders in such categories would be arrived at after such rounding off.
- (d) In all Bids where the proportionate allotment is less than [•] Equity Shares per Bidder, the allotment shall be made as follows:
 - Each successful Bidder shall be Allotted a minimum of [•] 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 (a) above; and
- (e) 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.

Illustration of Allotment to QIBs and Mutual Funds

A. Issue details

Sr. No.	Particulars	Issue details
1	Issue size	10 Lakhs Equity Shares
2	Allocation to QIB (not more than 50% of the Issue)	5 Lakhs Equity Shares
	Of which:	
	a. Reservation For Mutual Funds, (5%)	0.25 Lakhs Equity Shares
	b. Balance for all QIBs including Mutual Funds	4.75 Lakhs Equity Shares
3	Number of QIB applicants	10
4	Number of Equity Shares applied for	25 Lakhs Equity Shares

B. Details of QIB Bids

Sr. No.	Type of QIB bidders#	No. of shares bid for (in Lakhs)
1	A1	2.5
2	A2	1.0
3	A3	6.5
4	A4	2.5
5	A5	2.5
6	MF1	2.0
7	MF2	2.0
8	MF3	4.0
9	MF4	1.0
10	MF5	1.0
	TOTAL	25

A1-A5: (QIB Bidders other than Mutual Funds), MF1-MF5 (QIB Bidders which are Mutual Funds)

C. Details of Allotment to QIB Bidders/Applicants

(Number of equity shares in Lakhs)

Type of QIB bidders	Shares bid For (in Lakhs)	Allocation of 0.25 Lakhs Equity Shares to MF proportionately (please see note 2 below)	Allocation of balance 4.75 Lakhs Equity Shares to QIBs proportionately (please see note 4 below)	Aggregate allocation to MFs
(I)	(II)	(III)	(IV)	(V)
A1	2.5	0	0.48	0

A2	1.0	0	0.192	0
A3	6.5	0	1.248	0
A4	2.5	0	0.480	0
A5	2.5	0	0.480	0
MF1	2.0	0.050	0.374	0.424
MF2	2.0	0.050	0.374	0.424
MF3	4.0	0.100	0.748	0.848
MF4	1.0	0.025	0.187	0.212
MF5	1.0	0.025	0.187	0.212
	25.0	0.250	4.750	2.120

Please note:

1. The illustration presumes compliance with the requirements specified in this Draft Red Herring Prospectus in the section titled “Basic Terms of Issue” beginning on page no. 33 of this Draft Red Herring Prospectus.
2. Out of 5 Lakhs Equity Shares allocated to QIBs, 0.250 Lakhs (i.e. 5%) will be allocated on proportionate basis among five Mutual Fund applicants who applied for 100 lakh shares in the QIB Portion.
3. The balance 4.75 Lakhs Equity Shares [i.e. 5.00 – 0.25 (available for Mutual Funds only)] will be allocated on proportionate basis among 10 QIB Bidders who applied for 25 Lakhs Equity Shares (including 5 Mutual Fund applicants who applied for 10 Lakhs Equity Shares).
4. The figures in the fourth column titled “Allocation of balance 4.75 Lakhs Equity Shares to QIBs proportionately” in the above illustration are arrived as under:
 - i. For QIBs other than Mutual Funds (A1 to A5)= Number of Equity Shares Bid for X 4.75/24.75
 - ii. For Mutual Funds (MF1 to MF5)= [(No. of shares bid for (i.e., in column II of the table above) less Equity Shares allotted (i.e., column III of the table above)] X 4.75/24.75

The numerator and denominator for arriving at allocation of 4.75 Lakhs Equity Shares to the 10 QIBs are reduced by 0.25 Lakhs shares, which have already been allotted to Mutual Funds in the manner specified in column III of the table above.

Equity Shares in Dematerialised Form with NSDL or CDSL

As per the provisions of Section 68B of the Companies Act, the Equity Shares in this Issue shall be allotted only in a dematerialised 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 to the Issue,

1. An Agreement dated March 26, 2010 among NSDL, our Company and Registrar to the Issue.
2. An Agreement dated April 20, 2010 among CDSL, our Company and Registrar to the Issue.

All Bidders can seek allotment only in Dematerialized mode. 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 valid 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 PAN, beneficiary account number and Depository Participant's Identification Number) appearing in the Bid cum Application Form/ ASBA Form or Revision Form/ ASBA Revision Form.
3. Equity Shares allotted to a successful Bidder will be credited in electronic form directly to the beneficiary account (with the Depository Participant) of the Bidder.
4. Names in the Bid cum Application Form/ ASBA Form or Revision Form/ ASBA 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 details of the Bidder(s) with the Depository.
5. Non Transferable allotment advice or refund orders will be directly sent to the Bidders 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/ ASBA Form or Revision Form/ ASBA 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/ ASBA Form vis-à-vis those with his or her Depository Participant.
8. It may be noted that Equity Shares in electronic form can be traded only on the stock exchanges having electronic connectivity with NSDL or CDSL. All the stock exchanges where Equity Shares are proposed to be listed are connected to NSDL and CDSL.
9. The trading of Equity Shares of the Company would only be in dematerialized form for all investors in the demat segment of the respective Stock exchanges.

Disposal of Applications and Applications Money and Interest in case of delay

With respect to Bidders other than ASBA Bidders, our Company shall ensure dispatch of Allotment advice, refund orders (except for Bidders who receive refunds through electronic transfer of funds) and give benefit to the beneficiary account with Depository Participants and submit the documents pertaining to the Allotment to the Stock Exchanges after the Allotment.

In case of Bidders who receive refunds through ECS, or RTGS or Direct Credit or NEFT, the refund instructions will be given to the clearing system and a suitable communication shall be sent to such Bidders within 11 working days from the Bid/Issue Closing Date, giving details of the bank where refunds shall be credited along with amount and expected date of electronic credit of refund.

We undertake that all steps will be taken for completion of necessary formalities for listing and commencement of trading at all the stock exchanges where the Equity Shares are proposed to be listed within 12 working days of the Bid/Issue Closing Date.

The Company shall dispatch refund orders, as per the procedure mentioned under section "Dispatch of Refund Orders" on page no. 178 of this Draft Red Herring Prospectus, at the sole or First Bidder's sole risk.

The Company will provide adequate funds required for dispatch of refund orders or for credit of refunds, as the case may be, to the Registrar to the Issue.

In accordance with the Companies Act, the requirements of the stock exchanges and SEBI (ICDR) Regulations, the Company further undertakes that:

- Allotment of Equity Shares shall be made only in dematerialized form within 10 working days of the Bid/Issue Closing Date;
- With respect to Bidders other than ASBA Bidders, dispatch of refund orders or in a case where the refund or portion thereof is made in electronic manner, the refund instructions are given to the clearing system within 11 working days of the Issue Closing Date would be ensured. With respect to the ASBA Bidders, instructions for unblocking of the ASBA Bidder's ASBA Account shall be made within nine working days from the Issue Closing Date; and
- Our Company shall pay interest at 15% per annum for any delay beyond the 12 working days from the Bid/Issue Closing Date as mentioned above, if allotment is not made and refund orders are not dispatched or if, in a case where the refund or portion thereof is made in electronic manner, the refund instructions have not been given to the clearing system in the disclosed manner and/or demat credits are not made to investors within the 11 working days prescribed above. If such money is not repaid within eight days from the day our Company becomes liable to repay, our Company and every Director of our Company who is an officer in default shall, on and from expiry of eight days, be jointly and severally liable to repay the money with interest as prescribed under the applicable law.

Save and except refunds effected through the electronic mode i.e. ECS, Direct Credit or RTGS, refunds will be made by cheques, pay-orders or demand drafts drawn on the Refund Bank and payable at par at places where Bids are received. The Bank charges, if any, for encashing such cheques, pay orders or demand drafts at other centres will be payable by the Bidders

Letters of Allotment or Refund Orders

The Registrars to the Issue shall give instructions for credit to the beneficiary account with depository participants within 11 working days from the Issue Closing date. Applicants having bank accounts at any of the 68 centres where clearing houses are managed by the Reserve Bank of India (RBI) will get refunds through Electronic Credit Service (ECS) only, except where applicant is otherwise disclosed as eligible to get refunds through direct credit or Real Time Gross Settlement (RTGS). In case of other applicants, our Company shall dispatch refund orders, if any, of value upto ₹ 1,500 by "Under Certificate of Posting", and will dispatch refund orders above ₹ 1,500, if any, by registered post only at the sole or first Bidder's sole risk within 11 working days of the Bid / Issue Closing date. Applicants to whom refunds are made through Electronic transfer of funds will be sent a letter through "Under Certificate of Posting" within 11 working days of closure of Issue, intimating them about the mode of credit of refund, the bank where refunds shall be credited along with the amount and the expected date of electronic credit of refund.

In case of ASBA Bidders, the Registrar to the Issue shall instruct the relevant SCSB to unblock the funds in the relevant ASBA Account to the extent of the Bid Amount specified in the ASBA Forms for withdrawn, rejected or unsuccessful or partially successful ASBA Bids within 11 working days of the Bid/Issue Closing Date.

DISPATCH OF REFUND ORDERS

The payment of refund, if any, would be done through various modes in the following order of preference –

1. ECS – Payment of refund would be done through ECS for applicants having an account at any of the following 68 centers - Ahmedabad, Bangalore, Bhubneshwar, Kolkatta, Chandigarh, Chennai, Guwahati, Hyderabad, Jaipur, Kanpur, Mumbai, Nagpur, New Delhi, Patna and Thiruvanthapuram (managed by RBI); Baroda, Dehradun, Nashik, Panaji, Surat, Trichy, Trichur, Jodhpur, Gwalior, Jabalpur, Raipur, Calicut, Siliguri (Non-MICR), Pondicherry, Hubli, Shimla (Non-MICR), Tirupur, Burdwan (Non-MICR), Durgapur (Non-MICR), Sholapur, Ranchi, Tirupati (Non-MICR), Dhanbad (Non-MICR), Nellore (Non-MICR) and Kakinada (Non-MICR) (managed by State Bank of India); Agra, Allahabad, Jalandhar, Lucknow, Ludhiana, Varanasi, Kolhapur, Aurangabad, Mysore, Erode, Udaipur, Gorakpur and Jammu (managed by Punjab National Bank); Indore (managed by State Bank of Indore); Pune, Salem and Jamshedpur (managed by Union Bank of India); Visakhapatnam managed by Andhra Bank); Mangalore (managed by Corporation Bank); Coimbatore and Rajkot (managed by Bank of Baroda); Kochi/Ernakulum (managed by State Bank of Travancore); Bhopal (managed by Central Bank of India); Madurai (managed by Canara Bank); Amritsar (managed by Oriental Bank of Commerce); Haldia (Non-MICR) (managed by United Bank of India); Vijayawada (managed by State Bank of Hyderabad); and Bhilwara (managed by State Bank of Bikaner and Jaipur). 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 through this mode for applicants having a bank account at any of the above mentioned 68 centers, except where the applicant, being eligible, opts to receive refund through direct credit or RTGS or NEFT. Refunds through ECS may also be done at other locations based on operational efficiency and in terms of demographic details obtained by the Registrar from the Depository Participant.
2. Direct Credit – Applicants having bank accounts with the Refund Banker, shall be eligible to receive funds through direct credit. Charges, if any, levied by the Refund Banker for the same would be borne by the Company.
3. RTGS – Applicants having a bank account at any of the above-mentioned 68 centers, have also 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 banks for the same would be borne by the Company. Charges, if any, levied by the applicants' bank receiving the credit would be borne by the applicant.

4. NEFT – Payment of refund shall be undertaken through NEFT wherever the applicants’ bank has been assigned the IFSC, which can be linked to a MICR, if any, available to that particular bank branch. IFSC 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 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 hence use of NEFT is subject to operational feasibility, cost and process efficiency. In the event that NEFT is not operationally feasible, the payment of refunds would be made through any one of the other modes as discussed in the sections.
5. Refund Orders – 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 ₹ 1,500 and through Speed Post/ Registered Post for refund orders of ₹ 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.

Please note that only applicants having a bank account at any of the 68 centres where clearing houses for ECS are managed by the RBI, State Bank of India, Punjab National Bank, State Bank of Indore, Union Bank of India, Andhra Bank, Corporation Bank, Bank of Baroda, State Bank of Travancore, Central Bank of India, Canara Bank, Oriental Bank of Commerce, United Bank of India, State Bank of Hyderabad and State Bank of Bikaner and Jaipur are eligible to receive refunds through the modes detailed in 1, 2, 3 & 4 hereinabove. For all the other applicants, including applicants who have not updated their bank particulars along with the nine digit MICR code, the refund orders would be dispatched “Under Certificate of Posting” for refund orders of value upto ₹ 1,500 and through Speed Post / Registered Post for refund orders of ₹ 1,500 and above.

UNDERTAKING BY THE COMPANY

Our Company undertake as follows:

- (a) that the complaints received in respect of this Issue shall be attended to by us expeditiously and satisfactorily;
- (b) that all steps will be taken for the completion of the necessary formalities for listing and commencement of trading at all the stock exchanges where the Equity Shares are proposed to be listed within 12 working days of the Bid/Issue Closing Date;
- (c) that the funds required for making refunds to unsuccessful applicants as per the mode(s) disclosed under the heading “Dispatch of Refund Orders” on page no. 178 of this Draft Red Herring Prospectus shall be made available to the Registrar to the Issue by our Company;
- (d) that where refunds are made through electronic transfer of funds, a suitable communication shall be sent to the applicant within 11 working days of closure of Issue, giving details of the bank where refunds shall be credited alongwith the amount and expected date of electronic credit of refund;

- (e) that the refund orders or allotment advice to the Eligible NRIs or FIIs shall be dispatched within specified time; and
- (f) that no further Issue of Equity Shares shall be made until the Equity Shares Issued through this Draft Red Herring Prospectus are listed or until the Bid Money is refunded on account of non-listing, under-subscription etc.
- (g) 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 allocation.

UTILISATION OF ISSUE PROCEEDS

Our Board of Directors of the Company certifies that:

- (a) all monies received out of the Issue shall be credited / transferred to a separate bank account other than the bank account referred to in sub-section (3) of Section 73 of the Companies Act, 1956;
- (b) details of all monies utilized out of the Issue referred above shall be disclosed under an appropriate separate head in its balance sheet indicating the purpose for which such monies have been utilized;
- (c) details of all unutilized monies out of the Issue, if any, shall be disclosed under the appropriate separate head in its balance sheet indicating the form in which such unutilised monies have been invested;

Our Company shall comply with the requirements of Clause 49 of the Listing Agreement in relation to the disclosure and monitoring of the utilization of the proceeds of the Issue.

Our Company shall not have recourse to the Issue proceeds until the approval for trading of the Equity Shares from all the Stock Exchanges where listing is sought has been received.

COMMUNICATIONS

All future communications in connection with Bids by Bidders 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/ASBA Form number, Bidder's DP ID, PAN, beneficiary account number, number of Equity Shares applied for, date of Bid Form/ASBA Form, name and address of the Syndicate Member or the Designated Branch where the Bid was submitted and cheque or draft number and issuing bank thereof or with respect to ASBA Bids, ASBA Account number in which the amount equivalent to the Bid Amount was blocked.

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 respective beneficiary accounts, refund orders etc. In case of ASBA Bids submitted with the Members of the Syndicate/Designated Branches, Bidders can contact the relevant Designated Branch of the SCSBs. The SCSB or the Syndicate/ sub-syndicate Member, as applicable, 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 or the Syndicate/sub-syndicate Member, as applicable, including its Designated Branches and the branches where the ASBA Accounts are held. Our Company, the BRLM, the Syndicate Members and the Registrar accept no responsibility for errors, omissions, commission or any acts of SCSBs including any defaults in complying with its obligations under applicable SEBI ICDR Regulations.

The Book Running Lead Manager undertakes that the complaints or comments received in respect of this Issue shall be attended to by the Company expeditiously and satisfactorily.

Restrictions on Foreign Ownership of Indian Securities

Foreign investment in Indian securities is regulated through the Industrial Policy, 1991 of the GoI 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 of the Government of India, 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.

Subscription by Non-Residents

The Equity Shares have not been and will not be registered under the Securities Act or any state securities laws in the United States and may not be offered or sold within the United States or to, or for the account or benefit of, "U.S. persons" (as defined in Regulation S under the Securities Act), except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act or the requirements of the Investment Company Act.

Accordingly, the Equity Shares are only being offered and sold (i) in the United States to entities that are both "qualified institutional buyers", as defined in Rule 144A of the Securities Act and "qualified purchasers" as defined under the Investment Company Act and (ii) outside the United States to certain persons in offshore transactions in compliance with Regulation S under the Securities Act and the applicable laws of the jurisdiction where those offers and sales occur.

As per the current regulations, OCBs cannot participate in this Issue.

The above information is given for the benefit of the Bidders. The Company, the BRLM are not liable for any amendments or modification or changes in applicable laws or regulations, which may happen after the date of this Draft Red Herring Prospectus. Bidders are advised to make their independent investigations and ensure that the number of Equity Shares bid for do not exceed the applicable limits under laws or regulations. However we shall update this Draft Red herring Prospectus and keep the public informed of any material changes in matters concerning our business and operations till the listing and commencement of trading of the Equity Shares.

SECTION IX – MAIN PROVISIONS OF ARTICLES OF ASSOCIATION OF THE COMPANY

Pursuant to Schedule II of the Companies Act, 1956 and the SEBI (ICDR) Regulations, the main provisions of the Articles of Association of the Company relating to voting rights, dividend, lien, forfeiture, restrictions on transfer and transmission of equity shares and or their consolidation/splitting are required to be stated. The regulations contained in Table A of Schedule I of the Companies Act, 1956, shall apply to our Company in so far as they are not inconsistent with or repugnant to any of the regulations contained in the Articles of Association of our Company.

Capitalised terms used in this section have the meaning given to such terms in the Articles of the Company.

Increase Reduction and Alteration of Capital

6. The Company may from time to time in General Meeting increase its Share Capital by the issue of new shares of such amounts as it thinks expedient.

On what conditions the new shares may be issued

- (a) Subject to the provisions of sections 80, 81 and 85 to 90 of the Act, the new shares shall be issued upon such terms and conditions and with such rights and privileges annexed thereto by the General Meeting creating the same as shall be directed and if no direction be given as the Directors shall determine and in particular such shares may be issued subject to the provisions of the said sections with a preferential or qualified right to dividends and in distribution of assets of the Company and subject to the provisions of the said sections with special or without any right of voting and subject to the provisions of Section 80 of the Act any preference shares may be issued on the terms that they are or at the option of the Company are liable to be redeemed.

Further issue of Shares

- (b) Where at any time after the expiry of two years from the formation of a Company or at any time after the expiry of one year from the allotment of shares in that 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
 - (i) such further shares shall be offered to the persons who at the date of 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.
 - (ii) 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 within which the offer, if not accepted, will be deemed to have been declined.
 - (iii) unless the articles of the company otherwise provide, 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 clause (b) shall contain a statement of this right.
 - (iv) 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.
- (c) Notwithstanding anything contained in the preceding sub-clause (1), the further shares

aforesaid may be offered to any persons [whether or not those persons include the persons referred to in clause sub-clause (1)] in any manner whatsoever:-

- (i) if a special resolution to that effect is passed by the company in general meeting, or
 - (ii) 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 so to do, vote in person, or where proxies are allowed, by proxy, exceed the votes, if any, cast against the proposal by members so entitled 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.
- (d) Nothing in clause (c) above shall be deemed -
- (i) to extend the time within which the offer should be accepted, or
 - (ii) 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.
- (e) 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 or loans raised by the company -
- (i) to convert such debentures or loans into shares in the company, or
 - (ii) to subscribe for shares in the company;
- Provided that the terms of issue of such debentures or the terms of such loans includes a term providing for such option and such term:
- (a) either has been approved by the Central Government before the issue of debentures or the raising of the loans, or is in conformity with the rules 197, if any, made by that Government in this behalf; and
 - (b) in the case of debentures or loans other than debentures issued to, or loans obtained from, the Government or any institution specified by the Central Government in this behalf, has also been approved by a special resolution passed by the company in general meeting before the issue of the debentures or the raising of the loans.

Same as Original Capital

- (f) 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 original Capital and shall be subject to the provisions herein contained with reference to the payment of calls, installments, transfers, transmission, forfeiture, lien, surrender, voting and otherwise.

Power to issue Redeemable Preference Shares

- 7.(a) Subject to the provisions of Section 80 of the Act and subject to the provisions on which any shares may have been issued, the Company may issue preference shares which are or at the option of the Company are liable to be redeemed;
- Provided that:
- (i) no such shares shall be redeemed except out of the profits of the Company which would otherwise be available for dividend or out of the proceeds of a fresh issue of Shares made for the purpose of redemption;

- (ii) no such shares shall be redeemed unless they are fully paid;
 - (iii) 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 Share Premium Account before the shares are redeemed.
 - (iv) where any such shares are redeemed otherwise than 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 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.
- (b) Subject to the provisions of Section 80 of the Act and subject to the provisions on which any shares may have been issued, the redemption of preference shares may be effected on such terms and in such manner as may be provided in these Articles or by the terms and conditions of their issue and subject thereto in such manner as the Directors may think fit.
- (c) The redemption of preference shares under these provisions by the Company shall not be taken as reducing the amount of its Authorised Share Capital.
- (d) Where in pursuance of this Article, the Company has redeemed or is about to redeem any preference shares, it shall have power to issue shares upto the nominal amount of the shares redeemed or to be redeemed as if those shares had never been issued; and accordingly the Share Capital of the Company shall not, for the purpose of calculating the fees payable under Section 611 of the Act, be deemed to be increased by the issue of shares in pursuance of this clause.
- Provided that where new shares are issued before the redemption of the old shares, the new shares shall not so far as relates to stamp duty be deemed to have been issued in pursuance of this clause unless the old shares are redeemed within one month after the issue of the new shares.
- (e) The Capital Redemption Reserve Account may, notwithstanding anything in this Article, be applied by the Company, in paying up unissued shares of the Company to be issued to members of the Company as fully paid up bonus shares.

Provision in case of Redemption of preference shares

8. The Company shall be at liberty at any time, either at one time or from time to time as the Company shall think fit, be giving not less than six month's previous notice in writing to the holders of the preference shares to redeem at par the whole or part of the preference shares for the time being outstanding, by payment of the nominal amount thereof with dividend calculated upto the date or dates notified for payment (and for this purpose the dividend shall be deemed to accrue and due from day to day) and in the case of redemption of part of the preference shares the following provisions shall take effect :
- (a) The shares to be redeemed shall be determined by drawing of lots which the Company shall cause to be made at its Registered Office in the presence of one Director at least; and
 - (b) Forthwith after every such drawing, the Company shall notify the shareholders whose shares have been drawn for redemption its intention to redeem such shares by payment at the Registered Office of the Company at the time and on the date to be named against surrender of the Certificates in respect of the shares to be so redeemed and at the time and date so notified each such shareholder shall be bound to surrender to the Company the Share Certificates in respect of the Shares to be redeemed and thereupon the Company shall

pay the amount payable to such shareholders in respect of such redemption. The Shares to be redeemed shall cease to carry dividend from the date named for payment as aforesaid, where any such certificate comprises any shares which have not been drawn for redemption, the Company shall issue to the holder thereof a fresh certificate therefore.

Reduction of Capital

9. The Company may from time to time by special resolution, subject to confirmation by the Court and subject to the provisions of Sections 78, 80 and 100 to 104 of the Act, reduce its Share Capital and any Capital Redemption Reserve Account or Premium Account in any manner for the time being authorised by law and in particular without prejudice to the generality of the foregoing power may be:
 - (a) extinguishing or reducing the liability on any of its shares in respect of Share Capital not paid up;
 - (b) either with or without extinguishing or reducing liability on any of its shares, cancel paid up Share Capital which is lost or is unrepresented by available assets; or
 - (c) either with or without extinguishing or reducing liability on any of its shares, pay off any paid up Share Capital which is in excess of the wants of the Company; and may, if and so far as is necessary, alter its Memorandum, by reducing the amount of its Share Capital and of its shares accordingly.

Division, Sub-Division, Consolidation, Conversion and Cancellation of Shares

10. Subject to the provisions of Section 94 of the Act, the Company in General Meeting may by an ordinary resolution alter the conditions of its Memorandum as follows, that is to say it may:
 - (a) consolidate and divide all or any of its Share Capital into shares of larger amount than its existing shares;
 - (b) sub-divide its shares or any of them into shares of smaller amount than originally fixed by the Memorandum subject nevertheless to the provisions of the Act in that behalf and so however that in the sub-division the proportion between the amount paid and the amount if any, unpaid on each reduced share shall be the same as it was in the case of the share from which the reduced share is derived and so that as between the holders of the shares resulting from such sub-division one or more of such shares may, subject to the provisions of the Act, be given any preference or advantage over the others or any other such shares;
 - (c) convert, all or any of its fully paid up shares into stock, and re-convert that stock into fully paid up shares of any denomination;
 - (d) cancel, shares which at the date of such General Meeting have not been taken or agreed to be taken by any person, and diminish the amount of its Share Capital by the amount of the shares so cancelled.

SHARES AND CERTIFICATES

Shares at the disposal of the Directors

19. Subject to the provisions of Section 81 of the Act and these Articles the shares in the Capital of the Company for the time being shall be under the control of the Directors who may issue, allot or otherwise dispose of the same or any of them to such persons, in such proportion and on such terms and conditions and either at a premium or at par or (subject to compliance with the provisions of Section 79 of the Act) at a discount and at such time as they may from time to time think fit and with the sanction of the Company in General Meeting to give to any person the

option to call for any shares either at par or at a premium during such time and for such option to call for any shares either at par or at a premium during such time and for such consideration as the Directors think fit, and may issue and allot shares in the Capital of the Company on payment in full or part for any property sold and transferred or for services rendered to the Company in the conduct of its business and any shares which may be so allotted may be issued as fully paid up shares and if so issued, shall be deemed to be fully paid shares.

Issue of Certificates of Shares to be governed by Section 84 of the Act etc.

26. (a) The issue of certificates of shares or of duplicate or renewal of certificates of Shares shall be governed by the provisions of Section 84 and other provisions of the Act, as may be applicable and by the Rules or notifications or orders, if any, which may be prescribed or made by competent authority under the Act or Rules or any other law. The Directors may also comply with the provisions of such rules or regulations of any Stock Exchange where the shares of the Company may be listed for the time being.

Certificate of Shares

- (b) The Certificate of title to shares shall be issued under the Seal of the Company and shall be signed by such Directors or Officers or other authorised persons as may be prescribed by the Rules made under the Act from time to time and subject thereto shall be signed in such manner and by such persons as the Directors may determine from time to time.
- (c) The Company shall comply with all rules and regulations and other directions which may be made by any competent authority under Section 84 of the Act.

Limitation of time for issue of certificate

27. (a) Every member shall be entitled, without payment, to one or more Certificate in marketable lots, for all the shares of each class or denomination registered in his name, or if the Directors so approve (upon paying such fee as the Directors may from time to time determine) to several certificates, each for one or more of such shares and the 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 the shares in respect of which it is issued and the amount paid up thereon and shall be in such form as the Directors may prescribe or approve provided that in respect of a Share or Shares held jointly by several persons, the Company shall not be borne to issue more than one certificate and delivery of a certificate of shares to one of several joint holders shall be sufficient delivery to all such holders.
- (b) The Company shall not entertain any application for split of share / debenture certificate for less than 10 (Ten) Equity Shares / 10 (Ten) debentures (all relating to the same series) in market lots as the case may be.
- Provided however this restriction shall not apply to an application made by the existing members or debenture holders for split of share / debenture certificates with a view to make an odd lot holding into a marketable lot subject to verification by the Company.
- (c) Notwithstanding anything contained in Clause (a) above the Directors shall, however, comply with such requirements of the Stock Exchange where Shares of the Company may be listed or such requirements of any rules made under the Act or such requirements of the

Securities Contracts (Regulations) Act, 1956 as may be applicable.

Issue of new Certificate in place of one defaced, lost or destroyed

28. 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 be 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 these Articles shall be issued without payment of fees if the Directors so decide, or on payment of such fees (not exceeding Re. 2/- for each Certificate) as the Directors shall prescribe. Provided that no fee shall be charged for issue of new certificates in replacement of those which are old, defaced or worn out or where there is no further space on the back thereof for endorsement of transfer.

Provided that notwithstanding what is stated above the Directors shall comply with such Rules or Regulations or requirements of any Stock Exchange or the Rules made under the Act or the Rules made under Securities Contracts (Regulations) Act, 1956 or any other Act, or Rules applicable in this behalf.

UNDERWRITING COMMISSION AND BROKERAGE

Power to pay certain commission and prohibition of payment of all other commission, discounts etc.

30. (A) The Company may pay a commission to any person in consideration of:
- (i) his subscribing or agreeing to subscribe whether absolutely or conditionally, for any shares in or debentures of the Company, subject to the restrictions specified in sub-section (4A) of Section 76 of the Act, or
 - (ii) his procuring or agreeing to procure subscriptions, whether absolute or conditional for any shares in or debentures of the Company, if the following conditions are fulfilled, namely:
 - (a) the commission paid or agreed to be paid does not exceed in the case of 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 debentures are issued;
 - (b) the amount or rate percent of the commission paid or agreed to be paid on shares or debentures offered to the public for subscription, is disclosed in the Prospectus, and in the case of shares or debentures not offered to the public for subscription, is disclosed in the Statement in lieu of Prospectus and filed before the payment of the commission with the Registrar, and where a circular or notice, not being a Prospectus inviting subscription for the shares or debentures is issued is also disclosed in that circular or notice;
 - (c) the number of shares or debentures which such persons have agreed for a commission to subscribe, absolutely or conditionally is disclosed in the manner aforesaid and
 - (d) a copy of the contract for the payment of commission is delivered to the Registrar at the time of delivery of the prospectus or the statement in lieu of prospectus for registration.
- (B) Save as aforesaid and save as provided in Section 75 of the Act, the Company shall not allot

any of its shares or debentures or apply any of its moneys, either directly or indirectly, in payment of any commission, discount or allowance, to any person in consideration of:

- (i) his subscribing or agreeing to subscribe, whether absolutely or conditionally, for any shares in, or debentures of the Company or;
 - (ii) his procuring or agreeing to procure subscriptions, whether absolutely or conditionally, for any shares in, or debentures of the Company whether the shares, debentures or money be so allotted or applied by, being added to the purchase money of any property acquired by the Company or to the contract price of any work to be executed for the Company or the money be paid out of the nominal purchase money or contract price, or otherwise.
- (C) Nothing in this Article shall affect the power of the Company to pay such brokerage as it has hereto before been lawful for the Company to pay.
- (D) A vendor to, promoter of, or other person who receives payment in shares, debentures or money from the Company shall have and shall be deemed always to have had power to apply any part of the shares, debentures or money so received for payment of any commission, the payment of which, if made directly by the Company would have been legal under Section 76 of the Act.
- (E) The commission may be paid or satisfied (subject to the provisions of the Act and these Articles) in cash, or in shares, debentures or debenture-stocks of the Company.

LIEN

Company's lien on Shares/Debentures

44. The Company shall have first and paramount lien upon all the shares / debentures (other than fully paid up shares / debentures) registered in the name of each member (whether solely or jointly with others) and upon the proceeds of sale thereof for all moneys (whether presently payable or not) called or payable at a fixed time in respect of such shares / debentures and no equitable interest in any shares / debentures shall be created except upon the footing and condition that this Article will have full effect. And such lien shall extend to all dividends and bonuses from time to time declared in respect of such shares / debentures. Unless otherwise agreed the registration of a transfer of shares / debentures shall operate as a waiver of the Company's lien if any on such shares / debentures. The Directors may at any time declare any shares / debentures wholly or in part to be exempt from the provisions of this Clause.

FORFEITURE

If call or installment not paid notice must be given

47. (a) If any member or debenture holder fails to pay the whole or any part of any call or installment or any money due in respect of any shares or debentures either by way of principal or interest on or before the day appointed for the payment of the same or any such extension thereof as aforesaid, the Directors may at any time thereafter, during such time as the call or any instalment or any part thereof or other moneys remain unpaid or a judgement or decree in respect thereof remains unsatisfied in whole or in part, serve a notice on such member or debenture holder or on the person (if any) entitled to the share by transmission requiring him to pay such call or instalment or such part thereof or other moneys as remain unpaid 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.

Form of Notice

- (b) The notice shall name a day not being less than One Month from the date of the notice and a place or places, on and at which such call, or instalment or such part or other moneys as aforesaid and such interest and expenses as aforesaid are to be paid. The notice shall also state that in the event of non payment of call amount with interest at or before the time and at the place appointed, the shares or debentures in respect of which the call was made or instalment or such part or other moneys is or are payable will be liable to be forfeited.

In default of payment shares or debentures to be forfeited

48. If the requirements of any such notice as aforesaid are not complied with any share / debenture in respect of which such notice has been given, may at any time thereafter before payment of all calls or instalments, interest and expenses or other moneys due in respect thereof, be forfeited by a resolution of the Directors to that effect. Neither the receipt by the Company of a portion of any money which shall from time to time be due from any member of the Company in respect of his shares, either by way of principal or interest, nor any indulgence granted by the Company, in respect of the payment of any such money, shall preclude the Company from thereafter proceeding to enforce a forfeiture of such shares as herein provided. Such forfeiture shall include all dividends declared or interest paid or any other moneys payable in respect of the forfeited shares or debentures and not actual paid before the forfeiture.

Forfeited share/debenture to be property of Company and may be sold

50. Any share or debenture 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 Directors shall think fit.

Power to annual forfeiture

51. The Directors may, at any time, before any share or debenture so forfeited shall have been sold, re-allotted or otherwise disposed of, annual forfeiture thereof upon such conditions as they think fit.

Shareholders or Debenture holders still liable to pay money owing at time of forfeiture and interest

52. Any member or debenture holder whose shares or debentures have been forfeited shall, notwithstanding the forfeiture, be liable to pay and shall forthwith pay to the Company, all calls, installments, interest, expenses and other money owing upon or in respect of such shares or debentures at the time of the forfeiture together with interest thereon from the time of the forfeiture until payment at such rate as the Directors may determine, and the Directors may enforce the payment of the whole or a portion thereof, if they think fit, but shall not be under any obligation to do so.

Effect of forfeiture

53. The forfeiture of a share or debenture shall involve extinction at the time of forfeiture, of all interest in and all claims and demands against the Company, in respect of the share or debenture and all other rights incidental to the share or debenture, except only such of those rights as by these Articles are expressly saved.

Cancellation of share/debenture Certificate in respect of forfeited shares/debentures

56. Upon any sale, re-allotment or other disposal under the provisions of the preceding Articles, the certificate/s originally issued in respect of the relative shares or debentures shall (unless the same shall on demand by the Company has been previously surrendered to it by the defaulting member or debenture holder) stand cancelled and become null and void and be of no effect, and the Directors shall be entitled to issue a duplicate certificate/s in respect of the said shares or debentures to the person/s entitled thereto.

Surrender of Shares or Debentures

58. The Directors may, subject to the provisions of the Act, accept a surrender of any share or debenture from or by any member or debenture holder desirous of surrendering them on such terms as they think fit.

TRANSFER AND TRANSMISSION OF SHARES AND DEBENTURES

Register of Transfers

59. The Company shall keep a book to be called the "Register of Transfers" and therein shall be fairly and distinctly entered the particulars of every transfer or transmission of any share.

Instrument of transfer to be executed by transferor and transferee

61. Every such instrument of transfer shall be signed both by the transferor and transferee and the transferor shall be deemed to remain the holder of such share until the name of the transferee is entered in the Register of Members in respect thereof.

Directors may refuse to register transfer

62. (a) Subject to the provisions of Section 111 of the Act and Section 22A of the Securities Contracts (Regulation) Act, 1956, the Directors may, at their own absolute and uncontrolled discretion any by giving reasons, decline to register or acknowledge any transfer of shares whether fully paid or not and the right of refusal, shall not be affected by the circumstances that the proposed transferee is already a member of the Company but in such cases, the Directors shall within one month from the date on which the instrument of transfer was lodged with the company, send to the transferee and transferor notice of the refusal to register such transfer provided that registration of transfer shall not be refused on the ground of the transferor being either; alone or jointly with any account whatsoever except when the company has lien the shares. Transfer of shares/debentures in whatever lot shall not be refused.
- (b) Nothing in Sections 108, 109 and 110 of the Act shall prejudice this power to refuse to register the transfer of or the transmission on legal documents by operation of law of the rights to, any shares or interest of a member in, any shares or debentures of the Company.

Transfer of Shares

63. (a) An application of registration of the transfer of shares may be made either by the transferor or the transferee provided that where such application is made by the transferor, no registration shall in the case of partly paid shares be effected unless the Company gives notice of the application to the transferee and subject to the provisions of Clause (d) of this Article, the Company shall unless objection is made by the transferee within two weeks from the date of receipt of the notice, enter in the Register of Members the name of the

transferee in the same manner and subject to the same conditions as if the application for registration was made by the transferee.

- (b) For the purpose of clause (a) above notice to the transferee shall be deemed to have been duly given if sent 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 to him in the ordinary course of post.
- (c) It shall not be lawful for the Company to register a transfer of any shares unless a proper instrument of transfer duly stamped and executed by or on behalf of the transferor and by or on behalf of the transferee and specifying the name, address and occupation if any, of the transferee has been delivered to the Company along with the certificate relating to the shares and if no such certificate is in existence, along with the letter of allotment of shares. The Directors may also call for such other evidence as may reasonably be required to show the right of the transferor to make the transfer provided that where it is proved to the satisfaction of the Directors of the Company that an instrument of transfer signed by the transferor and the transferee has been lost, the Company may, if the Directors think fit, on an application in writing made by the transferee and bearing the stamp required by an instrument of transfer register the transfer on such terms as to indemnity as the Directors may think fit.
- (d) Nothing in clause (c) above shall prejudice any power of the Company to register as share holder any person to whom the right to any share has been transmitted by operation of law.
- (e) The Company shall accept all applications for transfer of shares / debentures, however, this condition shall not apply to requests received by the Company.
 - (A) for splitting of a share or debenture certificate into several scripts of very small denominations;
 - (B) proposals for transfer of shares / debentures comprised in a share / debenture certificate to several parties involving, splitting of a share / debenture certificate into small denominations and that such split / transfer appears to be unreasonable or without any genuine need.
 - (i) transfer of equity shares / debentures made in pursuance of any statutory provisions or an order of a Competent Court of law;
 - (ii) the transfer of the entire equity shares / debentures by an existing shareholder / debenture holder of the Company holding under one folio less than 10 (ten) Equity Shares or 10 (ten) Debentures (all relating to the same series) less than in market lots by a single transfer to a single or joint transferee.
 - (iii) the transfer of not less than 10 (ten) Equity shares or 10 (ten) Debentures (all relating to the same series) in favour of the same transferee(s) under two or more transfer deeds, out of which one or more relate(s) to the transfer of less than 10 (ten) Equity Shares / 10 (ten) debentures.
 - (iv) the transfer of less than 10 (ten) Equity Shares or 10 (ten) Debentures (all relating to the same series) to the existing share holder / debenture holder subject to verification by the Company.

Provided that the Board may in its absolute discretion waive the aforesaid conditions in a fit and proper case(s) and the decision of the Board shall be final in such case(s).
- (f) Nothing in this Article shall prejudice any power of the Company to refuse to register the transfer of any share.

Transfer to Minors etc.

66. Only fully paid shares or debentures shall be transferred to a minor acting through his / her legal or natural guardian. Under no circumstances, shares or debentures be transferred to any insolvent or a person of unsound mind.

Persons entitled may receive dividend without being registered as member

70. A person entitled to a share by transmission shall, subject to the right of the Directors to retain such dividends, bonuses or moneys as hereinafter provided be entitled to receive, and may give a discharge for any dividends, bonuses or other moneys payable in respect of the share / debenture.

No Fees on transfer or transmission

74. No fees shall be charged for registration of transfer transmission, Probate, Succession Certificate and Letters of administration, Certificate of Death of Marriage, Power of Attorney or similar other document.

BORROWING POWERS**Restriction on powers of the Board**

78. The Board of Directors shall not, except with the consent of the Company in General Meeting and subject to Article 172 of the Articles of Association of the Company :
- (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 after the commencement of this Act, of any such undertaking as is referred to in clause (a) or of any premises or properties used for any such undertaking and without which it can not be carried on or can be carried on only with difficulty or only after a considerable time.
 - (d) borrow monies 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.
 - (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 percent, of its average net profits as determined in accordance with the provisions of Sections 349 and 350 of the Act during the three financial year immediately preceding, whichever is greater.

Explanation: Every resolution passed by the Company in General Meeting in relation to the exercise of the power referred to in clause (d) or in clause (e) shall specify the total amount upto which money may be borrowed by the Board of Directors under clause (d) or as the case may be, the total amount which may be contributed to charitable and other funds in any financial year under clause (e).

SHARE WARRANTS

Power to issue share warrants

87. The Company may issue share warrants subject to and in accordance with the provisions of Sections 114 and 115 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.

DIVIDENDS

Capital paid up in advance and interest not to earn dividend

182. Where the Capital is paid up in advance of 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 amount paid up

- 183.(a) The Company shall pay dividends in proportion to the amounts paid up or credited as paid up on each share, when a larger amount is paid up or credited as paid up on some shares than on others. Nothing in this Article shall be deemed to affect in any manner the operation of Section 208 of the Act.
- (b) Provided always that any Capital paid up on a share during the period in respect of which a dividend is declared, shall unless the terms of issue otherwise provide, only entitle the holder of such share to an apportioned amount of such dividend proportionate to the capital from time to time paid during such period on such share.

Company in General Meeting may declare dividends

184. The Company in general meeting may declare a dividend to be paid to the members according to their respective rights and interests in the profits and may fix the time for payment.

Interim Dividends

188. The Directors may, from time to time, pay to the members such interim dividends as in their judgement the position of the Company justifies.

Retention of Dividend until completion of transfer under Article

189. The Directors may retain the Dividends payable upon shares in respect of which any person is under the Transmission clause of these Articles entitled to become a member or which any person under the clause is entitled to transfer until such person shall become a member in respect of such shares or shall duly transfer the same.

No member to receive Dividend whilst indebted to the Company and Company's right to reimbursement therefrom

190. Subject to the provisions of the Act, no member shall be entitled to receive payment of any interest or dividend in respect of his share(s) whilst any money may be due or owing from him to the Company in respect of such share(s) or debenture(s) or otherwise however either alone or jointly with any other person or persons and the Directors may deduct from the interest or dividend payable to any member, all sums of moneys so due from him to the Company.

Unpaid or Unclaimed Dividend

- 193.(a) Where the Company has declared a dividend but which has not been paid or the dividend warrant in respect thereof has not been posted within 30 days from the date of declaration, to any shareholder entitled to the payment of the dividend, the Company shall within 7 days from the date of expiry of the said period of 30 days, open a special account in that behalf in any scheduled bank called "Unpaid Dividend Account of "[ASIAN LOGISTICS LIMITED]" and transfer to the said account, the total amount of dividend which remains unpaid or in relation to which no dividend warrant has been posted.
- (b) Any money transferred to the unpaid dividend account of the 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 Investor Education and Protection Fund account of the Central Government.
- No claim for such transferred amount will lie against the Company or Central Government.
- (c) No unpaid or unclaimed dividend shall be forfeited by the Board.

Capitalisation

- 196.(a) Any general meeting may resolve that any amount standing to the credit of the Share Premium Account or the Capital Redemption Reserve Account or any money's investments or other assets forming part of the undivided profits (including profits or surplus moneys arising from the realisation and where permitted by law, from the appreciation in value of any capital assets of the Company) standing to the credit of the General Reserve, Reserve or any Reserve Fund or any other fund of the Company or in the hands of the Company and available for dividend may be capitalised. Any such amount (excepting the amount standing to the credit of the Share Premium Account and/or the Capital Redemption Reserve Account) may be capitalised;
- (i) by the issue and distribution as fully paid shares, debentures, debenture stock, bonds or obligations of the Company or
- (ii) by crediting the shares of the Company which may have been issued and are not fully paid up, with the whole or any part of the sum remaining unpaid thereon.
- Provided that any amounts standing to the credit of the Share Premium Account may be applied in;
- (1) paying up unissued shares of the Company to be issued to members of the Company as fully paid bonus shares;
- (2) in writing off the preliminary expenses of the Company;
- (3) in writing of the expenses of, or the commission paid or discount allowed on any issue of shares or debentures of the Company; or
- (4) in providing for the premium payable on the redemption of any redeemable preference shares or of any debentures of the Company. Provided further that any amount standing to the credit of the Capital Redemption Reserve Account shall be applied only in paying up unissued shares of the Company to be issued to the members of the Company as fully paid bonus shares.
- (b) Such issue and distribution under sub-clause (a)(i) above and such payment to the credit of unpaid share capital under sub-clause (a)(ii) above shall be made to, among and in favour of the members of any class of them or any of them entitled thereto and in accordance with their respective rights and interests and in proportion to the amount of capital paid up on the shares held by them respectively in respect of which such distribution under sub-clause

- (a)(i) or payment under sub-clause (a)(ii) above shall be made on the footing that such members become entitled thereto as capital.
- (c) The Directors shall give effect to any such resolution and apply portion of the profits, General Reserve Fund or any other fund or account as aforesaid as may be required for the purpose of making payment in full for the shares, debentures or debenture stock, bonds or other obligations of the Company so distributed under sub-clause (a)(i) above or (as the case may be) for the purpose of paying, in whole or in part, the amount remaining unpaid on the shares which may have been issued and are not fully paid-up under sub-clause (a) (ii) above provided that no such distribution or payment shall be made unless recommended by Directors and if so recommended such distribution and payment shall be accepted by such members as aforesaid in full satisfaction of their interest in the said capitalised sum.
- (d) For the purpose of giving effect to any such resolution the Directors may settle any difficulty which may arise in regard to the distribution or payment as aforesaid as they think expedient and in particular they may issue fractional certificates or coupons and fix the value for distribution of any specific assets and may determine that such payments be made to any members on the footing of the value so fixed and may vest any such cash, shares, fractional certificates or coupons, debentures, debenture stock, bonds, or other obligations in trustees upon such trusts for the persons entitled thereto as may seem expedient to the Directors and generally may make such arrangement for the acceptance, allotment and sale of such shares, debentures, debenture stock, bonds or other obligations and fractional certificates or coupons or otherwise as they may think fit.
- (e) Subject to the provisions of the Act and these Articles in cases where some of the shares of the Company are fully paid and others are partly paid only, such capitalisation may be effected by the distribution of further shares in respect of the fully paid shares, and by crediting the partly paid shares with the whole or part of the unpaid liability thereon but so that as between the holders of fully paid shares, and the partly paid shares the sums so applied in the payment of such further shares and in the extinguishment or diminution of the liability on the partly paid shares shall be so applied pro rata in proportion to the amount then already paid or credited as paid on the existing fully paid and partly paid shares respectively.

SECTION X: 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 the Company) which are or may be deemed material have been entered or to be entered into by the Company. These contracts, copies of which have been attached to the copy of the Draft Red Herring Prospectus, have been delivered to the Registrar of Companies, Ahmedabad, Gujarat; for registration and also the documents for inspection referred to hereunder, may be inspected at the Registered Office of the Company, from 10.00 a.m. to 4.00 p.m. on any working day from the date of the Draft Red Herring Prospectus until the date of closing of the Issue.

Material Contracts

1. Memorandum of Understanding dated June 23, 2011 signed between our Company and Almondz Global Securities Limited, the Book Running Lead Manager to the Issue.
2. Memorandum of Understanding dated July 20, 2010 signed between the Company and Link Intime India Private Limited, Registrar to the Issue.
3. Copy of the Tri-partite Agreement dated March 26, 2010 between NSDL, the Company and Link Intime India Private Limited.
4. Copy of the Tri-partite Agreement dated April 20, 2010 between CDSL, the Company and Link Intime India Private Limited.

Material documents for inspection

1. Memorandum and Articles of Association of Asian Logistics Limited as amended till date.
2. Resolution of our Board dated April 16, 2010 and our Extra Ordinary General Meeting dated August 13, 2010 for authorizing the Issue.
3. Certificate of Incorporation.
4. Copies of agreements with the Chairman and Managing Director and Whole Time Director in respect of their remuneration.
5. Copy of Audit Report issued by Peer Review Auditor, M/s SAP Associates, Chartered Accountants for the period ended March 31, 2011, and restated financial statements for the last 5 financial years ended March 31, 2011.
6. Copies of Annual Reports of our Company for the period ended March 31, 2007, March 31, 2008, March 31, 2009, March 31, 2010 and March 31, 2011.
7. Statement of Tax Benefits from Statutory Auditor of our Company.
8. Consent of Peer Review Auditor, for the inclusion of their report on accounts in the form and context in which they appear in this Draft Red Herring Prospectus.
9. Consents of Statutory Auditor, Peer Review Auditor, BRLM, Registrar to the Issue, Legal Counsel to the Company, Directors of our Company, Company Secretary and Compliance

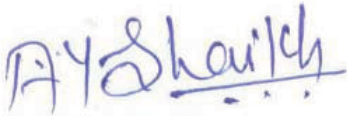
Officer to act in their respective capacities and for inclusion of their names in this Draft Red Herring Prospectus.

10. Copy of Shareholders' Agreement dated August 13, 2010.
11. Copy of Grading Agency for IPO grade.
12. Copies of letter addressed to BSE and NSE regarding in-principle approval for listing.
13. In-principle listing approval dated [•] and [•] from BSE and NSE respectively.
14. Due Diligence Certificate dated June 25, 2011 to SEBI from Almondz Global Securities Limited.

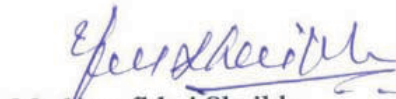
DECLARATION

All the relevant provisions of the Companies Act, 1956, and the guidelines issued by the Government of India or the regulations issued by Securities and Exchange Board of India, established under Section 3 of the Securities and Exchange Board of India Act, 1992, as the case may be, have been complied with and no statement made in this Draft Red Herring Prospectus is contrary to the provisions of the Companies Act, the Securities and Exchange Board of India Act, 1992 or rules made thereunder or regulations issued, as the case may be. The Company further certifies that all statements in this Draft Red Herring Prospectus are true and correct.

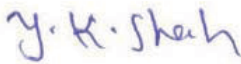
SIGNED BY ALL THE DIRECTORS OF ASIAN LOGISTICS LIMITED



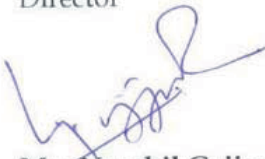
Mr. Arif Shaikh
Chairman & Managing Director




Mr. Yusufbhai Shaikh
Whole Time Director



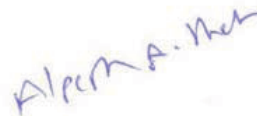
Mr. Yogesh Shah
Director



Mr. Nayshil Gajjar
Director



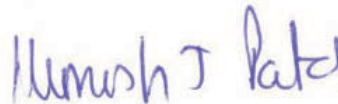
Mr. Narendra Tundiya
Director



Mr. Alpesh Shah
Director



Mr. Muntaha Shaikh
Chief Finance Officer



Mr. Nimish Patel
Director

Date: June 25, 2011

Place: Ahmedabad, Gujarat

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Designed and Printed by: