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Geography simplified

RED HERRING PROSPECTUS
Please read Section 60B of the Companies Act, 1956
May 16, 2006
100% Book Building Issue

ALLCARGO GLOBAL LOGISTICS LIMITED

(Our Company was incorporated as All Cargo Movers (India) Private Limited, as a private company on August 18, 1993 under the Companies Act, 1956. The name of our Company was changed to Allcargo Movers (India) Private Limited on June 25, 2004. Consequently the name of our Company was changed to Allcargo Global Logistics Private Limited on December 8, 2005 and was converted into a public limited company on January 17, 2006.

Registered and Corporate Office: Diamond Square, 5th Floor, CST Road, Kalina, Santacruz (E), Mumbai – 400 098

Tel: +91 22 6679 8100; Fax: +91 22 6679 8195

Contact person: Mr. Yogesh Kolwalkar Web site: www.allcargoglobal.com Email: ipo@allcargoglobal.com

PUBLIC ISSUE OF 2,079,000 EQUITY SHARES OF THE FACE VALUE OF RS. 10/- EACH AT A PRICE OF RS. [●] EACH, FOR CASH AGGREGATING RS. [●] MILLION ("REFERRED TO AS THE "ISSUE"), BY ALLCARGO GLOBAL LOGISTICS LIMITED ("OUR COMPANY" OR "THE ISSUER") INCLUDING EMPLOYEE RESERVATION OF 51,000 EQUITY SHARES OF THE FACE VALUE OF RS. 10/- EACH AT A PRICE OF RS. [●] EACH FOR CASH AGGREGATING RS. [●] MILLION AND THE NET OFFER TO THE PUBLIC OF 2,028,000 EQUITY SHARES OF THE FACE VALUE OF RS. 10/- EACH AT A PRICE OF RS. [●] EACH FOR CASH AGGREGATING RS. [●] (HEREINAFTER REFERRED TO AS "NET ISSUE TO PUBLIC"). THE ISSUE WILL CONSTITUTE 10.26% OF THE POST ISSUE PAID-UP CAPITAL OF OUR COMPANY. THE NET ISSUE TO THE PUBLIC WILL CONSTITUTE 10.01% OF THE POST ISSUE PAID-UP CAPITAL OF OUR COMPANY.

PRICE BAND: RS. 625/- TO RS. 725/- PER EQUITY SHARE OF FACE VALUE RS. 10/- EACH. ISSUE PRICE IS 62.5 TIMES OF THE FACE VALUE AT THE LOWER END OF THE PRICE BAND AND 72.5 TIMES AT THE HIGHER END OF THE PRICE BAND.

In case of revision in the Price Band, the Bidding/Offer Period shall be extended for three additional working days after such revision, subject to the Bidding/Offer Period not exceeding ten working days. Any revision in the Price Band, and the revised Bidding/Offer 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 by indicating the change on the websites of the Book Running Lead Managers and the terminals of the Syndicate. In terms of Rule 19(2)(b) of the SCRR, this being an Issue for less than 25% of the post-Issue capital, the Issue is being made through the 100% Book Building Process wherein at least 60% of the Issue shall be allocated on a proportionate basis to QIB Bidders, out of which 5% of the QIB Portion shall be available for allocation on a proportionate basis to Mutual Funds only, and the remainder of the QIB Portion shall be available for allocation on a proportionate basis to all QIB Bidders, including Mutual Funds, subject to valid Bids being received at or above Issue price. If at least 60% of the Issue cannot be allocated to QIB Bidders, then the entire application money will be refunded forthwith. Further, up to 10% of the Issue shall be available for allocation on a proportionate basis to Non-Institutional Bidders and up to 30% of the Issue shall be available for allocation on a proportionate basis to Retail Individual Bidders, subject to valid Bids being received at or above the Issue Price.

RISK IN RELATION TO FIRST ISSUE

This being the first Public Issue of Equity Shares of the Company, there has been no formal market for the Equity Shares of the Company. The face value of the Equity Shares is Rs.10/- per Equity Share and the Issue Price is [●] times of the face value. The Issue Price (as determined by the Company, in consultation with the Book Running Lead Managers, on the basis of assessment of market demand for the Equity Shares offered by way of book building) should not be taken to be indicative of the market price of the Equity Shares after the Equity Shares are listed. No assurance can be given regarding an active and/or sustained trading in the Equity Shares of the Company or regarding the price at which the Equity Shares will be traded after listing.

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 securities have not been recommended or approved by Securities and Exchange Board of India (SEBI) nor does SEBI guarantee the accuracy or adequacy of this document. Specific attention of investors is invited to the section titled "Risk Factors" on page xii of the Red Herring Prospectus.

COMPANY'S ABSOLUTE RESPONSIBILITY

The Company having made all reasonable inquiries, accepts responsibility for and confirms that this offer document contains all information with regard to the Issuer and the Issue, which is material in the context of the Issue, that the information contained in the offer document 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 document as a whole or any of such information or the expression of any such opinions or intentions misleading in any material respect.

LISTING

The Equity Shares offered through the Red Herring Prospectus are proposed to be listed on The BSE and The NSE and the Company has received in-principle approvals from these Stock Exchanges for the listing of its Equity Shares pursuant to letters dated April 13, 2006 and April 18, 2006 respectively. For purposes of this Issue, the Designated Stock Exchange is BSE.

BOOK RUNNING LEAD MANAGER	CO-BOOK RUNNING LEAD MANAGER	REGISTRAR TO THE ISSUE
ENAM **Enam Financial Consultants Private Limited** 801 Dalamal Towers Nariman Point Mumbai-400 021 Tel: +91 22 66381800 Fax: +91 22 22846824 Email: allcargo.ipo@enam.com Website: www.enam.com	Inga **Inga Advisors Private Limited** A-404, Neelam Center Hind Cycle Road, Worli Mumbai-400 030 Tel: +91 22 24982919 Fax: +91 22 24982956 Email: allcargo.ipo@ingaadvisors.com Website: www.ingaadvisors.com	INTIME SPECTRUM REGISTRY LIMITED **Intime Spectrum Registry Limited** C-13, Pannalal Silk Mills Compound LBS Marg, Bhandup (West) Mumbai-400 078. Tel: +91 22 25960320 Fax: +91 22 25960329 Email: vishwasa@intimespectrum.com Website: www.intimespectrum.com

ISSUE PROGRAM	
BID/ISSUE OPENS ON : JUNE 1, 2006	BID/ISSUE CLOSES ON : JUNE 6, 2006

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SECTION I - DEFINITIONS AND ABBREVIATIONS

Term	Description
"AGL", "Company", "our Company", "Issuer", "we", "us"	Unless the context otherwise requires, refers to Allcargo Global Logistics Limited, a public limited company incorporated under the Companies Act, 1956.
Subsidiaries	Contech Transport Services Private Limited, a private limited company incorporated under the Companies Act, 1956 and Allcargo Belgium N.V. registered under the laws of Belgium.
Promoter	Mr. Shashi Kiran Shetty
Promoter Group	As defined in Explanation II of Clause 6.8.3.2 of SEBI (Disclosure and Investor Protection) Guidelines, 2000 and amendments thereof

CONVENTIONAL / GENERAL TERMS

Term	Description
Articles/Articles of Association/ AoA	Articles of Association of Allcargo Global Logistics Limited
Board of Directors / Board	The Board of Directors of Allcargo Global Logistics Limited or a committee thereof unless otherwise specified
Companies Act / Act	The Companies Act, 1956 as amended from time to time
Depository	A company formed and registered under the Companies Act, 1956 (1 of 1956), and which has been granted a certificate of registration under sub-section (1A) of section 12 of the Securities and Exchange Board of India Act, 1992 (15 of 1992)
Depositories Act	The Depositories Act, 1996, as amended from time to time
Depository Participant	A person registered as such under sub-section (1A) of Section 12 of the Securities and Exchange Board of India Act, 1992 (15 of 1992)
Directors	The directors of our Company, unless otherwise specified
Equity Shares	Equity shares of our Company of the face value of Rs. 10/- each, unless otherwise specified in the context thereof
FEMA	Foreign Exchange Management Act, 1999, as amended from time to time, and the regulations framed there under
FII	Foreign Institutional Investor [as defined under FEMA (Transfer or Issue of Security by a Person Resident Outside India) Regulations, 2000] registered with SEBI
Financial Year/Fiscal/FY	Period of twelve months ended March 31 of that particular year
Government / GoI	The Government of India
Indian GAAP	Generally Accepted Accounting Principles in India
I.T. Act	The Income-Tax Act, 1961, as amended from time to time
I.T. Rules	The Income-Tax Rules, 1962, as amended from time to time
Memorandum / Memorandum of Association/ MoA	Memorandum of Association of Allcargo Global Logistics Limited
NRI / Non-Resident Indian	A person resident outside India who is a citizen of India or is person of Indian origin (as defined in Foreign Exchange Management (Deposit) Regulations, 2000

Term	Description
SCRR	Securities Contracts (Regulation) Rules, 1957, as amended from time to time.
SEBI	The Securities and Exchange Board of India, constituted under the SEBI Act, 1992
SEBI Act	Securities and Exchange Board of India Act, 1992 as amended from time to time
SEBI DIP Guidelines / SEBI Guidelines	SEBI (Disclosure and Investor Protection) Guidelines, 2000, as amended, including instructions and clarifications issued by SEBI from time to time
SEBI Takeover Code/ SEBI Takeover Regulations	SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 1997, as amended from time to time
FCNR Account	Foreign Currency Non-resident Account

ISSUE RELATED TERMS

Term	Description
Allocation Amount	The amount payable by a Bidder on or prior to the Pay-in Date after deducting any Bid Amounts that may already have been paid by such Bidder.
Allotment	Allotment of Equity Shares of the Company pursuant to the public Issue to the successful Bidders.
Allottee	The successful Bidder to whom the Equity Shares are being issued.
Bankers to the Issue / Escrow Collection Banks	ABN Amro Bank N.V., HDFC Bank Limited, ICICI Bank Limited, Standard Chartered Bank and Yes Bank Limited
Bid	An indication to make an offer during the Bidding Period by a prospective investor to subscribe to Equity Shares of the Company at a price within the Price Band, including all revisions and modifications thereto.
Bid Price/ Bid Amount	The highest value of the optional Bids indicated in the Bid cum Application Form and payable by the Bidder on submission of the Bid in the Issue.
Bid Closing Date / Issue Closing Date	The date after which the Syndicate Members will not accept any Bids for the Issue, which shall be notified in a widely circulated English national newspaper, a Hindi national newspaper and a regional newspaper circulated at a place where the registered office of the Company is situated.
Bid cum Application Form	The form in response to the terms of which the Bidder shall make an offer to purchase the Equity Shares of the Company and which will be considered as the application for allotment of the Equity Shares in terms of the Red Herring Prospectus.
Bid Opening Date / Issue Opening Date	The date on which the Syndicate Members shall start accepting Bids for the Issue, which shall be the date notified in a widely circulated English national newspaper, a Hindi national newspaper and a regional newspaper circulated at a place where the registered office of the Company is situated.
Bidder	Any prospective investor who makes a Bid pursuant to the terms of the Red Herring Prospectus.
Bidding Period / Issue Period	The period between the Bid / Issue Opening Date and the Bid / Issue Closing Date inclusive of both days and during which prospective Bidders can submit their Bids.
Book Building Process / Method	Book building route as provided under Chapter XI of the SEBI Guidelines, in terms of which, this Issue is being made.

Term	Description
BRLMs	Book Running Lead Managers to the Issue, in this case being Enam Financial Consultants Private Limited, IL&FS Investsmart Limited and Inga Advisors Private Limited.
CAN / Confirmation of Allocation Note	The note or advice or intimation of allocation of Equity Shares sent to the Bidders who have been allocated Equity Shares after discovery of Issue Price in accordance with the Book Building Process.
Cap Price	The higher end of the Price Band, above which the Issue Price will not be finalized and above which no bids will be accepted.
Cut-off price	The Issue Price finalized by our Company in consultation with the BRLMs. Only retail individual bidders are entitled to bid at cut-off price for a Bid Amount not exceeding Rs. 100,000/-. QIBs and non-institutional bidders are not entitled to Bid at cut-off price.
Designated Date	The date on which the funds are transferred from the Escrow Account of the Company to the Public Issue Account after the Prospectus is filed with the ROC, following which the Board of Directors shall allot Equity Shares to successful bidders.
Designated Stock Exchange	Bombay Stock Exchange Limited.
Employee/Employees	A permanent employee of our Company or a Director of our Company/ Subsidiaries, who is an Indian national based in India and is physically present in India on the date of submission of the Bid-cum-Application Form. In addition, such person should be an employee or Director as on one day before the Bid / Issue Opening Date.
Explanation	For the purposes of this definition, employees who are on probation are deemed to be permanent employees of our Company, and hence eligible to Bid under the Employees Reservation Portion. Directors forming part of the Promoter Group shall not be allowed to participate in this Issue, including the Employee Reservation Portion.
Employee Reservation Portion	The portion of the Issue being a maximum of 51,000 Equity Shares of Rs.10/- each available for allocation for Employees.
Enam	Enam Financial Consultants Private Limited.
Equity Shares	Equity Shares of the Company of the face value Rs. 10 each, unless otherwise specified in the context thereof.
Equity Shareholders	Persons holding Equity Shares of the Company unless otherwise specified in the context thereof.
Escrow Account / Escrow Collection Account	Account opened with the Escrow Collection Bank(s) for the Issue and in whose. favour the Bidder will issue cheques or drafts in respect of the Bid Amount when submitting a Bid and the Allocation Amount paid thereafter.
Escrow Agreement	Agreement entered into amongst the Company, the Registrar, the Escrow Collection Bank(s), the Syndicate Members and the BRLMs for collection of the Bid Amounts and remittance of refunds, if any, of the amounts collected to the Bidders on the terms and conditions thereof.
Escrow Collection Bank (s)	The Banks, which are clearing members and registered with SEBI as Banker to the Issue, at which the Escrow Account will be opened.
ESOP Plan	Allcargo Employee Stock Option Plan 2006 (in accordance with the SEBI ESOP Guidelines) of our Company approved by the Board of Directors vide resolution passed on January 12, 2006.

Term	Description
ESOP Guidelines / SEBI ESOP Guidelines	The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999, as amended from time to time.
First Bidder	The Bidder whose name appears first in the Bid cum Application Form or Revision Form.
Floor Price	The lower end of the Price Band, below which the Issue Price will not be finalized and below which no Bids will be accepted.
IIL	IL&FS Investsmart Limited.
Inga	Inga Advisors Private Limited.
IPO Committee	IPO Committee means a committee of the Board constituting Mr. Shashi Kiran Shetty, Mr. Kaiwan Kalyaniwalla and Mrs. Arathi Shetty.
Issue / Public Issue	Public Issue of 2,079,000 new Equity Shares of Rs. 10/- each (including Employee Reservation Portion of 51,000 Equity Shares) for cash at the Issue Price of Rs. [●] aggregating to Rs. [●] million by the Company in terms of the Red Herring Prospectus.
Issue Account / Public Issue Account	In accordance with Section 73 of the Companies Act, 1956, an account opened with the Banker(s) to the Issue to receive monies from the Escrow Account for the Issue on the Designated Date.
Issue Size	2,079,000 Equity Shares of the Company.
Issue Price	The final price at which Equity Shares will be issued and allotted in terms of the Red Herring Prospectus, as determined by the Company in consultation with the BRLMs, on the Pricing Date.
Margin Amount	The amount paid by the Bidder at the time of submission of his/her Bid, being minimum 10% of the Bid Amount.
Mutual Funds	A mutual fund registered with SEBI under the SEBI (Mutual Funds) Regulations, 1996.
Mutual Funds Portion	That portion of the Issue, being 5% of the QIB portion or 60,840 Equity Shares (QIB portion is 60% of the Net Issue to Public) available for allocation on a proportionate basis to Mutual Funds only.
Net Issue to Public / Net Issue	The issue less the allocation to the Employees under the Employees reservation Portion aggregating to 2,028,000 Equity Shares.
Non-Institutional Bidders	All Bidders that are not Qualified Institutional Buyers or Retail Individual Bidders and who have bid for Equity Shares for an amount exceeding Rs.100,000/-.
Non-Institutional Portion	The portion of the Issue being a minimum of 202,800 Equity Shares of Rs. 10/- each available for allocation to Non-Institutional Bidders.
Pay-in Date	The last date specified in the CAN sent to Bidders as applicable.
Pay-in-Period	This term means: - i) with respect to Bidders whose margin amount is 100% of the bid amount, the period commencing on the Bid / Issue Opening Date and extending until the Bid / Issue Closing Date and ii) with respect to Bidders whose margin amount is less than 100% of the bid amount the period commencing on the Bid / Issue Opening Date and extending until the closure of the Pay-in Date.
Price Band	The price band of a minimum price (floor of the price band) of Rs. 625/- and the maximum price (cap of the price band) of Rs. 725/- and includes revision thereof.

Term	Description
Pricing Date	The date on which the Company in consultation with the BRLMs finalizes the Issue Price.
Prospectus	The Prospectus to be filed with the RoC in accordance with the provisions of Section 60 of the Act containing, inter alia, the Issue Price that is determined at the end of the Book Building Process, the size of the Issue and certain other information.
Public Issue Account	Account opened with the Bankers to the Issue to receive monies from the Escrow Account on the Designated Date.
Qualified Institutional Buyers or QIBs	Public financial institutions as specified in Section 4A of the Act, FIIs registered with SEBI, scheduled commercial banks, mutual funds registered with SEBI, multilateral and bilateral development financial institutions, venture capital funds registered with SEBI, foreign venture capital investors registered with SEBI, state industrial development corporations, insurance companies registered with Insurance Regulatory and Development Authority, provident funds (subject to applicable law) with minimum corpus of Rs. 250 million and pension funds (subject to applicable laws) with minimum corpus of Rs. 250 million.
QIB Portion	The portion of the Issue being at least 1,216,800 Equity Shares of Rs. 10/- each at the Issue Price, available for allocation to QIBs.
Red Herring Prospectus	The Red Herring Prospectus issued in accordance with Section 60B of the Act, which does not have complete particulars on the price at which the Equity Shares are offered and size of the Offer. The Red Herring Prospectus will be filed with the RoC at least three days before the opening of the Issue and will become a Prospectus after filing with the RoC after the pricing and allocation.
Retail Individual Bidders	Individual Bidders (including HUFs and NRIs) who apply or Bid for securities of or for a value of not more than Rs. 100,000/-.
Retail Portion / Retail Individual Portion	The portion of the Issue being a minimum of 608,400 Equity Shares of Rs.10/- each available for allocation to Retail Individual Bidder(s).
Registrar /Registrar to the Issue	Intime Spectrum Registry Limited.
Revision Form	The form used by the Bidders to modify the quantity of Equity Shares or the Bid Amount in any of their Bid cum Application Forms or any previous Revision Form(s).
Statutory Auditors / Auditors	Statutory auditors of our Company being M/s. Appan and Lokhandwala Associates.
Stock Exchanges	BSE and NSE.
Syndicate	The BRLMs and the Syndicate Members.
Syndicate Agreement	The agreement dated [●] entered into among the Company, the BRLMs and the other members of the Syndicate, in relation to the collection of Bids in this Issue.
Syndicate Members	Enam Securities Private Limited and Oracle Stocks and Shares Limited.
TRS or Transaction Registration Slip	The slip or document issued by the Syndicate to the Bidders as proof of registration of the Bid.
Underwriters	[●]
Underwriting Agreement	The agreement dated [●] between the Underwriters and the Company to be entered into on or after the Pricing Date.

INDUSTRY / COMPANY RELATED TERMS

Term	Description
B/L	Bill of Lading
Cbm	Cubic Meter
CCTV	Close Circuit Television
CFS	Container Freight Station
CHA	Custom House Agents
CIDCO	City and Industrial Development Corporation of Maharashtra Ltd.
COC	Carrier owned Container
COGSA	The Indian Carraige of Goods by Sea Act, 1925
CONCOR	Container Corporation of India Ltd.
CWC	Central Warehousing Corporation Ltd. (A Government of India undertaking)
DRT	Dronagiri Rail Terminal
Ecu Group	Comprises of the subsidiaries and joint ventures of Ecu Hold NV
EDI	Electronic Data Interface
FCL	Full Container Load
FEU	Forty Feet Equivalent Unit
FF	Freight Forwarders
HTC	Handling and Transport Contractor
IATA	International Air Transport Association
ICD	Inland Container Depot
IGM	Import General Manifest
IVRS	Interactive Voice Response System
JNPT	Jawaharlal Nehru Port Trust
LCL	Less Than Container Load
MCC	Multi City Consolidation
MMTG	Multimodal Transport of Goods Act, 1993
MTD	Multimodal Transport Document
MTO	Multimodal Transport Operator
NCR	National Capital Regions which include areas such as Tuglakabad, Patparganj, Faridabad, Dadri and Gurgaon
NVOCC	Non-Vessel Owning Common Carrier
ODC	Over Dimensional Cargo
OWC	Over Weight Cargo

Term	Description
Registered Office / Registered Office of the Company	Diamond Square, 5th Floor, CST Road, Kalina, Santacruz (E), Mumbai - 400 098
Stevedore	A contractor engaged to provide labour for loading and unloading of cargo onto a ship or vessel or into containers meant to be loaded onto a vessel
Surveyor	A specialist who surveys cargo before loading or post unloading and certifies the quantity and condition of cargo and provides independent reports to his client
TEU	Twenty Feet Equivalent Unit
THC	Terminal Handling Charges
TLP	Transindia Logistic Park
VHF	Very High Frequency

ABBREVIATIONS

Abbreviation	Full Form
AGM	Annual General Meeting
AS	Accounting Standards issued by the Institute of Chartered Accountants of India
AY	Assessment Year
BSE	Bombay Stock Exchange Limited
A/c	Account
CAGR	Compounded Annual Growth Rate
Capex	Capital Expenditure
CDSL	Central Depository Services (India) Limited
CFO	Chief Financial Officer
CTC	Cost to the Company
EBITDA	Earning Before Interest Tax Depreciation and Amortisation
EGM	Extraordinary General Meeting
EPS	Earnings Per Share i.e. profit after tax divided by outstanding number of Equity Shares at the year end
FDI	Foreign Direct Investment
FEMA	Foreign Exchange Management Act, 1999
FIPB	Foreign Investment Promotion Board
FV	Face Value
HUF	Hindu Undivided Family
IPBCC	India Pakistan Bangladesh Ceylon Conference
IPO	Initial Public Offering
IPR	Intellectual Property Rights

Abbreviation	Full Form
JV	Joint Venture
KMP	Key Managerial Personnel
KVA	Kilo Vaults Amperes
LOA	Letter of Acceptance
MANSA	Mumbai and Nhava Sheva Ship-Intermodal Agents Association
MD	Managing Director
MoU	Memorandum of Understanding
N.A.or N/A	Not Applicable
NAV	Net Asset Value
NOC	No Objection Certificate
NR	Non-Resident
NRE Account	Non Resident External Account
NRI(s)	Non-Resident Indian(s)
NRO Account	Non Resident Ordinary Account
NSDL	National Securities Depository Limited
NSE	The National Stock Exchange of India Limited
P/E Ratio	Price / Earnings Ratio
PAN	Permanent Account Number
QIB	Qualified Institutional Buyer
RBI	The Reserve Bank of India
RoC	Registrar of Companies
RONW	Return on Net Worth
Rs. / Rupees / INR	Indian Rupees
Sec.	Section
TRS	Transaction Registration Slip
UIN	Unique Identification Number
USD or $ or US $	United States Dollar
VAT	Value Added Tax

SECTION II – RISK FACTORS

CERTAIN CONVENTIONS: USE OF MARKET DATA

Unless stated otherwise, the financial data in the Red Herring Prospectus is derived from our restated financial statements prepared in accordance with Indian GAAP and SEBI DIP Guidelines, beginning on page 144 in the Red Herring Prospectus. Our fiscal year commences on April 1 and ends on March 31. In the Red Herring Prospectus, any discrepancies in any table between the total and the sums of the amounts listed are due to rounding off.

All references to "India" contained in the Red Herring Prospectus are to the Republic of India. All references to "Rupee(s)" or "Rs." or "INR" are to Indian Rupees, the official currency of the Republic of India. All references to "US", "USA", or the "United States" are to the United States of America. All references to "US$", "USD" or "US Dollars" are to the United States Dollars, the official currency of the United States of America. All references to "NRS" are to Nepalese Rupee, the official currency of Nepal. All references to "million" or "Million" or "mn" refer to one million, which is equivalent to "ten lakhs" or "ten lacs".

Throughout this Red Herring Prospectus, all figures have been expressed in million except in the sections "Our Promoter and Promoter Group Companies" and "History and Certain Other Corporate Matters" on page 121 and page 98 of the Red Herring Prospectus, where some figures have been expressed in thousands.

This Red Herring Prospectus contains certain translations of USD and Nepali Rupees into INR that have been presented solely to comply with requirements of clause 6.9.7.1 of the SEBI Guidelines. These translations should not be construed as representations that those USD or Nepali Rupees could have been, or could be, converted into INR, as the case may be, at any particular date, at the rates stated below or any other rate. Following rates have been used in this Red Herring Prospectus, as per the certificate provided by the Statutory Auditors of our Company, for the purpose of conversion of USD and Nepali Rupees into INR.

Currency	2004-05		2003-04		2002-03	
	Closing Rate	Average Rate	Closing Rate	Average Rate	Closing Rate	Average Rate
USD (FY April 1 to March 31)	43.7900	44.9427	44.1250	46.0289	47.6500	48.4915
Nepali Rupees (FY July 16 to July 15)	0.6284	0.6475	0.6398	0.6362	0.6402	0.6525

The various sources/reports that have been referred to and used for the purposes of the Red Herring Prospectus are:

1. Project Feasibility Reports prepared by Rakesh Garg and Associates, Chartered Accountants for the proposed CFS at Chennai and ICD at NCR.
2. Project Feasibility Reports for proposed CFS at Mundra prepared by our Company and certified by Rakesh Garg and Associates, Chartered Accountants.
3. Economic Survey of India
4. Times Shipping Journal, January 2005
5. Foreign Trade Policy 2005 - 2006
6. National Maritime Development Programme
7. Cargo Times, January 2006

8. The LINK, May 2005
9. Official website of Jawaharlal Nehru Port Trust
10. Official website of Mundra Port
11. Official website of Department of Shipping
12. Official website of CII Logistics
13. Supply Chain Management and Logistics 2.0, July 2005
14. ISL SSMR, June 2004 and June 2005
15. CII Logistics and Freight News, June 2005
16. Press Information Bureau

For additional definitions, please refer to the section entitled "Definitions and Abbreviations" on page i of the Red Herring Prospectus.

Market and industry data used throughout the Red Herring Prospectus has been obtained from publications available in the public domain and internal Company reports. These publications generally state that the information contained therein has been obtained from sources believed to be reliable but that their accuracy and completeness are not guaranteed and their reliability cannot be assured. Although we believe industry data used in the Red Herring Prospectus is reliable, it has not been independently verified. Similarly, internal Company reports, while believed by the Company to be reliable, have not been verified by any independent source.

FORWARD-LOOKING STATEMENTS

The Red Herring Prospectus contains certain “forward-looking statements”. These forward looking statements can generally be identified by words or phrases such as “aim”, “anticipate”, “believe”, “expect”, “estimate”, “intend”, “objective”, “plan”, “propose” “project”, “shall”, “will”, “will continue”, “will pursue” or other words or phrases of similar import. Similarly, statements that describe our objectives, plans or goals are also forward-looking statements. All forward-looking statements are subject to risks, uncertainties and assumptions about us that could cause actual results to differ materially from those contemplated by the relevant forward-looking statement.

Actual results may differ materially from those suggested by the forward-looking statements due to risks or uncertainties associated with our expectations with respect to, but not limited to:

- our ability to successfully implement our strategy and our growth and expansion plans, technological changes;
- changes in the laws and regulations that apply to our line of business;
- performance of our business is dependant on general economic conditions in India;
- changes in the political conditions in India;
- changes in the economic and political scenario of Belgium, United States of America and South Africa;
- changes in the value of the Rupee and other currencies;
- the monetary and interest policies of India, inflation, deflation, equity prices or other rates or prices; and
- the occurrence of natural disasters or calamities affecting the areas in which we have operations.

For further discussion of factors that could cause our actual results to differ, please refer to the subsection titled “Risk Factors” beginning on page xii of the Red Herring Prospectus. By their nature, certain market risk disclosures are only estimates and could be materially different from what actually occurs in the future. As a result, actual future gains or losses could materially differ from those that have been estimated. Neither we, our Directors, any member of the Syndicate nor any of their respective affiliates have any obligation to update or otherwise revise any statements reflecting circumstances arising after the date hereof or to reflect the occurrence of underlying events, even if the underlying assumptions do not come to fruition. In accordance with SEBI requirements, we and the BRLMs will ensure that investors in India are informed of material developments until such time as the grant of listing and trading permission by the Stock Exchanges.

RISK FACTORS

An investment in equity shares involves a high degree of risk. You should carefully consider all of the information in the Red Herring Prospectus, including the risks and uncertainties described below, before making an investment in our Equity Shares. If any of the following risks actually occur, our business, results of 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 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 Red Herring Prospectus.

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

RISK FACTORS:

Investment in equity and equity related securities involve a degree of risk and investors should not invest any funds in this offer unless they can afford to take the risk of losing their investments. Investors are advised to read the risk factors carefully before taking an investment decision in this offering. For taking an investment decision, investors must rely on their own examination of the issuer and the offer including the risk involved. The securities have not been recommended or approved by SEBI nor does SEBI guarantee the accuracy or adequacy of this document.

INTERNAL RISK FACTORS:

EXISTING BUSINESS:

1. OUR COMPANY IS INVOLVED IN THE FOLLOWING LEGAL PROCEEDINGS

A classification of the legal proceedings (including show cause and summons notices) instituted by and against our Company and the monetary amount involved in these cases is given in the following table:

Nature of legal proceedings	Total number of pending cases / show cause notices / summons	Remarks and amounts involved (Rs.)
Criminal	3	In one case, our Company has filed a writ petition in the High Court of Ahmedabad to quash and set aside the criminal proceeding. For the other case, our Company had filed FIR against Mr. Rohit Sripat who has filed a criminal complaint at Allahabad Chief Judicial Magistrate Court against our Company. In the other case, our Company has sent a reply dated April 28, 2006 to the Assistant Commissioner of Police, New Delhi.
Civil	13	Consumer forum cases have also been added in the Civil category. Total amount involved: Rs. 23,511,191.772

Nature of legal proceedings	Total number of pending cases / show cause notices / summons	Remarks and amounts involved (Rs.)
Customs	5	Total penalty amount involved is Rs 1,876,000/-. Out of 5 cases, penalty is yet to be imposed for 3 cases. For the remaining 2 cases, we have filed appeals, for which orders are awaited.
Motor Accident Claim Tribunal	2	We are only a formal party and the claim amount is to be paid by our insurance company. Total Amount involved is Rs.1,300,000/-
Income Tax	1	A search was conducted at the premises of our Company by the Investigation Wing of the Income Tax Department whereby the amount of undisclosed income declared by our Company was Rs. 6,000,000/-. The tax authorities have alleged an additional amount of Rs. 4,039,587/- as our undisclosed income. Our Company has filed an appeal before the CIT (Appeals), Central Circle, Mumbai against the order of the assessing officer (Assistant Commissioner of Income Tax, Circle 44, Mumbai) dated November 25, 2003.

For more information regarding litigation, please refer to the section titled "Outstanding Litigations and Defaults" beginning on page 216 of the Red Herring Prospectus.

OUR PROMOTER IS INVOLVED IN THE FOLLOWING LEGAL PROCEEDINGS

A brief summary of the legal proceeding instituted by and against our Promoter and the monetary amount involved in this case is given in the following table:

Type of legal proceedings	Total number of pending cases / show cause notices / summons	Remarks and amounts involved (Rs.)
Criminal complaint	4	Writ Petitions have been filed by our Company in the concerned High Courts to quash the complaints. For the other case, our Company filed a FIR against Mr. Rohit Sripat who filed a criminal complaint at Allahabad Chief Judicial Magistrate Court against our Company, In the other case, our Company has sent a reply dated April 28, 2006 to the Assistant Commissioner of Police, New Delhi.

Type of legal proceedings	Total number of pending cases / show cause notices / summons	Remarks and amounts involved (Rs.)
Motor Accidents Claim Tribunal case	1	Our Promoter is a formal party to the case. Amount of compensation claimed by the complainant is Rs. 450,000/-.

For further details, please refer to the section titled "Outstanding Litigations and Defaults" beginning on page 216 of the Red Herring Prospectus.

OUR PROMOTER GROUP COMPANIES ARE INVOLVED IN THE FOLLOWING LEGAL PROCEEDINGS

Type of legal proceedings	Total number of pending cases / show cause notices / summons	Remarks and amounts involved (Rs.)
Civil cases	5	The cases are of the nature of consumer cases and civil suits.The total claim amount in the 5 cases aggregates to Rs. 48,555,714/-.

Criminal complaint against our Company and our Promoter

Ms/ Laila Exports filed a police complaint on May 8, 2006 against our Company, Mr. Tapas Chaudhary our branch manager, Kanpur, our Promoter, Mr. Shashi Kiran Shetty and our general manager Mr. Ajit Biswas for alleged excess recovery of certain charges at destination towards storage by our overseas counterparts for their export shipment in the United States of America. In this regard, the police authorities at Kanpur summoned our Company's branch manager to the police station on May 8, 2006 for enquiry and for recording his statement. We are in the process of procuring the relevant documents and other information and will take suitable legal action in due course.

Claims relating to our Import Shipments are as follows:

We are not liable for the claims relating to imports short landing, as it is the load port issuing the bill of lading, which is liable for such claims in the normal course of business. This is because we act as the Indian agents of our principals in connection with such import shipments. However, the particulars of such claims have been provided below.

The below mentioned nature of claims have been explained in the section titled "Outstanding Litigations and Defaults" beginning on page 216 of the Red Herring Prospectus.

Nature of claims	No. of claims	Total Amount claimed (Rs.)
Short landing	15	Rs. 3,767,046/-
Damage to cargo	13	Rs. 479,198/-
Delay in delivery	2	Rs.827,823/-
General Average (Major damage to vessel)	1	No specific amount claimed
Wrong delivery of cargo	1	Rs. 40,406/-
Penalty imposed by Bombay Port Trust	3	Rs. 68,637/-

Other claims relating to our Export Shipment

Nature of claims	No. of claims	Total Amount claimed
Short landing	46	Out of total 46 cases, for 10 cases claim amounts have been specified aggregating to Rs. 286,370/-
Damage to cargo	109	Out of total 109 cases, for 23 cases claim amounts have been specified aggregating to Rs. 7,176,426.57
Theft	3	For the 3 cases, the claim amount aggregates to Rs. 3,238,933/-
Cross stuffing	3	Out of total 3 cases, there is no claim amount for any of the cases.
Delay in delivery	5	Out of total 5 cases, for 3 cases, claim amount aggregates to Rs. 934,990.50
General enquiries from Customs/C.B.I/ D.R.I/ C.I.U etc.	2	No liability has been proved against our Company.

Legal notices received against our Company, Group Companies etc. are as follows:

No. of Notices	Amount claimed/ Remark
2	Notices sent by M/s Zhejiang Cathaya International Co. Ltd. and M/s. Active Marketing Company Private Ltd. in connection with uncleared cargo. The total amount claimed is Rs. 3,654,020/-.

2. Company's cash flows for the year ended March 31, 2005.

While our Operating Cash Flows are positive we are rapidly expanding and investing funds in TLP expansion and increasing our equity stake in Ecu Hold NV, leading to negative Cash Flows. For details regarding our Cash Flow please refer to the Section titled "Financial Statements" beginning on page 144 of this Red Herring Prospectus.

3. Six companies forming part of Promoter Group Companies have reported losses in some of the previous years.

The financial performance of these companies is given below:

(Rs. '000)

Name of the company	Net Profit / Loss		
	FY 2005	FY 2004	FY 2003
Contech Estate Private Limited	(470)	NA	NA
Alltrans Port Management Private Ltd.	(21)	(10)	(12)
Alltrans Logistics Private Ltd.	(99)	(856)	(531)
Sealand Holdings Private Ltd.	317	(30)	(564)
Logical Hotels Private Ltd.	(1594)	(889)	(428)
Indport Maritime Agencies Private Ltd.	(266)	(289)	430

In addition, 3 of the above Promoter Group companies also have a negative book value.

For further details please refer to section titled "Our Promoter and Promoter Group Companies "on page 121 of the Red Herring Prospectus.

4. Possible conflict of business with other entities controlled by promoter / promoter group.

The object clause as contained in the Memorandum of Association of many Promoter Group companies permits them to carry on the business, which at present is carried on by our Company. In case our Promoter Group Company commences such activities there would be a conflict of interest. None of our Promoter Group companies undertake similar business and hence there is no conflict of interest between our Company and our Promoter Group Companies except as given below.

Our Promoter Group company, Transindia Freight Services Private Ltd. (TFSPL) is also registered as an MTO. Our Company acts as an agent of TFSPL's MTO business. However, TFSPL can on its own conduct MTO business and hence would be in competition with us.

5. Our Company's Strategic investment in Ecu Hold NV may not yield the intended benefits to us.

We have invested Euros 12.90 million (equivalent to Rs. 692,309,250/-) for acquiring 49.99% stake in Ecu Hold NV, a global NVOCC player as a strategic investment and enhance our business prospects. However, we may not be able to fully realize the intended benefits. For further details please refer to section titled 'Our Business' on page 69 of the Red Herring Prospectus.

6. There are qualifications in our Auditors' Report.

There are qualifications in the Auditors' Report on the accounts for various Financial Years including for FY 2005 which are as under:

Common Qualification for FY 2005 and FY 2004:

- The company has maintained proper records showing full particulars including quantitative details and situation of fixed assets except at Kolkata branch.

Qualification for FY 2005

- All the assets have not been physically verified by the management during the year but there is a regular programme of verification except at Kolkata branch, which, in our opinion, is reasonable having regard to the size of the company and the nature of its assets. No material discrepancies were noticed on such verification.

Qualification for FY 2001

- The Company is maintaining proper records showing full particulars of Fixed Assets, except at Kolkata branch. As explained to me the fixed assets register at Kolkata branch is under preparation.

The qualification of non maintenance of fixed asset register at Kolkata office was due to the following reasons:

a. The fixed asset register was earlier not maintained in a proper format by the Kolkata Branch due to which the auditors had to qualify the report.

b. Subsequently the Branch had certain discrepancies in the fixed asset register due to shifting of its office in 2001.

c. In the year 2004-05 the Branch maintained the fixed asset register which was verified by the Auditors however, some of the printers were physically not available for verification since they were damaged and misplaced.

Since April 1, 2005 the Kolkata branch has maintained proper fixed asset register and hence this qualification is not included in the Auditors Report for the nine months period ended December 31, 2005.

7. ***Our Promoter and Directors have interests other than reimbursement of expenses incurred or normal remuneration or benefits paid to them***

Our Promoter and Directors are interested in our Company to the extent of agreements entered into with our Company in relation to land at our existing CFS, details of which are under sub section titled “Interest of Directors” appearing on page 112 of the Red Herring Prospectus.

8. ***Our MTO business depends upon our overseas agents.***

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

In addition, currently we are using Ecu Group’s own/ agents network for majority of our destinations. In case Ecu Group is not in a position to continue its MTO business, our business will be adversely affected till we are able to establish alternative agency network at these destinations.

9. ***We are dependent on a few large Shipping Lines that influence our CFS business.***

Shipping Lines and Consolidators are the main decision makers in the choice of the CFS for bringing in Import Containers and Export Cargo. Our CFS business is thus largely dependent on these shipping lines and consolidators. Their decision is mainly dependent on the service levels that we offer and the overall competitive scenario. If there is a drop in our service levels or in case of increased competition our CFS business will be adversely affected.

10. ***At our existing CFS, the margin earned by us on handling of import containers is much higher compared to handling of export containers.***

The revenue earned at our existing CFS from handling import containers is higher than that earned from handling export containers, mainly due to ground rent. We earn ground rent from storage of import containers pending clearance. No ground rent is earned on export containers as it is our responsibility to move export consignments to the port. At present, out of the total business volumes handled, approximately 95% comprises of handling import containers. Any decline in the proportion of import business in favour of export business will reduce the overall profitability of the company.

11. ***Our existing CFS caters to the cargo received / dispatched via JNPT. Hence the growth of our CFS is directly linked to the growth of the container traffic at JNPT.***

Our existing CFS depends upon the operations of JNPT for its business. JNPT is a major port in India, however, any drop in the container traffic handled by JNPT will adversely affect our existing CFS business.

12. ***Our Company has issued and allotted Equity Shares in the last 12 months at varying prices which may be lower than the Issue price.***

The following table shows the details of the allotment of Equity Shares at varying prices during the last 12 months:

Date of Allotment	Name of Allottee	No. of Equity Shares	Issue Price (Rs.)	Nature of Consideration
June 30, 2005	Mr. Umesh Shetty	40,000	10/-	Cash
	Mr. Adarsh Hegde	40,000	10/-	Cash
	Mr. M. P. Bansal	40,000	10/-	Cash
January 12, 2006	Polyole Fibre Private Limited	66,832	685.88	Cash
	Hide-n-Chic Furniture Private Limited	66,828	685.88	Cash
	Volrado Venture Partners	145,800	685.88	Cash
	Qualis Holdings Private Limited	6,072	685.88	Cash
	Accord Holdings Private Limited	6,068	685.88	Cash
	Mr. Ginil Shirodkar	7,292	685.88	Cash
	Mr. Pradip Shah	34,920	685.88	Cash
	Mr. Harinder Sawhney	1,168	685.88	Cash
	Mr. Abhijit Ghalke	220	685.88	Cash
	Mr. Animesh Godiwala	144	685.88	Cash
	Mr. Shashi Kiran Shetty as trustee of ACGL Benefit Trust	175,344	10.00	Cash
	New Vernon Private Equity Limited	874,788	685.88	Cash

13. Any further issue of shares or exercise of stock options under ESOP will lead to further dilution of equity of our Company and will affect the financials and market price of equity shares of our Company.

We have implemented Employee Stock Option Plan ('ESOP'), as a means to reward and motivate our employees. Pursuant to the exercise of stock options under ESOP or future equity offerings, investors may experience dilution of their shareholding to the extent that our Company issues Equity Shares. In addition, subject to the price at which options, if any, are granted to the employees, we may have to book a notional loss in our books of accounts, according to the ESOP Guidelines.

14. Although our Company has insured itself against the liability arising from any damage to cargo, equipments, life and third parties, the actual liability on this account might be higher as compared to the risk covered.

Although we attempt to limit and mitigate our liability for damages arising from negligent acts, errors or omissions through contractual provisions and/ or insurance policies, the indemnities set forth in our contracts and/or our insurance policies may not be enforceable in all instances or the limitations of liability may not protect us from entire liability for damages. A successful assertion of one or more large claims against us could adversely affect the results of our operations. We maintain an insurance cover being a MTO & Freight Forwarder's Insurance Policy with IFFCO-TOKIO General Insurance Company Limited that concerns our business.

However, the limits of indemnity are restricted to US$ One million for each claim and in the aggregate for MTO and Freight Forwarding, US$ One hundred thousand for each claim and in the aggregate pertaining to liability for fines and duties. For third party legal liabilities the limits in the Policy are US$ One million for each claim and in the aggregate. Therefore, in case the claim amount exceeds these limits, our Company will be liable to pay the excess amount to the claimant.

For further details regarding insurance policies availed by us, please refer to section titled "Our Business" beginning on page 69 of this Red Herring Prospectus.

15. Our Promoter Group will continue to have substantial voting power to influence corporate actions even after the completion of the Public Issue.

Upon completion of this Issue, our Promoter Group will continue to own 79.60% of our post Issue Equity Share capital . As a result, our Promoter Group will have the ability to exercise significant influence over all matters requiring shareholder's approval, including the election of directors and approval of significant corporate transactions. Our Promoter Group will also be in a position to influence any shareholder action or approval requiring a majority vote, except where it is required by applicable laws to abstain from voting. Such a concentration of ownership may also have the effect of delaying, preventing or deterring a change in control.

16. There are certain restrictive covenants in the agreements that our Company has entered into with Banks.

The term loan agreements entered into by us with banks contain specific covenants which require us to obtain the prior approval/ permission from the banks on the occurrence of certain events such as formulation of any scheme of amalgamation or reconstruction, undertaking of any new project or expansion, making any substantial change in our management set up, any change in our capital structure resulting in reduction of capital, etc.

For further details please refer to section titled "Capital Structure" beginning from page 20 of this Red Herring Prospectus.

17. As on December 31, 2005 our Company had contingent liabilities and outstanding guarantees and capital commitments.

(Rs. in Million)

Particulars	**As at March 31, 2005**	**As at December 31, 2005**
Bank Guarantees Outstanding	34.36	35.30
Continuity Bond executed in favour of The President of India through the Commissioner of Customs	66.00	66.00
Guarantees issued to Bankers in respect of Companies under the same management	20.00	22.50
Block Assessment Income tax Demand under appeal (See note below)	2.47	2.47
Customs duty payable on import of equipment under EPCG scheme (See note below)	24.68	28.25

Income Tax Authorities have raised a demand of Rs. 2.47 millions pertaining to Block Assessment. However the company has preferred an appeal against the said demand, which the company is confident of succeeding in the appeal. Hence no provision has been made for the same.

Custom duty on import of equipment under EPCG scheme becomes payable if the company is not able to fulfill its export obligations. Since the company is confident of fulfilling its export obligation within a period of eight years from the date of respective imports, the same is not being provided.

18. Many of our operational activities at our CFS are dependent on contract labour.

We are registered as a principal employer under the Contract Labour (Regulation and Abolition) Act, 1970. However, on an application made by the contract labourers, an Industrial Court or Tribunal may direct that the contract labourers are required to be regularised or absorbed by our Company. Further, the state government may prohibit employment of contract labour. If either of the above should occur, we may require to induct such labourers on our payroll, as employees for our CFS, which may result in increased expenses.

19. Some of the import cargo may not be claimed by the importers.

In case the importers do not claim the import cargo we lose our ground rent. Although, we are authorised to auction the import cargo which is not cleared from our CFS within 60 days, to recover our dues, the auction proceeds may not be sufficient to cover our dues.

20. Any change in the composition of LCL and FCL cargo will have an impact on margins of our MTO business.

In MTO business, the revenue earned by us from LCL cargo is higher than that earned by us from FCL cargo primarily on account of consolidation income. Consequently, any increase in proportion of FCL cargo over LCL cargo may adversely affect our margins from the MTO business.

21. Our Company has certain obligations to be fulfilled under EPCG. The non-fulfillment of such obligations might result into withdrawal of duty benefits.

Pursuant to the revision in the EXIM Policy our Company has procured equipment under the EPCG Scheme which requires our Company to fulfill export obligations as per the policies. Earnings in Indian rupees from certain services rendered by our Company will constitute as deemed exports for fulfilling this obligation.

However if our Company fails to earn income from such services and consequently does not meet the export obligations as stipulated by the policy, we will have to pay duty saved amount of Rs. 43,899,492/- along with interest @15% p.a.

22. Being in the service industry our success depends upon our ability to retain our Key Management and other personnel.

We depend significantly on the expertise, experience and continued efforts of our key management and other personnel. Our future performance may be affected by any disruptions in the continued service of these persons. There is a dearth of managerial talent, including key managerial personnel, with related business experience. We have implemented an ESOP scheme, in order to retain our key managerial resources. However, the loss of one or more members of our key managerial personnel may impact our ability to maintain and grow our business.

23. For providing better service to our customers, we have to rely a lot on our IT systems.

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

24. Registration for our trademark is pending with the relevant trademark authorities.

We have applied for registration of 2 logos with the Trade Marks Registry, Mumbai. However, the registry may or may not grant us the registration.

25. Any delay or inability to obtain statutory and regulatory permits and licenses may have an adverse effect on our business.

We require statutory and regulatory permits and licenses to operate our business. Some of these are granted for fixed period of time and need to be renewed from time to time. In the event any such permits or licenses are denied or withheld, we will not be in a position to conduct our operations which will impair our business. The following statutory and regulatory permits and licenses are required to be obtained by our Company:

Our Company has applied for the following and the approval is awaited:

1. Letter No. 16/45/2005 dated December 1, 2005 was issued by the Ministry of Commerce, Government of India, stating that the matter has been referred to the Commissioner of Customs, Chennai and our Company is required to pursue the matter for setting up a CFS at Chennai near the Chennai Port Trust with the said authority.

2. Application dated May 02, 2006 made to the Ministry of Commerce, Government of India, for permission to set-up a CFS at Mundra.

Our Company will be required to apply for the following regulatory approvals for each of its proposed CFS/ ICD:

1. Ministry of Commerce, Government of India, for permission to set-up an ICD at NCR.

2. A Notification from Custom House notifying the area for the purpose of storage, stuffing /destuffing and clearance of Export/Import.

3. The Ministry of Commerce & Industry for posting of Custom Staff at CFS.

4. A Notification by the Ministry of Finance notifying that our Company would be the "Custodian" of the Customs Area.
5. Certificate of Registration by the Ministry of Finance registering our Company with the Central Excise Department for payment of Service Tax on Storage and Warehousing Services, Cargo Handling Services, and Goods Transport Agency Services.
6. Registration Certificate by the Department of Sales Tax.
7. Registration under the Central Sales Tax (Registration and Turnover) Rules 1957 for reselling scrap and for auction sale.
8. Certificate of Registration under the Contract Labour (Registration and Abolition) Act, 1970.

26. We do not have firm commitments from the CFS/ICDs from where we operate.

Our MTO business requires warehousing spaces in CFS/ICDs for consolidation, stuffing and de-stuffing of cargo. We do not have firm commitments from the CFS/ICDs from where we operate. Our operations may be affected in case we are unable to get warehouse space from these CFS/ICDs.

27. Some of cargo we handle is hazardous in nature.

Handling of hazardous cargo is subject to higher risk of fire and other accidents. Any such accidents can impact our operations.

28. We have limited experience in Carrier Owned Container (COC) Business carried out by our subsidiary Contech Transport Services Private Limited.

Our subsidiary, Contech Transport Services Private Limited has started the COC business in April 2005. We have limited experience in this line of business. The key drivers to this business are agreements with shipping lines for container slots and shipping liner agency network at destination and load ports. Currently our subsidiary does not have any agreement with shipping lines and operates on voyage to voyage basis. Our subsidiary's shipping liner agency network is limited to a few ports. This can limit the growth prospects of the COC business of our subsidiary.

29. Our CFS presently pays only minimum alternate tax, claiming a 10-year tax holiday under section 80-IA (4)(i). However, there is no certainty as to the tax treatment that may be finally accorded by the tax authorities.

We have taken the view that the requirements of Section 80-IA(4)(i) of the Income Tax Act, 1961 have been fulfilled and we are eligible for a tax holiday under the Income Tax Act, 1961 in respect of our CFS operations as being an infrastructure facility. Hence, we have claimed a tax holiday as provided for by the said provision of the IT Act.

We have also obtained an opinion from Mr. V.H. Patil, senior advocate, that we fulfil the provisions and are entitled to claim a tax holiday under Section 80-IA (4)(i). We also have a letter from Jawaharlal Nehru Port Trust that our CFS activities are extended activities of the port related activities in accordance with CBDT Circular No.793 dated June 23, 2000 read with Circular No.133/95-Cus dated December 22, 1995. The income tax authorities may conclude otherwise which may result in such a tax holiday being denied and this would result in increased tax liabilities of approximately Rs.67.17 million upto FY 05. Our profits after tax in the subsequent years may also consequently decline.

30. We plan to grow both organically and through acquisitions. Such expansions will require additional funding for which we may incur further borrowings.

We had a long term debt equity ratio of 0.49 as on December 31, 2005. To meet our funding requirements in the future, we may incur additional debt. This may result in a variation of the above debt equity ratio. Further, there is no assurance that we would be able to secure adequate borrowing and at attractive terms.

31. ***Many of our immovable properties including our Registered Office are leased or rented.***

We have various Leave and Licence Agreements / Lease Deeds with different parties with respect to our immovable properties. These agreements can be terminated by the parties in the event of a breach of the terms and conditions of the agreement. Such agreements may also not be renewed on their expiry. In such an event, we would be required to vacate the premises and this would be detrimental to us and may have an adverse effect on our business. We would be required to look for alternative premises which would be both costly and time consuming.

32. ***Our service contracts with shipping lines require us to do a certain minimum quantity of business.***

We obtain preferential rates from shipping lines on the basis of volumes of business committed and fulfilled by us. If we are unable to meet the volumes of business committed, we may not get preferential rates at the time of renewal of these contracts which may adversely impact our profitability.

33. ***We may not be able to sustain effective implementation of our business and growth strategy.***

The success of our business will depend greatly on our ability to effectively implement our business and growth strategy. Whilst we have generally been successful in execution of our business strategy in the past, there can be no assurance that we will be able to execute our strategy on time and within the estimated budget in the future. If we are unable to implement our business and growth strategy, this may have an adverse effect on our business, financial condition and results of operations.

34. ***Our Company's revenues and profits are difficult to predict and can vary significantly from quarter to quarter. This could cause our share price to fluctuate.***

Our Company's quarterly operating results may fluctuate from quarter to quarter depending upon the seasonality of export and import shipments. Therefore, we believe that period-to-period comparisons of our results of operations are not necessarily meaningful and should not be relied upon as an indication of our Company's future performance. It is possible that in the future some of our Company's quarterly results of operations may be below the expectations of market analysts and our investors, which could lead to a significant decline of the share price of the Equity Shares.

35. ***We may be unable to meet certain contractual obligations including timeliness of delivery.***

In our MTO contracts, we have commitments for safe and timely delivery of the cargo. Any failure to meet the scheduled timelines set by our customers or loss or damage to cargo may lead to our customers raising claims against us. Assertion of one or more legal claims against us could have an adverse effect on our business.

In the past, customers have raised claims against us for short landing, damage to cargo, delay in delivery of cargo etc. Some of these claims have resulted in suits filed in various forums against our Company. We are insured for such risks. However, our insurance may not be sufficient to cover us for these risks completely and we would be liable to the customer for amounts exceeding our insurance limits.

PROPOSED BUSINESS:

1. ***No bank or financial institution has appraised the objects of the issue for which the funds are being raised.***

In the absence of any appraisal by any bank or financial institution for the funds required by us, the deployment of funds raised through the Public Issue as stated in the section titled "Objects of the issue" are as per the estimates of our Company. We have appointed Yes Bank Limited as our Monitoring Agency.

In addition, the audit committee of our Company will also monitor the use of the proceeds of the Issue.

2. ***Our Company has not entered into any agreement or acquired any land for our proposed ICD at NCR.***

   We plan to set-up an ICD at NCR, financed from the proceeds of the Issue. We have not yet entered into an agreement or acquired land for our proposed ICD at NCR. If we are unable to identify or acquire the land required for the ICD, it will affect our growth plans.

3. ***Our Company has not placed any order for equipments required at our proposed CFS/ ICDs.***

   Our total requirement for equipments at our proposed CFS/ ICDs is valued at Rs. 110.39 million which is 13.84% of the total project costs. Our Company is yet to place any firm orders for the same. In case of any escalation in prices of these equipments, our total project cost will increase to that effect.

4. ***We may undertake strategic acquisitions to enhance our capabilities and address gaps in service verticals and geographic coverage, which may not be successful.***

   We may pursue strategic acquisition opportunities to enhance our capabilities and address gaps in service verticals and geographic coverage. It is possible that we may not identify suitable acquisition or investment candidates or joint venture partners, or if we do identify suitable candidates or partners, we may not complete those transactions on terms commercially acceptable to us or at all. Further, the amount of funds required for acquisition and their deployment is uncertain. Pending any use of funds raised from the issue, the proceeds from the issue will be deployed as per details given in the Section titled 'Objects of the Issue' on page 33 of the Red Herring Prospectus.

   The inability to identify suitable acquisition targets or investments or joint ventures or the inability to complete such transactions may adversely affect our competitiveness or our growth prospects.

   If we acquire another company, we could have difficulty in assimilating that company's personnel, operations and technology. In addition, the key personnel of the acquired company may decide not to work with us. In some cases, we could have difficulty in integrating the acquired products, services or technologies with our operations. These difficulties could disrupt our ongoing business, distract our management and employees and increase our expenses thus adversely impacting our business, revenues and profitability.

5. ***The profitability of our proposed CFS/ ICDs at Chennai, Mundra and NCR may be lower than our existing CFS at JNPT.***

   The profitability of a CFS/ ICD depends upon various factors including infrastructure at the port, port traffic and competitive scenario and hence varies from location to location. The profitability of our proposed CFS/ ICDs at Chennai, Mundra and NCR may be lower than our existing CFS at JNPT leading to lower overall profitability from our CFS business.

6. ***Non receipt of any regulatory or government approval will affect our proposed projects.***

   Our Company has yet to apply for regulatory approvals for CFS at Mundra and ICD at NCR. Failure to obtain these approvals will impact our growth plans and be detrimental to our business.

7. ***Delay in the implementation of the proposed projects, may lead to cost over-runs.***

   Delays in the scheduled implementation of the Project for any reason, including delays in receipt of government approvals or delays in delivery of equipment by suppliers, could result in cost overrun which in turn will require additional funds and will impact the overall profitability of our Company.

8. ***Our expansion plans may not yield the benefits actually intended.***

   Our expansion plans are based on feasibility study done by consultants and our internal estimates. Actual market conditions may vary from these estimates and therefore may not yield the returns intended.

   For further details please refer to section titled 'Objects of the Issue' on page 33 of the Red Herring Prospectus.

EXTERNAL RISK FACTORS:

1. ***Our business is entirely dependent on the functioning of ports. In case of any natural calamity, strike, congestion or any other factors that might affect the functioning of the ports, our business may get adversely affected.***

   Certain natural events that are beyond our control may adversely affect the functioning of ports on which our business is dependent, and may thereby affect our performance adversely. In addition, strikes, congestion or any other factors that might affect the functioning of the ports, our business may get adversely affected.

2. ***We face competition from existing and new entrants, which in turn can adversely affect our margins.***

   There are low entry barriers for MTO business. The market for MTOs and CFS/ICDs is competitive. There are no restrictions on the entry of private, public sector and foreign players in the business. Competition may intensify from new entrants and shipping lines considering setting up their own CFS/ICDs. Increased competition will have an adverse impact on the margins of the business of AGL.

3. ***Any disruption in the transport activity due to strikes, lockouts, riots, etc. or inadequate infrastructure facilities will affect our business adversely.***

   Transportation and infrastructure facilities play a very crucial role in our business. Disruption in the movement due to strike or such other factors would impact the volume of business done and consequently the profitability of our Company.

4. ***Our business is directly related to the international business of the country. Any instability in political situation, global recession or changes in economic, fiscal and regulatory policies that have an adverse impact on the import-export business, will have a negative impact on the performance of our Company.***

   The government has traditionally exercised and continues to exercise a significant influence over many aspects of the Indian economy. Our business, and the market price and liquidity of the Equity Shares, may be affected by interest rates, changes in Government policy, taxation, social and civil unrest and other political, economic or other developments in or affecting India.

   The government of India plays an important role by regulating the policies and regulations governing the port related logistics sector. The current economic policies of the government may change at a later date. The pace of economic liberalisation could change and specific laws and policies affecting the industry and other policies affecting investment in our securities could change as well. A significant change in India's economic liberalisation and deregulation policies could disrupt business and economic conditions in India and thereby affect our business. Unstable internal and international political environment could impact the economic performance in both the short term and the long term. Any adverse changes in economic, fiscal and regulatory policies related to our business may affect the performance of our Company.

5. ***A small proportion of our income is in foreign currency and hence we are subject to exchange rate fluctuations.***

   Our Company has exposure to various foreign currencies primarily denominated in US dollars and Euros. Our foreign exchange inflow and outgo from operations has been around 3% of our turnover for the last 3 years. The exchange rate between the Rupee and the US dollar, Euro, may fluctuate in the future. Any adverse impact of currency fluctuations may negatively affect our profitability.

6. ***After the public issue, the price of the Equity Shares of our Company may become highly volatile or an active secondary market for the equity shares of our Company may not develop.***

   There is no standard valuation methodology in the logistics sector with few listed players in India. The prices of our Equity Shares may fluctuate after the Offer. There can be no assurance that an active trading market for our Equity Shares will develop or can be sustained after the issue, or that the prices at which our Equity Shares are initially offered will correspond to the prices at which our Equity Shares will trade in the market subsequent to this Offer. The valuations in the logistics industry may not be sustained in future and current valuations may not be reflective of the future valuations for the industry.

7. ***In case of any cross-border tension with any neighbouring countries the international business of our country will be affected which in turn will affect the business of our Company.***

   South Asia has, from time to time, experienced instances of civil unrest and hostilities among neighbouring countries, such as between India and Pakistan. Military activity or terrorist attacks in the future could influence the Indian economy. This could have a material adverse effect on the market for securities of Indian companies, including the Equity Shares.

8. ***Force majeure events, terrorist attacks and 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 business, results of operations, financial conditions and cash flows.***

   Certain Force Majeure events, being beyond our control, including natural disasters, terrorist attacks 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 our business, results of operations and financial condition. More generally, any of these events could lower confidence in India. Any such event could adversely affect our financial performance or the market price of the Equity Shares.

NOTES TO RISK FACTORS

This is a public issue of 2,079,000 Equity Shares of Rs. 10/- each for cash at a price of Rs. [•] per Equity Share aggregating to Rs. [•] million. The Issue will constitute 10.26% of the post-Issue paid up capital of our Company. The net issue to the public will constitute 10.01% of the post issue paid-up capital of our Company.

- Out of the Issue, 51,000 Equity Shares of Rs. 10/- each for cash at a price of Rs. [•] per Equity Share aggregating to Rs. [•] million shall be reserved for the Employees of our Company.
- The net worth of our Company (after excluding share application money) before the Issue was Rs. 391.47 million as on March 31, 2005 and Rs. 788.08 million as on December 31, 2005.
- Net Asset Value of Equity Shares of our Company as on March 31, 2005 was Rs. 24.09 per Equity Share and as on December 31, 2005 was Rs. 48.04 per Equity Share.
- Average cost of acquisition of Equity Shares by our Promoter is Nil.
- Our Company has changed its name from Allcargo Movers (India) Private Limited to Allcargo Global Logistics Private Limited on December 8, 2005 and has been converted into a public limited company on January 17, 2006. The change of our name has been done keeping in view that our Company conducts its business on a global basis. Our Company amended its object clause in December 3, 2005 to reflect the activities carried on by our Company.
- Our Company has issued and allotted 175,344 Equity Shares on January 12, 2006 to “ACGL Benefit Trust” (trustees being our Promoter, Mrs. Arathi Shetty and Mr. Umesh Shetty) pursuant to the Trust Deed dated December 27, 2005 executed between our Promoter, Mrs. Arathi Shetty and Mr. Umesh Shetty at a price of Rs. 10/- per Equity Share. For details, refer to section titled “Capital Structure” beginning on page 20 of the Red Herring Prospectus.
- Our Promoter has settled a sum of Rs. 10,000/- upon a private trust known as the Shloka Shetty Trust, for the benefit of his daughter Ms. Shloka Shashi Kiran Shetty, pursuant to a Trust Deed dated March 1, 2006, executed between our Promoter being the Settlor, and our Promoter and Mrs. Arathi Shetty as the Trustees of the said trust.
- Refer to the notes to our financial statements relating to related party transactions in the section titled “Restated Financial Statements - Related Party Transactions” on page 142 of the Red Herring Prospectus.
- Investors are advised to refer to the section titled “Basis for Issue Price” on page 43 of the Red Herring Prospectus.
- Trading in Equity Shares of our Company for all the investors shall be in dematerialised form only.
- Any clarification or information relating to the Issue shall be made available by the BRLMs and our Company to the investors at large and no selective or additional information would be available for a section of investors in any manner whatsoever. Investors may contact the BRLMs and the Syndicate Members for any complaints pertaining to the Issue.

- Our Promoter has sold or transferred 911,325 Equity Shares as follows: -

Sr. No.	Name of the Buyer	No. of Equity Shares	Price per Equity Share	Date of Transfer
1	Sharyans Resources Limited	145,800	400.03	December 26, 2005
2	Mr. Sanath Shetty	2,900	343.00	December 26, 2005
3	Shloka Shetty Trust	762,625	NIL	March 2, 2006
	Total	**911,325**		

Investors should note that in case of over subscription in the Issue, Allotment will be made on a proportionate basis to Qualified Institutional Bidders, Retail Individual Bidders, Non Institutional Bidders and to Bidders under the Employees Reservation Portion. For details, please refer to the paragraph titled "Price Discovery and Allocation" beginning on page 251 of the Red Herring Prospectus.

SECTION III - INTRODUCTION

SUMMARY

INDUSTRY OVERVIEW

Logistics is the total process of moving goods from the origin to the destination in the most timely and cost-efficient manner possible. The concept of logistics covers all activities relating to the procurement, transport, transshipment and storage of goods.

Revenue for logistics industry from manufacturing sector was estimated at $13,460 million in 2003. Revenues are forecasted to reach $19,540 million by 2009 on the strength of a growing economy and higher international trade. Third party logistics (3PL) provider is an outsourced provider that manages all or a significant part of the logistics requirements of manufacturers and traders and performs transportation, locating and some product consolidation activities. Revenues for the 3PL market in India were estimated at $250 million in 2003. Market for 3PL services is forecasted to grow at a CAGR of 20.4% over the period 2004-09. This market is expected to generate revenues of $970.3 million by 2009. (Source: Supply Chain Management and Logistics 2.0, July 2005)

The international trade operates primarily through two modes of transport Ocean and Air. The key players in the ocean logistic chain are - Exporter, Custom House Agent (CHA), Shipping Agent, Freight Forwarder, Multimodal Transport Operator (MTO), CFS/ICD, Shipping line and Importer.

Containerization is the method of packing goods in reusable containers of uniform shape and size for transportation. Before containerization, handling and transport of cargo was done piecemeal known as break-bulk shipping. Containerization has led to the carriage of goods by one or more modes of transport, without intermediate loading and unloading.

Worldwide the container traffic is projected to grow by leaps and bounds. During 2004, 183 container ships with a capacity of 0.67 million TEU were added to the fleet which signified a TEU growth of 11.6%. As of January 1, 2005 the order book for container vessels stood at 903 ships with 3.6 million TEU. (Source: ISL SSMR June 2004 and June 2005)

India is on the growth path in containerization. Currently Indian trade is reflecting a steady growth at the rate of 15% in the past five years. (Source: Times Shipping Journal, January 2005). The National Maritime Development Program envisages a CAGR growth in traffic at all ports from 2003-04 to 2013-14 of 7.69% and that of container traffic is being estimated at 18.31%. (Source: Economic Survey of India)

Containerization is the key factor that has led to the development of:

- Multimodal Transport Operation
- Container Freight Station

Multimodal Transport Operation

It is the chain that interconnects different links or modes of transport – air, sea, and land into one complete process that ensures an efficient and cost-effective door-to-door movement of goods under the responsibility of a single transport operator, known as a Multimodal Transport Operator (MTO), on one transport document.

Cargo to be shipped by an exporter may either be enough to fill an entire container or less than a full container load. A MTO offers full container load services to exporters who transport sufficient amount of cargo to fill an entire container and less than container load wherein the innumerable small shipments made by companies and by traders who do not trade in large quantities are consolidated into a full container load for each destination and shipped accordingly.

The key players in these segments are shipping lines, domestic freight forwarders, international freight forwarders and custom house agents.

Container Freight Station

CFS and ICD are facilities set-up for handling of in-transit containers, examination and assessment of cargo by regulatory agencies like Customs for the EXIM trade of the country. They are a critical part of the logistics chain in relation to the movement of containerized cargo. An ICD is located in the hinterland, away from the gateway ports of the country whereas a CFS is an off dock facility located near ports to facilitate decongestion at the ports.

In order to set up container freight station in India an entrepreneur has to submit his proposal to the Inter-Ministerial Committee (IMC) under the chairmanship of the Additional Secretary (Infrastructure), Ministry of Commerce.

The CFS and MTO are critical links in the logistics chain of international trade. They are directly influenced by –

- India's External Trade
- Infrastructure
- Policies and Initiatives of the Government

India's External Trade

The Economic Survey for 2005-2006 reflects the economy in an upswing mode, with a growth of 7.50% in FY 2005 and is projected to grow at 8.10% in FY 2006. Imports have registered a 39.70% growth in FY 2005 and 26.70% in April 2005 to January 2006. (Source: Economic Survey 2005-06). The Government of India has fixed an ambitious target of US$150,000 million for exports by the year FY 2009 in order to double India's share in world exports to 1.5 per cent. (Source: Economic Survey 2004-05)

Encouraged by the robust growth in exports, the Commerce Ministry moved up the export target for FY 2005 to around $92,000 million. India's export earnings in FY 2005 reached around $80,000 million, notching up a 24% growth over the previous year while the country's import value touched $105,000 million reflecting a 34% growth in comparison to the previous year. (Source: Foreign Trade Policy 2005-06)

Infrastructure

<u>Ports</u>

India has around 6,000 km of natural peninsular coastline. There are 12 major ports and 185 minor ports. As of today, the 12 major ports at Chennai, Cochin, Ennore, JNPT, Kandla, Kolkata, Mormugao, Mumbai, New Mangalore, Paradip, Tuticorin and Visakhapatnam handle about 75 per cent of the traffic.
(Source: Supply Chain Management and Logistics 2.0, July 2005)

About 80 per cent of total volume of port traffic handled was in the form of dry and liquid bulk, while the remaining 20 per cent consisted of general cargo including containers. There has been an impressive growth of container traffic in the last few years with growth of 14.20% per annum during the five years up to FY 2005. While container traffic has grown well in India, there is still a considerable lag when compared with the larger international ports. The annual aggregate cargo handling capacity of major ports increased from 389.50 million tonnes p.a. in FY 2004 to 397.50 million tonnes p.a. in FY 2005. (Source: Economic Survey 2005-06)

Jawaharlal Nehru Port Trust (JNPT)

Commissioned in 1989 and located within the Mumbai harbour on the west coast of India, JNPT is one of the major ports of the country.

In FY 2005, the port achieved a throughput of 32.81 million tonnes, against 31.18 million tonnes in FY 2004 and 26.84 million tonnes in FY 2003. The total container traffic during the eleven months ended February 2006 was 34.27 million tonnes, of which the container traffic is 2.41 million TEUs. JNPT container terminal handled 1.21 million TEUs and the NSICT (Nhava Sheva International Container Terminal) handled 1.20 million TEUs. JN Port is ranked 32nd among the top 100 ports of the world. (Source: JNPT)

Chennai

Chennai port handles both bulk and container cargo. The container terminal at Chennai port was established in 1983. It is a major exporter of automobiles and second largest in terms of container traffic in India. Chennai port has set itself a target to handle 72 lac TEU in 2005, which translates into 60000 TEU a month and a 42% growth for FY 2006. (THE LINK, May 2005) The Government of India has approved the construction of the second container terminal in March 2005. (Source: Cargo Times, January 2006)

Mundra

Mundra Port is India's largest privately developed port. The Port is strategically placed with respect to the northern and western hinterland, to which it is well-connected by both railways and roadways. This area generates nearly 70% of India's containerized international trade. The Container terminal comprises of 2 berths capable of handling 1.2 million TEUs per annum. It is strategically located and is able to handle the deepest container vessels of the world. The Terminal is capable of berthing 5th generation 8000 TEU vessels. The terminal operates 24 hrs-365 days a year and has no tidal restrictions. (Source: Mundra website)

Roads

The Government of India is taking major steps to improve the road connectivity and quality. For this purpose the National Highway Authority of India was set up which is responsible for the National Highway Development Project of connecting the major cities and state capitals in the country. The total length of the roads to be covered under these projects is estimated at 50,146 kms (Source: Press Information Bureau)

Railways

The Government of India has conceived a massive investment plan for rail sector to eliminate capacity bottlenecks on Golden Quadrilateral and other highways to provide strategic rail communication links to ports, construction of mega-bridges for improving communication to the hinterland and development of multi-modal transport corridors. This initiative has been given the name of National Rail Vikas Yojana. The railway ministry has identified certain projects under the National Rail Vikas Yojana (NRVY) for strengthening connectivity to ports.

Policies and initiatives of the Government

The Department of Shipping has drafted National Maritime Development Program (NMDP) to complement the National Maritime Policy by identifying specific schemes to give a concrete shape to the vision laid down in the policy document in a 10 years time horizon. The port infrastructure is woefully short of handling the rapidly escalating EXIM trade in the country.

Others

Air Freight Forwarding

The air transport is mainly used for high value items and perishable goods for increased safety and faster delivery. Around 10% of volume of India's EXIM trade is by air. India's air cargo traffic has risen from 7.97 lakh tonnes in 1999-2000 to 8.4 lakh tones in 2001-02 and 10.6 lakh tonnes in 2003-04 to 12.8 lakh tonnes in 2004-05. This reflects a 20% growth from FY 2004 to FY 2005. (Source: Cargo Times, January 2006)

Project Cargo

Handling of project cargo involves transportation of equipments and products on a turnkey basis. Each contract is unique and the logistic requirements are tailormade to suit the specific needs of the contract depending on the nature, size and value of items to be transported. Detailed and intricate planning and technical expertise is required to successfully execute the transportation of such equipments.

BUSINESS OVERVIEW

We are a logistics service provider involved in multimodal transport operations (MTO), owning and operating Container Freight Station (CFS) and handling of project cargo.

We started MTO in 1998 and have since then built expertise in this field. Today we have a pan India presence across 26 locations through our branches and franchisees and an extensive international coverage of over 4000 destinations through strategic tie-ups and agents. As a multimodal transport operator, we offer end-to-end freight services for export and import cargo utilizing multiple modes of transport such as sea, road, rail and air. At present we are one of the leading Less Than Container Load (LCL) consolidators and have large Full Container Load (FCL) volumes. We also undertake Multi City Consolidation (MCC), which involves movement of cargo from hinterland locations to CFS at gateway ports to facilitate consolidation which enables us in achieving faster turnaround of cargo.

To strengthen our position at important international destinations, we have acquired a 49.99% stake in the Belgium based ECU Hold NV, the holding company of ECU Line NV which is one of the leading global NVOCC players, with whom we have been associated for the last 10 years. Ecu Hold NV has 110 own offices in 56 countries and a franchisee and agent network across 203 locations in 120 countries, and the total network spanning 313 locations in 176 countries. This has given us the ability to service our customers' logistics needs across the globe. We also have a joint venture with the Transworld Group in New Jersey, USA to cater to the US markets.

We are also engaged in handling of project cargo, which is a specialised activity requiring detailed planning and technical expertise. These assignments are generally handled on a turnkey contract basis.

We provide port related logistic support services, through our CFS called Transindia Logistics Park (TLP) located at a distance of about 18 kms from the JNPT, India's largest container port. Our CFS facility has a capacity to handle 1,20,000 TEUs p.a. and is equipped with sophisticated technology, high quality equipments, an advanced fire fighting system, comprehensive generator back-up, and CCTV and VHF for round the clock security of cargo. Our CFS has recorded 124.95% growth during the last one year from FY04 to FY05.

We believe in gaining customer satisfaction through process enhancements and constant innovation in our services and have received an ISO:9001:2000 certification for our MTO at our corporate office and our CFS facility.

Our Company has a total employee strength of over 320.

We achieved an income of Rs. 2321.93 million and adjusted PAT of Rs. 245.47 million for the FY 2005. For the 9 month period ending December 31, 2005, we have achieved an income of Rs. 2041.21 million and a adjusted PAT of Rs. 370.24 million.

BUSINESS OPERATIONS

Our business can be broadly classified into:

- Multimodal Transport Operations
- Container Freight Station
- Project Cargo Handling

Our revenue mix has been as follows:

(Rs. in Million)

Income	FY 2003	FY 2004	FY 2005	Nine month ended Dec 31, 2005
Multimodal Transport Operations	1,169.66	1,334.88	1,820.12	1,354.62
Container Freight Station	-	127.96	325.79	498.63
Project Cargo Handling	-	-	120.45	118.41
Total operating income	**1,169.66**	**1,460.99**	**2,261.47**	**1,971.66**

OUR MTO COMPETITIVE STRENGTHS

PROFESSIONAL MANAGEMENT TEAM

We are managed by a strong team of professionals with industry experience and having served leading organizations in the Shipping Industry.

DIRECT SHIPMENTS TO MAJOR DESTINATIONS

Our scale of operations enables us to have regular and assured shipments to various direct destinations and hub ports.

EARLY MOVER ADVANTAGE

We were among one of the early entrants in the consolidation business in India with a professional management set up giving us the advantage of establishing a strong agent network, a wide national presence, proven track record and top of mind brand recall.

WELL EQUIPPED TO HANDLE HAZARDOUS CARGO

We are well equipped to handle hazardous cargo, which is highly specialised and regulated and requires approvals from carriers, destinations ports and transshipment ports and requires strict adherence to international safety standards.

PAN INDIA PRESENCE

We have a pan India presence across 17 branches and 11 franchisees. We have regional offices in Mumbai, Delhi, Chennai and Kolkata. Each regional office has a network of satellite offices and franchisees that cater to the needs of the customers in the business centres around the major metro cities.

RELATIONSHIP WITH SHIPPING LINES AND VENDORS

Shipping lines that transport the cargo are crucial to our business. Being one of the leading MTO operators and consolidators, we have a strong relationship with the most of the leading carriers/ liners and as a result are able to negotiate favourable commercial terms and obtain operational advantages.

INTERNATIONAL NETWORK

We have a global presence vide our strategic investments, joint ventures and agents. Our international network enhances our service capabilities, enabling us to offer premium quality services to all our customers across the globe due to the i) the spread of international coverage and ii) quality of international network.

STRATEGIC ACQUISITION IN ECU HOLD NV

We have acquired a 49.99% stake in Ecu Hold NV in 2006 and have the option to increase it to 100% as per the letter of intent dated January 10, 2006 and the Memorandum of Understanding dated April 15, 2006 subject to a legal and financial due diligence and certain other covenants as stated on page 102 of the Red Herring Prospectus. Ecu Hold NV is the holding company of the Ecu Group, based in Belgium. Ecu Group is one of the leading NVOCC in the world with revenue of Euro 185.8 millions for the year ended December 31, 2004.

OUR JV WITH TRANSWORLD LOGISTICS AND SHIPPING SERVICES

We have entered into a JV with Transworld Logistics and Shipping Services, called Allcargo Movers Inc. which operates as a MTO in the USA. Having our own office in the US, facilitates control of operations in the USA and this gives our local customers a greater level of comfort.

TECHNOLOGY

Our ERP system provides support to our business at all stages starting from the sales, planning to operations and documentation, accounts and customer service thereby helping in enforcing procedures and maintaining an error free work flow process.

OUR CFS COMPETITIVE STRENGTHS

STRATEGIC LOCATION

Our CFS is strategically located 18 kms from the JNPT, India's largest container port.

ROUND THE CLOCK SECURITY

We use advance security systems and CCTV due to which the threat of theft and pilferage is negligible.

STRONG CUSTOMER RELATIONSHIPS

Our strong relationships with shipping lines aided by our long term relationship with them through our MTO business ensure business continuity for our CFS business.

CUSTOMER FOCUS

Our systems and procedures and our strong management team are focused to ensure customer satisfaction through error free operations, timely status updates, and timely turnaround of containers from the port.

IN-HOUSE EQUIPMENTS

We own some of the critical equipments which are required for the day-to-day operations of the CFS thereby ensuring operational efficiency.

INTER CFS MOVEMENT PERMISSION

TLP is among the few to have requisite permission from the customs authorities for the inter CFS movement of cargo in the JNPT vicinity. This enables us to move cargo from any CFS to our CFS on an immediate basis avoiding delay in the shipment of the container.

PARKING FACILITY

Our CFS has its own parking area of 4 acres for the convenience of transporters.

OUR BUSINESS STRATEGY

Through our various business segments of MTO, Project Cargo Handling, CFS and our strategic acquisition, we intend to gain synergy between the various business segments of the logistics space and build each segment through strategies as detailed below:

1. **Strengthen existing services**

   <u>Strengthen existing experienced and well-trained team</u>

   Being in the Service Industry, our people are our most important assets and therefore we constantly endeavour to build an experienced and well-trained team.

   <u>Focus on FCL cargo</u>

   Our large volumes in LCL consolidation help us build strong relationships with shipping lines that gives us cost and operational advantages. By leveraging our cost advantage we are able to attract substantial FCL volumes. Our strategy going forward is to sustain the focus on FCL cargo.

   <u>Project Cargo Handling</u>

   Our strategy is to expand our team and increase our presence in this segment.

   <u>Expansion of CFS operations to multiple locations</u>

   Our strategy to expand our CFS operations to multiple locations shall enable us to service our customers on a Pan India basis.

2. Increase array of services

Wide range of offering

Our strategy has been to expand the range of our services in the logistics space. We have drawn up plans to diversify into the new opportunities emerging from liberalisation in Railways and in Coastal shipping movements in containers.

Container owned cargo business

Currently our subsidiary, Contech Transport Services Private Limited leases containers and operates in the container owned cargo business. It carries on its activity in certain Asian ports. Going forward we would purchase our own containers, scale up the operations and expand our reach in this activity in line with market conditions.

3. Move up the value chain

Deliver Superior Service Levels

In the LCL consolidation and FCL freight forwarding business in India, customer loyalty is built through the enhancement of service levels in terms of transit times, coverage, timely information flow and efficient cost structures. Our strategy to deliver superior service levels is based on network expansion, enhancing our ERP system, enhance depth of offerings and offer direct marketing focused towards contacting importers directly.

4. Strategic initiatives/acquisitions

ECU Hold NV

We have been associated with Ecu Line NV since 1995. In June 2005 we acquired a 33.8% stake in Ecu Hold, the holding company of Ecu Line. After 6 months in January 2006, as a strategic investor we raised our stake to 49.99% with the option to increase it to 100% subject to due diligence and certain covenants as per the Letter of Intent dated January 10, 2006 and the Memorandum of Understanding dated April 15, 2006 appearing on page number 102 of this Red Herring Prospectus.

Related Diversifications, Mergers and Acquisitions:

We shall also look for opportunities for acquisitions / mergers of other companies in India in the logistics space thereby build a larger market share, increase the portfolio of services we offer, and move up the value chain.

THE ISSUE

Equity Shares offered	
Public Issue	2,079,000 Equity Shares, constituting 10.26% of the post Issue paid-up capital of our Company
Of which:	
Employees Reservation Portion	51,000 Equity Shares
Net Issue to Public	2,028,000 Equity Shares
Of which:	
a) Qualified Institutional Buyers Portion	At least 1,216,800 Equity Shares, constituting up to 60% of the Net Issue to the Public of which 5% of the QIB Portion or 60,840 Equity Shares shall be available for allocation on a proportionate basis to Mutual Funds only ("Mutual Funds Portion") and 1,155,960 Equity Shares shall be available for allocation to all QIBs, including Mutual Funds. (Allocation on a proportionate basis)
b) Non Institutional Portion	Upto 202,800 Equity Shares constituting 10% of the Net Issue to Public (Allocation on a proportionate basis)
c) Retail Individual Bidders Portion	Upto 608,400 Equity Shares constituting 30% of the Net Issue to Public (Allocation on a proportionate basis)
Equity Shares outstanding prior to the Issue	18,176,845 Equity Shares
Equity Shares outstanding after the Issue	20,255,845 Equity Shares
Objects of the Issue	Please see the section titled "Objects of the Issue" on page 33 of the Red Herring Prospectus

Note:

Under-subscription, if any, in Non Institutional Bidders Portion and the Retail Individual Bidders Portion will be allowed to be met with spill over from any other categories, at the sole discretion of our Company and the BRLMs.

Under-subscription, if any, in reservation for Mutual Funds will be allowed to be met by the balance of QIBs.

SELECTED FINANCIAL DATA OF OUR COMPANY

The following table sets forth summary of financial data derived from our restated financial statements as of and for the nine month ended period ended December 31, 2005 and the fiscal years ended March 31, 2001, 2002, 2003, 2004 and 2005 prepared in accordance with Indian GAAP and SEBI Guidelines and as described in the Statutory Auditor's report dated March 14, 2006 included in the section titled Financial Statements (Restated) beginning on page 144 of this Red Herring Prospectus and should be read in conjunction with those financial statements and notes thereto.

Summary statement of unconsolidated assets and liabilities, as restated

(Rs. in millions)

Particulars	As at March 31, 2001	As at March 31, 2002	As at March 31, 2003	As at March 31, 2004	As at March 31, 2005	As at December 31, 2005
FIXED ASSETS						
Gross Block	61.12	118.05	181.26	372.86	518.97	479.09
Less: Depreciation	20.77	48.81	75.64	124.85	201.80	117.07
Net Block	40.35	69.24	105.62	248.01	317.17	362.02
Capital Work-in-Progress	34.91	4.55	88.08	11.96	17.24	35.25
	75.26	**73.79**	**193.70**	**259.97**	**334.41**	**397.27**
INVESTMENTS	**11.52**	**12.89**	**11.61**	**5.98**	**75.50**	**569.24**
CURRENT ASSETS, LOANS AND ADVANCES						
Sundry Debtors	70.95	69.89	82.83	95.78	181.44	248.08
Cash & Bank Balances	2.76	10.85	14.34	18.38	12.03	172.74
Loans & Advances	54.32	70.07	98.83	131.45	218.60	228.29
	128.03	**150.81**	**196.00**	**245.61**	**412.07**	**649.11**
LIABILITIES AND PROVISIONS						
Secured Loans	43.97	33.98	87.10	105.00	99.20	385.23
Unsecured Loans	-	-	12.22	5.99	-	-
From Others	5.31	-	-	-	-	50.00
Current Liabilities	90.95	86.82	140.70	161.43	256.18	223.72
Provisions	29.71	42.98	51.99	70.71	62.01	158.25
Deferred Tax Liability (Net)	1.69	2.72	5.31	10.01	13.12	10.34
	171.63	**166.50**	**297.32**	**353.14**	**430.51**	**827.54**
NET WORTH	**43.18**	**71.00**	**103.99**	**158.42**	**391.47**	**788.08**
REPRESENTED BY						
Share Capital	1.00	5.00	5.00	5.00	100.00	131.56
Share Application Money pending allotment	0.03	0.03	0.03	0.03	0.03	100.00
Reserves & Surplus						
General Reserve	12.50	20.00	50.00	100.00	105.00	174.64
Profit & Loss Account	29.67	45.98	48.97	53.39	187.55	382.78
	43.20	**71.01**	**104.00**	**158.42**	**392.58**	**788.98**
Miscellaneous Expenditure	0.02	0.01	0.01	-	1.11	0.90
NET WORTH	**43.18**	**71.00**	**103.99**	**158.42**	**391.47**	**788.08**

ALLCARGO GLOBAL LOGISTICS LIMITED

Summary statement of Unconsolidated Profit and Losses, as restated.

Particulars	For the Period/year ended					
	March 31, 2001	**March 31, 2002**	**March 31, 2003**	**March 31, 2004**	**March 31, 2005**	**December 31, 2005**
INCOME						
	1026.06	1055.32	1169.67	1462.47	2265.60	1971.66
Other Income	5.74	19.23	20.10	32.50	56.33	69.55
TOTAL	**1031.80**	**1074.55**	**1189.77**	**1494.97**	**2321.93**	**2041.21**
EXPENDITURE						
Multimodal Transport Operation	895.66	893.10	993.85	1135.57	1671.37	1253.50
Container Freight Station	-	-	-	68.83	100.81	132.10
Employee Cost	31.38	42.32	44.78	51.83	61.14	69.29
Hire and Transport	1.32	7.80	10.76	14.38	17.72	11.23
Administrative and Selling Expenses	39.17	49.60	55.54	81.31	95.53	98.05
Miscellaneous Expenses	0.23	2.03	0.34	2.08	0.51	6.45
Provision for Doubtful Debts	-	0.12	-	-	-	-
Preliminary Expenses Written Off	0.01	0.01	0.01	0.01	0.28	0.21
Financial Charges	2.23	6.11	4.66	10.80	7.67	15.77
Depreciation	11.60	29.06	27.56	52.10	78.38	48.68
TOTAL	**981.60**	**1030.15**	**1137.50**	**1416.91**	**2033.41**	**1635.28**
PROFIT BEFORE PRIOR PERIOD ADJUSTMENTS, EXTRAORDINARY ITEMS AND TAX	**50.20**	**44.40**	**52.28**	**78.06**	**288.52**	**405.93**
Add/Less: Taxes related to earlier years	(0.04)	(2.94)	(0.02)	-	(0.42)	-
Less: Prior period items	-	-	-	-	-	0.37
PROFIT BEFORE TAX	**50.16**	**41.46**	**52.26**	**78.06**	**288.10**	**405.56**
Provision for Income Tax	18.33	15.40	16.66	18.90	39.53	36.10
Deferred Tax	-	-	2.59	0.24	(0.27)	(2.78)
Provision for Wealth Tax	-	0.02	0.03	0.03	0.06	-
Provision for Fringe Benefit Tax	-	-	-	-	-	2.37
PROFIT AFTER TAX	**31.83**	**26.04**	**32.98**	**58.89**	**248.78**	**369.87**
ADJUSTMENTS						
Impact of material adjustment for restatement in corresponding years (See Annexure III)	2.93	(1.77)	(0.01)	4.46	3.31	(0.37)
Adjusted Net profit	**28.90**	**27.81**	**32.99**	**54.43**	**245.47**	**370.24**
Balance brought forward from Previous Year	10.77	29.67	45.98	48.96	53.39	187.55
PROFIT AVAILABLE FOR APPROPRIATIONS	**39.67**	**57.48**	**78.97**	**103.39**	**298.86**	**557.79**
APPROPRIATIONS:						
Interim Dividend	-	-	-	-	10.00	65.78
Tax on Interim Dividend	-	-	-	-	1.31	9.23
Transferred to General Reserve	10.00	11.50	30.00	50.00	100.00	100.00
	10.00	11.50	30.00	50.00	111.31	-
BALANCE CARRIED OVER TO BALANCE SHEET	**29.67**	**45.98**	**48.97**	**53.39**	**187.55**	**382.78**

Summary statement of Unconsolidated Cash Flows, as restated.

(Rs. in Million)

Particulars	For the Financial Year ended March 31, 2001	2002	2003	2004	2005	Nine months period ended December 31, 2005
A. Cash Flow from Operating Activities						
Net Profit Before Prior Period items, extraordinary items and Tax	**50.20**	**44.40**	**52.28**	**78.06**	**288.52**	**405.94**
Depreciation	11.60	29.06	27.56	52.10	78.38	48.68
Loss on Sale of Fixed Assets	0.14	0.43	0.21	0.32	0.19	5.81
Preliminary Expenses written off	0.01	0.01	0.01	0.01	0.28	0.21
Interest Payments	1.98	5.97	4.40	10.47	7.06	15.41
Interest Received	(0.19)	(0.09)	(0.18)	(0.38)	(1.46)	(4.32)
Unrealised Foreign exchange loss/(gain)	(0.52)	(0.04)	(0.04)	1.43	(0.32)	(0.50)
Profit on Sale of Assets	(0.01)	(0.10)	(0.12)	(0.06)	-	(18.72)
Profit on Sale of Shares	(0.06)	(0.99)	(0.55)	-	(0.64)	(2.92)
Loss on Sale of Shares	0.16	1.08	-	-	-	-
Provisions for Liabilities	-	0.56	0.43	(0.22)	1.77	1.67
Dividend	(0.74)	(0.11)	-	(4.25)	(0.71)	(3.42)
Excess provision of earlier year IT w/back	-	-	-	-	-	(0.09)
Income tax refund	-	-	-	-	-	(0.01)
Operating Profit before prior period items and Working Capital Changes	**62.53**	**80.18**	**84.00**	**137.48**	**373.07**	**448.74**
Adjustment for:						
Increase/Decrease in Trade and Other receivables	(57.75)	0.32	(31.88)	(25.22)	(180.73)	(61.62)
Increase/Decrease in Trade Payables and Other liabilities	29.51	(3.25)	53.88	21.48	94.40	(32.10)
Direct Taxes Paid	(20.01)	(18.69)	(17.90)	(22.53)	(41.82)	(34.02)
Prior period expenses	-	-	-	-	-	(0.37)
Net Cash from Operating Activities	**14.28**	**58.56**	**88.10**	**111.21**	**244.92**	**320.63**
B. Cash Flow from Investing Activities						
Purchase of Fixed Assets (Including Capital Advances)	(67.83)	(28.92)	(148.81)	(121.49)	(153.55)	(176.52)
Purchase of Investments	(0.25)	(4.60)	(2.19)	(2.40)	(71.93)	(807.64)
Sale of Investments	0.57	3.13	4.02	8.03	3.04	316.82
Sale of Fixed Assets	0.63	0.99	1.25	2.86	0.55	77.89
Interest Received	0.19	0.09	0.18	0.38	1.46	4.32
Dividend	0.74	0.11	-	4.25	0.71	3.42
Net Cash from Investing Activities	**(65.95)**	**(29.20)**	**(145.55)**	**(108.37)**	**(219.72)**	**(581.71)**

(Rs. In Million)

Particulars	For the Financial Year ended March 31, 2001	2002	2003	2004	2005	Nine months period ended December 31, 2005
C. Cash Flow from Financing Activities						
Receipt of Share application money	0.03	-	-	-	-	100.00
Refund of share application money	-	-	-	-	-	0.01
Issue of Share Capital including Premium	-	-	-	-	-	1.18
Receipt / Payment of Loans	48.07	(15.30)	65.34	11.67	(11.79)	336.03
Stamp duty paid for increase in authorised capital	-	-	-	-	(1.39)	-
Interim Dividend Paid	-	-	-	-	(10.00)	-
Tax on Interim Dividend	-	-	-	-	(1.31)	-
Interest paid on Loans	(1.98)	(5.97)	(4.40)	(10.47)	(7.06)	(15.41)
Net Cash from Financing Activities	**46.12**	**(21.27)**	**60.94**	**1.20**	**(31.55)**	**421.79**
Net Increase in Cash and Cash Equivalent (A+B+C)	**(5.55)**	**8.09**	**3.49**	**4.04**	**(6.35)**	**160.71**
Cash and Cash Equivalent at the beginning of year	8.31	2.76	10.85	14.34	18.38	12.03
Cash and Cash Equivalent as the end of the year	**2.76**	**10.85**	**14.34**	**18.38**	**12.03**	**172.74**

GENERAL INFORMATION

REGISTERED OFFICE

Allcargo Global Logistics Limited
Diamond Square, 5th Floor,
CST Road, Kalina,
Santacruz (East)
Mumbai-400 098
Tel: +91 22 66798100
Fax: +91 22 66798195
Website: www.allcargoglobal.com
Registration No: 11-73508 of 1993

CORPORATE OFFICE

Allcargo Global Logistics Limited
Diamond Square, 5th Floor,
CST Road, Kalina,
Santacruz (East)
Mumbai-400 098
Tel: +91 22 66798100
Fax: +91 22 66798195
Website: www.allcargoglobal.com

ADDRESS OF THE RoC

The Registrar of Companies, Mumbai is located at:

100, Everest Building
Marine Drive
Mumbai-400 002.
Tel: +91 22 22812639
Fax: +91 22 22811977
E-mail: rocbom@sb.nic.in

BOARD OF DIRECTORS

Sr. No.	Name	Designation
1.	Mr. Shashi Kiran Shetty	Chairman & Managing Director
2.	Mrs. Arathi Shetty	Executive Director
3.	Mr. Kaiwan Kalyaniwalla	Independent Director
4.	Mr. Keki Elavia	Independent Director
5.	Mr. Satish Gupta	Independent Director
6.	Mr. Mark Rubin	Nominee Director

For more details, please refer to the section titled "Our Management" on page 106 of the Red Herring Prospectus.

COMPANY SECRETARY AND COMPLIANCE OFFICER

Mr. Yogesh Kolwalkar
Allcargo Global Logistics Limited
Diamond Square, 5th Floor, CST Road
Kalina, Santacruz (East)
Mumbai-400 098
Tel: +91 22 66798100
Fax: +91 22 66941739
Email: ipo@allcargoglobal.com

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

ISSUE MANAGEMENT TEAM

BOOK RUNNING LEAD MANAGERS-

Book Running Lead Manager

Enam Financial Consultants Private Limited
801, Dalamal Tower,
Nariman Point,
Mumbai-400 021
Tel: +91 22 66381800
Fax: +91 22 22846824
Email: allcargo.ipo@enam.com
Website: www.enam.com
Contact Person: Ms. Shilpa Jhaveri

Co-Book Running Lead Manager

Inga Advisors Private Limited
A-404 Neelam Centre,
Hind Cycle Road,
Worli, Mumbai-400 030
Tel: +91 22 24982919
Fax: +91 22 24982956
Email: allcargo.ipo@ingaadvisors.com
Website: www.ingaadvisors.com
Contact Person: Mr. S Karthikeyan

Senior Co-Book Running Lead Manager

IL&FS Investsmart Limited
The IL&FS Financial Centre
Plot C-22, G Block,
Bandra Kurla Complex,
Bandra (E), Mumbai - 400 051
Tel: +91 22 26533333
Fax: +91 22 26533075
Email: allcargo.ipo@investsmartindia.com
Website: www.investsmartindia.com
Contact Person: Ms. Poorna Pikle

LEGAL ADVISORS TO THE ISSUE

Crawford Bayley & Co.
State Bank Building, 4th Floor,
N.G.N. Vaidya Marg,
Fort, Mumbai 400 023
Tel: +91 22 22663713
Fax: + 91 22 22660986
E-mail: suresh.talwar@crawfordbayley.com

SYNDICATE MEMBERS

Enam Securities Private Limited
Khatau Building, IInd Floor,
44B, Bank Street,
Off Shahid Bhagat Singh Road,
Fort, Mumbai 400 001
Tel: +91 22 22677901
Fax: +91 22 22665613
E-mail: allcargo.ipo@enam.com
Website: www.enam.com
Contact Person: Mr. M. Natarajan

Oracle Stocks and Shares Limited
Oracle Point, 6th Floor,
Opposite Bandra Station,
3 Guru Nanak Road,
Bandra West, Mumbai-400 050
Tel: +91 22 66780425
Fax: +91 22 66780427
E-mail: karmalinadeen@hotmail.com
Contact Person: Mr. Pranav Shah

REGISTRAR TO THE ISSUE

Intime Spectrum Registry Limited

C-13, Pannalal Silk Mills Compound,
LBS Marg, Bhandup (West),
Mumbai - 400 078.
Tel: +91 22 25960320
Fax: +91 22 25960329
Email: vishwasa@intimespectrum.com
Website: www.intimespectrum.com
Contact Person: Mr. Vishwas Attawar

BANKERS TO THE ISSUE AND ESCROW COLLECTION BANKS

HDFC Bank Limited
Trade World, A Wing,
2nd Floor, Kamala Mills Compound,
Senapati Bapat Marg,
Lower Parel, Mumbai – 400 013
Tel: +91 22 22679961
Fax: +91 22 22671661
E-mail: sunil.kolenchery@hdfcbank.com
Website: www.hdfcbank.com
Contact Person: Mr. Sunil Kolenchery

Standard Chartered Bank
270 D.N. Road, Fort,
Mumbai 400 001
Tel: +91 22 22683965/ 22092213
Fax: +91 22 22096069
Email:Banhid.Bhattacharya@in.standardchartered.com
Website : www.standardchartered.co.in
Contact Person: Mr. Banhid Bhattacharya

Yes Bank Limited
Nehru Centre, 4th Floor,
Discovery of India
Dr. A. B. Road, Worli,
Mumbai – 400 018
Tel: +91 22 56699088
Fax: +91 22 24947639
E-mail: rajesh.lahori@yesbank.in
Website: www.yesbank.in
Contact Person: Mr. Rajesh Lahori

ICICI Bank Limited
Capital Markets Division,
30, Mumbai Samachar Marg,
Mumbai 400 001
Tel: +91 22 22655285
Fax: +91 22 22611138
Email: sidhartha.routray@icicibank.com
Website : www.icicibank.com
Contact Person: Mr. Sidhartha Routray

ABN Amro Bank N.V.
4th Floor, Sakhar Bhawan,
Nariman Point, Mumbai-400 021
Tel : +91 22 6658 5858
Fax: +91 22 2287 3042
E-mail: ramesh.ganesan@in.abnamro.com
Website: www.abnamro.co.in
Contact Person: Mr. Ramesh Ganesan

BANKERS TO THE COMPANY

HDFC Bank Limited
Kamala Mills Compound
Trade World, New Building,
2nd Floor, Senapati Bapat Marg
Lower Parel, Mumbai – 400 013
Tel: +91 22 24902884
Fax: +91 22 24963871
Contact Person: Mr. Prashant Khanchandani
E-mail: Prashant.khanchandani@hdfcbank.com

ABN Amro Bank N.V.
Sakhar Bhavan
Nariman Point, Mumbai-400 021
Tel: +91 22 22818008
Fax: +91 22 22818252
Contact Person: Ms. Smita Chadha
E-mail: smita.chadha@in.abnamro.com

Yes Bank Limited
Nehru Centre, 9th Floor,
Discovery of India,
Dr. A. B. Road, Worli,
Mumbai – 400 018
Tel: +91 22 24900650
Fax: +91 22 24900314
Contact Person: Mr. Sanjay Palve
E-mail: sanjay.palve@yesbankltd.com

Centurion Bank of Punjab Limited
7, Surya Mahal,
118, Nagindas Master Road
Fort, Mumbai – 400 023
Tel: +91 22 22634505
Fax: +91 22 22631928
Contact Person: Mr. Antony Gomez
E-mail: antony.c@centurionbop.co.in

STATUTORY AUDITORS TO THE COMPANY

Appan & Lokhandwala Associates
B-127 Shrikant Chambers,
Sion Trombay Road,
Chembur, Mumbai - 400 071
Tel: +91 22 55550346
Fax: +91 22 55550347
E-mail: appan@busisol.net

STATEMENT OF INTER-SE ALLOCATION OF RESPONSIBILITY OF THE BRLMs

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

No.	Activities	Responsibility	Co-ordinator
1.	Capital structuring with the relative components and formalities such as type of instruments, etc.	Enam Inga	Enam
2.	Due diligence of the company's operations / management / business plans/legal etc.	Enam Inga	Enam
3.	Drafting & Design of Offer Document and of statutory advertisement including memorandum containing salient features of the Prospectus. The designated Lead Manager shall ensure compliance with stipulated requirements and completion of prescribed formalities with Stock Exchange, Registrar of Companies and SEBI	Enam Inga	Enam
4.	Drafting and approval of Issue and statutory publicity material, etc.	Enam Inga	Enam
5.	Drafting and approval of all corporate advertisement, brochure and other publicity material	Enam Inga	Inga
6.	Appointment of Registrar and Ad agency	Enam Inga IIL	Inga
7.	Appointment of Printers and Bankers	Enam Inga IIL	Enam
8.	Marketing of the Offer, which will cover *inter alia*, ▪ Formulating marketing strategies, preparation of publicity budget ▪ Finalise Media & PR strategy ▪ Finalising centres for holding conferences for brokers, etc. ▪ Finalise collection centres ▪ Follow-up on distribution of publicity and Offer material including form, prospectus and deciding on the quantum of the Offer material	Enam Inga IIL	Enam
9.	Finalising the list of QIBs. Divisions of QIBs for one to one meetings, road show related activities and order procurement.	Enam Inga IIL	Enam
10.	Managing the Book and finalisation of Pricing & Allocation	Enam Inga	Enam
11.	Post bidding activities including management of Escrow Accounts, co-ordination with Registrar and Banks, Refund to Bidders, etc.	Inga	Inga
12.	The post Offer activities of the Offer will involve essential follow-up steps, which must include finalisation of listing of instruments and dispatch of certificates and refunds, with the various agencies connected with the work such as Registrar to the Offer, Bankers to the Offer and the bank handling refund business. Lead Manager shall be responsible for ensuring that these agencies fulfill their functions and enable him to discharge this responsibility through suitable agreements with the issuer company.	Inga	Inga

IPO RATING

We have not opted for grading of this Issue from credit rating agency.

CREDIT RATING

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

TRUSTEES

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

MONITORING AGENCY

There is no requirement for a monitoring agency in terms of Clause 8.17 of the SEBI DIP Guidelines, however we have appointed Yes Bank Limited as our Monitoring Agency, details of which are given below:

Yes Bank Limited, Nehru Centre, 9th Floor, Discovery of India, Dr. A. B. Road, Worli, Mumbai 400 018.
Tel: +91 22 56699000, Fax: +91 22 24900314, Contact Person: Mr. Rajesh Lahori
In addition, the audit committee of our Company will also monitor the use of the proceeds of the Issue.

WITHDRAWAL OF THE ISSUE

Our Company, in consultation with the BRLMs, reserves the right not to proceed with the Issue at any time after the Bid/Issue Opening Date without assigning any reason thereof.

BOOK BUILDING PROCESS

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

1. The Company;
2. The BRLMs;
3. The Syndicate Members who are intermediaries registered with SEBI or registered as brokers with the Stock Exchange/s and eligible to act as Underwriters. The BRLMs appoint the Syndicate Members;

SEBI Guidelines, have permitted issue of securities to the public through 100% Book Building Process, wherein: (i) at least 60% of the Net Issue to the public shall be allocated on a proportionate basis to QIBs, including up to 5% of the QIB Portion that shall be available for allocation on a proportionate basis to Mutual Funds only and the remainder of the QIB Portion shall be available for Allocation on a proportionate basis to all QIB Bidders, including Mutual Funds; (ii) at least 10% of the Net Issue to the public shall be available for allocation on a proportionate basis to the Non-Institutional Bidders and (iii) at least 30% of the Net Issue to the public shall be available for allocation on a proportionate basis to Retail Individual Bidders, subject to valid Bids being received at or above the Issue Price. We will comply with the SEBI DIP Guidelines for this Issue. In this regard, we have appointed the BRLMs to procure subscriptions to the Issue.

Steps to be taken by the Bidders for bidding:

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

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

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

Number of Equity Shares Bid for	Bid Price (Rs.)	Cumulative Equity Shares Bid for	Subscription
500	24	500	16.67%
1000	23	1500	50.00%
3500	21	5000	166.67%
2500	20	7500	250.00%

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

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

UNDERWRITING AGREEMENT

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

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

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

Name and Address of the Underwriters	Indicated Number of Equity Shares to be Underwritten	Amount Underwritten (Rs. in million)
[●]	[●]	[●]
[●]	[●]	[●]

The above Underwriting Agreement is dated [●].

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

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

CAPITAL STRUCTURE

Financial data presented in this section is derived from our restated financial statements prepared in accordance with Indian GAAP.

Our Share Capital as at the date of filing of the Red Herring Prospectus with SEBI is set forth below:

(Rs. in Million)

	Particulars		Aggregate Value at Nominal Price	Aggregate Value at Issue Price
A.	**Authorized Capital**			
	21,000,000	Equity Shares of Rs. 10/- each	210.00	
B.	**Issued, Subscribed and Paid-up Capital before the Issue**			
	18,176,845	Equity Shares of Rs. 10/- each	181.76	
C.	**Public Issue in terms of the Red Herring Prospectus**			
	Present Issue of:			
	2,079,000	Equity Shares of Rs. 10/- each	20.79	[●]
	Out of which:			
	51,000	Equity Shares of Rs. 10/- each are reserved for allotment to Employees.	0.51	[●]
D.	**Net Issue to the Public in terms of the Red Herring Prospectus**			
	2,028,000	Equity Shares of Rs. 10/- each	20.28	[●]
E.	**Post Issue paid-up Equity Share Capital**			
	20,255,845	Equity Shares of Rs. 10/- each	202.55	
F.	**Share Premium Account**			
		Before the issue	817.90	
		After the issue *		[●]

* The share premium account shall be determined after the Book Building Process.

DETAILS OF INCREASE IN AUTHORISED EQUITY SHARE CAPITAL

Date	No. of Shares	Face Value (Rs.)	Authorised Capital (Rs.)	Particulars
August 18, 1993	5,000	100/-	500,000	On Incorporation
March 18, 2000	50,000	100/-	5,000,000	Increase
February 28, 2005	500,000	10/-	5,000,000	Sub-division of Equity Shares
February 28, 2005	15,000,000	10/-	150,000,000	Increase
December 9, 2005	20,000,000	10/-	200,000,000	Reclassification of preference shares into Equity Shares
January 5, 2006	21,000,000	10/-	210,000,000	Increase

Notes: 1) Our current authorised capital is sufficient to meet the requirements of the Issue.

2) One Equity Share of face value of Rs. 100/- each was sub-divided into 10 Equity Shares of Rs. 10/- each on February 28, 2005.

NOTES TO THE CAPITAL STRUCTURE

1) Share Capital History of the Company

Date of allotment	No. of Equity Shares	Cumulative no. of Equity Shares at Face Value of Rs. 100/- each	Face Value (Rs.)	Issue Price (Rs.)	Cumulative no. of Equity Shares at Face Value of Rs. 10/- each	Share Premium	Nature of Consi-deration	Particulars	Cumu-lative Share Premium (Rs.)
August 18, 1993	20	20	100/-	100/-	200	-	Cash	Subscribers to the Memorandum	-
January 24, 1996	980	1,000	100/-	100/-	10,000	-	Cash	Allotment to the Promoter Group	-
March 29, 2000	9,000	10,000	100/-	100/-	100,000	-	Cash	Issue of shares on Rights basis	-
March 31, 2002	40,000	50,000	100/-	N/A	500,000	-	Bonus	Bonus Issue to Promoter Group in the ratio of 1:4	-
February 28, 2005	-	-	10/-	N/A	500,000	-	-	One Equity Share of Rs.100/- each was sub divided into 10 Equity Shares of Rs.10/- each	-
March 18, 2005	9,500,000	-	10/-	N/A	10,000,000	-	Bonus	Bonus Issue to Promoter Group in the ratio of 1:19	-
June 30, 2005	120,000	-	10/-	10/-	10,120,000	-	Cash	Allotment to relatives & friends of Promoter on private placement basis^	-
Oct 28, 2005	3,036,000	-	10/-	N/A	13,156,000	-	Bonus	Bonus to Share-holders in the ratio of 10:3	-
January 12, 2006	175,344	-	10/-	10/-	13,331,334	NIL	Cash	Allotment to Promoter as trustee. *	-
January 12, 2006	335,344	-	10/-	685.88	13,666,688	226,652,460	Cash	Allotment to individuals, bodies corporate and venture capital fund on private placement basis~	226,652,460
January 12, 2006	874,788	-	10/-	685.88	14,541,476	591,252,120	Cash	Allotment to Private Equity Investor #	817,904,580
January 14, 2006	3,635,369	-	10/-	N/A	18,176,845		Bonus	Bonus to Shareholders in the ratio of 4:1	817,904,580

^ Allotment of 40,000 Equity Shares of Rs. 10/- each issued at par to Mr. Umesh Shetty, Mr. Adarsh Hegde and Mr. M. P. Bansal.

* Allotment of 175,344 Equity Shares of Rs. 10/- each issued at par to our Promoter as trustee of the Allcargo Global Logistics Benefit Trust.

~ Allotment of Equity Shares of Rs. 10/- each issued at a premium of Rs. 675.88 to Polyole Fibre Private Limited (66,832), Hide-n-Chic Furniture Private Limited (66,828), Volrado Venture Partners (145,800), Qualis Holdings Private Limited (6,072), Accord Holdings Private Limited (6,068), Mr. Ginil Shirodkar (7,292), Mr. Pradip Shah (34,920), Mr. Harinder Sawhney (1,168), Mr. Abhijit Ghalke (220), Mr. Animesh Godiwala (144).

\# Allotment of 874,788 Equity Shares of Rs. 10/- each at a premium of Rs. 675.88 each issued to New Vernon Private Equity Limited at an aggregate value of Rs. 600 million.

2) The Bonus shares have been issued by way of capitalisation of general reserve :

Details of capitalization of reserves by our Company is as follows:

Date of Allotment of Bonus Shares	Date of approval to the Bonus issue	Ratio of Bonus issue	No. of Equity shares issued as Bonus shares	FV of shares	Amount of Reserves Capitalised (Rs. in million)
March 31, 2002	March 31, 2002	1:4	40,000	100	4.00
March 18, 2005	March 18, 2005	1:19	9,500,000	10	95.00
October 28, 2005	October 28, 2005	10:3	3,036,000	10	30.36
January 14, 2006	January 14, 2006	4:1	3,635,369	10	36.35

3) Build-up of Promoter and Promoter Group shareholding:

Promoter

Name of Promoter	Date of Allotment/ Date of Acquisition	Date when made fully paid up	Issue Price / Sale price(Rs.)	F.V.	No. of shares	Conside-ration (Rs.)	Nature of Issue
Shashi Kiran Shetty	August 18, 1993	August 18, 1993	100/-	100/-	10	1,000	Subscription to Memorandum
	January 24, 1996	January 24, 1996	100/-	100/-	490	49,000	Allotment against cash
	March 29, 2000	March 29, 2000	100/-	100/-	9,000	900,000	Allotment against cash
	March 31, 2002	March 31, 2002	N/A	100/-	38,000	—	Bonus
	February 28, 2005	N/A	N/A	10/-	475,000	—	Subdivision of shares of Rs. 100/- to Rs. 10/- each
	March 18, 2005	March 18, 2005	N/A	10/-	9,025,000	—	Bonus
	Oct 28, 2005	Oct 28, 2005	N/A	10/-	2,850,000	—	Bonus
	Dec 26, 2005	Dec 26, 2005	400.03	10/-	(145,800)	(58,325,000)	Sale of shares
	Dec 26, 2005	Dec 26, 2005	343/-	10/-	(2,900)	(994,700)	Sale of shares
	Jan 14, 2006	Jan 14, 2006	N/A	10/-	3,050,325	—	Bonus
	Mar 02, 2006	Mar 02, 2006	NIL	10/-	(762,625)	NIL	Transfer by way of gift of shares*
TOTAL					**14,489,000**	**(58,369,700)**	

* Our Promoter has transferred the shares by way of gift to the Shloka Shetty Trust for the benefit of his daughter Ms. Shloka Shashi Kiran Shetty and the shares so transferred are being held by our Promoter and Mrs. Arathi Shetty as the Trustees of the said trust.

Promoter Group

Name of Person forming part of Promoter Group	Date of Allotment/ Date of Acquisition	Date when made fully paid-up	Issue Price / Sale Price (Rs.)	F.V. (Rs.)	No. of shares	Consideration (Rs.)	Nature of Issue
Arathi Shetty	August 18,1993	August 18,1993	100/-	100/-	10	1,000	Subscription to Memorandum
	January 24, 1996	January 24, 1996	100/-	100/-	490	49,000	Allotment against cash
	March 31, 2002	March 31, 2002	N/A	100/-	2,000	—	Bonus
	February 28, 2005	N/A	N/A	10/-	25,000	—	Subdivision of shares of Rs. 100/- to Rs. 10/- each
	March 18, 2005	March 18, 2005	N/A	10/-	4,75,000	—	Bonus
	Oct 28, 2005	Oct 28, 2005	N/A	10/-	1,50,000	—	Bonus
	Dec 26, 2005	Dec 26, 2005	10/-	10/-	(37,600)	(3,76,000)	Sale of shares
	Dec 26, 2005	Dec 26, 2005	561/-	10/-	(24,200)	(1,35,76,200)	Sale of shares
	Jan 14, 2006	Jan 14, 2006	N/A	10/-	1,47,050	—	Bonus
	Jan 16, 2006	Jan 16, 2006	448/-	10/-	(400)	(1,79,200)	Sale of shares
TOTAL					**7,34,850**	**(1,40,81,400)**	
Umesh Kumar Shetty	June 30, 2005	June 30, 2005	10/-	10/-	40,000	4,00,000	Allotment against cash
	Oct 28, 2005	Oct 28, 2005	10/-	10/-	12,000	—	Bonus
	Jan 14, 2006	Jan 14, 2006	N/A	10/-	13,000	—	Bonus
TOTAL					**65,000**	**4,00,000**	
Adarsh Hedge	June 30, 2005	June 30, 2005	10/-	10/-	40,000	4,00,000	Allotment against cash
	Oct 28, 2005	Oct 28, 2005	10/-	10/-	12,000	—	Bonus
	Jan 14, 2006	Jan 14, 2006	N/A	10/-	13,000	—	Bonus
TOTAL					**65,000**	**4,00,000**	
Shobha Shetty	Dec 26, 2005	Dec 26, 2005	10/-	10/-	2,900	29,000	Transfer from Arathi Shetty
	Jan 14, 2006	Jan 14, 2006	N/A	10/-	725	—	Bonus
	Feb 11, 2006	Feb 11, 2006	10/-	10/-	(1,450)	(14,500)	Sale of shares
TOTAL					**2,175**	**14,500**	
Asha Shetty	Dec 26, 2005	Dec 26, 2005	10/-	10/-	2,900	29,000	Transfer from Arathi Shetty
	Jan 14, 2006	Jan 14, 2006	N/A	10/-	725	—	Bonus
	Feb 11, 2006	Feb 11, 2006	10/-	10/-	(1,450)	(14,500)	Sale of shares
TOTAL					**2,175**	**14,500**	
Usha Shetty	Dec 26, 2005	Dec 26, 2005	10/-	10/-	2,900	29,000	Transfer from Arathi Shetty
	Jan 14, 2006	Jan 14, 2006	N/A	10/-	725	—	Bonus
	Feb 11, 2006	Feb 11, 2006	10/-	10/-	(2,900)	(29,000)	Sale of shares
TOTAL					**725**	**Nil**	
Shubhashini Shetty	Dec 26, 2005	Dec 26, 2005	10/-	10/-	2,900	29,000	Transfer from Arathi Shetty

Name of Person forming part of Promoter Group	Date of Allotment/ Date of Acquisition	Date when made fully paid-up	Issue Price / Sale Price (Rs.)	F.V. (Rs.)	No. of shares	Consideration (Rs.)	Nature of Issue
	Jan 14, 2006	Jan 14, 2006	N/A	10/-	725	—	Bonus
	Feb 11, 2006	Feb 11, 2006	10/-	10/-	(1,450)	(14,500)	Sale of shares
TOTAL					**2,175**	**14,500**	
Mr. Shashi Kiran Shetty jointly with Mrs. Arathi Shetty as trustees for Shloka Shetty Trust	March 2, 2006	March 2, 2006	Nil	10/-	762,625	Nil	Transfer by way of gift by Shashi Kiran Shetty
TOTAL					**762,625**	**Nil**	

4) **Promoter's Contribution and Lock-in:**

Name of Promoter	Date of Allotment	Date when made fully paid up	Conside-ration	No. of Shares	Face Value (Rs.)	Issue Price	% of post Issue paid up capital	Lock-in period
Mr. Shashi Kiran Shetty	Jan 14, 2006	Jan 14, 2006	Bonus	3,050,325	10	N/A	15.03%	3 years
	Oct 28, 2005	Oct 28, 2005	Bonus	1,008,504	10	N/A	4.97%	3 years
				4,058,829			**20.00%**	**3 years**

Out of the total Promoter's holding, 20% of the Post-Issue Equity Share Capital i.e. 4,058,829 Equity Shares (assuming all the options granted are exercised) will be locked-in for 3 years. Other than the above, in terms of clause 4.14.1 of the SEBI Guidelines, our entire pre Issue capital of 13,935,766 Equity Shares shall be locked-in for a period of one year from the date of allotment of the Equity Shares in this Issue, except 182,250 Equity Shares held by a venture capital fund registered with SEBI, which are exempt from the provisions of lock-in, in accordance with the SEBI Guidelines.

Locked-in Equity Shares held by the Promoter can be pledged with banks or financial institutions as collateral security for loans granted by such banks or financial institutions. In terms of clause 4.16 (b) of the SEBI Guidelines, Equity Shares held by the Promoter may be transferred to and amongst the Promoter/ Promoter Group or to a new promoter or persons in control of our Company subject to continuation of the lock-in in the hands of the transferees for the remaining period and compliance with SEBI Takeover Regulations, as applicable.

Further, in terms of clause 4.16 (a) of the SEBI Guidelines, Equity Shares held by shareholders other than the Promoter may be transferred to any other person holding shares which are locked-in as per Clause 4.14 of the SEBI Guidelines, subject to continuation of the lock-in in the hands of the transferees for the remaining period and compliance with SEBI Takeover Regulations, as applicable.

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

6) The list of top ten shareholders of the Company and the number of Equity Shares held by them.

Top ten shareholders on the date of filing the Red Herring Prospectus with ROC:

Sr. No.	Name of Shareholders	No. of shares	Percentage Shareholding
1.	Mr. Shashi Kiran Shetty	14,489,000	79.71%
2.	New Vernon Private Equity Ltd.	1,093,485	6.02%
3.	Mr. Shashi Kiran Shetty jointly with Mrs. Arathi Shetty, as trustees for Shloka Shetty Trust	762,625	4.19%
4.	Mrs. Arathi Shetty	734,850	4.04%
5.	Mr. Shashi Kiran Shetty as trustee of Allcargo Global Logistics Benefit Trust	219,180	1.21%
6.	Volrado Venture Partners	182,250	1.00%
7.	Sharyans Resources Ltd.	182,250	1.00%
8.	Mr. M. P. Bansal	96,250	0.53%
9.	Polyole Fibre Private Ltd.	83,540	0.46%
10.	Hide-n-Chick Furniture Private Ltd.	83,535	0.46%

Top ten shareholders ten days prior to the date of filing the Red Herring Prospectus with ROC:

Sr. No.	Name of Shareholders	No. of shares	Percentage Shareholding
1.	Mr. Shashi Kiran Shetty	14,489,000	79.71%
2.	New Vernon Private Equity Ltd.	1,093,485	6.02%
3.	Mr. Shashi Kiran Shetty jointly with Mrs. Arathi Shetty, as trustees for Shloka Shetty Trust	762,625	4.20%
4.	Mrs. Arathi Shetty	734,850	4.04%
5.	Mr. Shashi Kiran Shetty as trustee of Allcargo Global Logistics Benefit Trust	219,180	1.21%
6.	Volrado Venture Partners	182,250	1.00%
7.	Sharyans Resources Ltd	182,250	1.00%
8.	Mr. M. P. Bansal	96,250	0.53%
9.	Polyole Fibre Private Ltd	83,540	0.46%
10.	Hide-n-Chick Furniture Private Ltd.	83,535	0.46%

The list of top ten shareholders, two years prior to the date of filing the Red Herring Prospectus with ROC is as follows:

Sr. No.	Name of Shareholders	No. of shares of face value of Rs. 100/- each	Equivalent no. of shares (of Rs.10/- each)	Percentage Shareholding
1.	Shashi Kiran Shetty	47,500	475,000	95.00%
2.	Arathi Shetty	2,500	25,000	5.00%

7) Shareholding pattern of our Company before and after the Issue:

Category	Pre Issue		Post Issue*	
	No. of shares	%	No. of shares	%
Promoter Group:				
a) Promoter:				
Mr. Shashi Kiran Shetty	14,489,000	79.71%	14,489,000	71.53%
b) Relatives of Promoter	872,100	4.80%	872,100	4.31%
c) Promoter Group entities				
Mr. Shashi Kiran Shetty jointly with Mrs. Arathi Shetty, as trustees for Shloka Shetty Trust	762,625	4.19%	762,625	3.76%
Sub-total: (a+b+c)	***16,123,725***	***88.70%***	***16,123,725***	***79.60%***
Persons Acting in Concert ~				
d) Mr. Shashi Kiran Shetty as trustee of Allcargo Global Logistics Benefit Trust	219,180	1.21%	219,180	1.08%
e) Private Corporate Bodies	366,500	2.02%	366,500	1.81%
f) Directors #/Employees	7,375	0.04%	58,375	0.29%
g) Foreign Corporate Body	1,093,485	6.02%	1,093,485	5.40%
h) Venture Capital Fund	182,250	1.00%	182,250	0.90%
i) Others	184,330	1.01%	184,330	0.91%
Sub-total: (d+e+f+g+h+i)	***2,053,120***	***11.30%***	***2,104,120***	***10.39%***
Public	_	_	**2,028,000**	**10.01%**
Grand Total	**18,176,845**	**100.00%**	**20,255,845**	**100.00%**

* Except for the Equity Shares held by the Promoter Group (who are not allowed to participate in this Issue) and Mr. Shashi Kiran Shetty as trustee of Allcargo Global Logistics Benefit Trust, the post Issue holding will be subject to change depending upon the allotment in the Issue including the Employee Reservation Portion.

~ The above do not qualify as part of Promoter/ Promoter Group as per Explanation II of Clause 6.8.3.2 (m) of the SEBI Guidelines. They have been classified as Persons Acting in Concert in the above table as stipulated by BSE while granting in-principle approval for listing. They are not Persons Acting in Concert/ qualify as Persons Acting in Concert for any other purpose like compliance with SEBI Takeover Code.

\# Excluding Directors forming part of the Promoter Group.

8) Our Promoter and Promoter Group have not purchased or sold any Equity Shares during the period of six months preceding the date on which the Red Herring Prospectus is filed with SEBI, except as under:

Our Promoter has sold/ transferred 911,325 Equity Shares as follows:

Sr. No.	Transferee	No. of Equity Shares F.V. of Rs. 10/- each	Price Per Share (Rs.)	Date of sale/ transfer
1	Sharyans Resources Ltd.	145,800	400.03	December 26, 2005
2	Mr. Sanath Shetty	2,900	343.00	December 26, 2005
3	Mr. Shashi Kiran Shetty jointly with Mrs. Arathi Shetty as trustees for Shloka Shetty Trust	762,625	NIL	March 02, 2006

Mrs. Arathi Shetty has sold 62,200 Equity Shares as follows:

Sr. No.	Transferee	No. of Equity Shares F.V. of Rs. 10/- each	Price Per Share (Rs.)	Date of sale
1.	Mrs. Shobha Shetty	2900	10.00	December 26, 2005
2.	Mrs. Asha Shetty	2900	10.00	December 26, 2005
3.	Mrs. Usha Shetty	2900	10.00	December 26, 2005
4.	Mrs. Shubhashini Shetty	2900	10.00	December 26, 2005
	To Others			
1.	Mr. Sunil H. Gaba	4500	561.00	December 26, 2005
2.	Mr. Satish Gupta	3500 1000	561.00 10.00	December 26, 2005
3.	Mr. Ashok Shetty	4500	561.00	December 26, 2005
4.	Mr. Rakesh Garg	1600	561.00	December 26, 2005
5.	Mr. Ashish C. Dangi	800	561.00	December 26, 2005
6.	Mr. Shiraj Ibrahim Patel	800	561.00	December 26, 2005
7.	Mrs. Rita Sushil Choksey	2500	561.00	December 26, 2005
8.	Miloni Consultants Private Ltd.	1600	561.00	December 26, 2005
9.	Mr. Deepjee Ambrishjee Singhal	800	561.00	December 26, 2005
10.	Mr. M. P. Bansal	25000	10.00	December 26, 2005
11.	Mr. Ramniklal Mohanlal Desai	400	561.00	December 26, 2005
12.	Mrs. Padma Ashit Desai	1800	561.00	December 26, 2005
13.	Mr. Jatin Jayantilal Chokshi	1400	561.00	December 26, 2005
14.	Mr. Syed Hamid	200	448.00	January 16, 2006
15.	Mrs. Naghma Syed	200	448.00	January 16, 2006

Mrs. Shobha Shetty, Mrs. Asha Shetty, Mrs. Usha Shetty and Mrs. Subhashini Shetty have sold the following Equity Shares on February 11, 2006 in the manner set out below :

Sr. No.	Transferor	Transferee	No. of Equity Shares F.V. of Rs. 10/- each	Price Per Share (Rs.)
1.	Mrs. Shobha Shetty	Ms. Pooja Shetty	1450	10.00
2.	Mrs. Usha Shetty	Mr. Shirish Shetty	1450	10.00
3.	Mrs. Usha Shetty	Mr. Shravan Shetty	1450	10.00
4.	Mrs. Asha Shetty	Mr. Kaushal Shetty	1450	10.00
5.	Mrs. Subhashini Shetty	Ms. Dwisha Shetty	1450	10.00

9) A Bidder cannot bid for more than the number of Equity Shares offered through the Issue, subject to the maximum limit of investment prescribed under relevant laws applicable to each category of investor.

10) In this Issue, in case of over-subscription all categories, at least 60% of the Net Issue shall be allocated on a proportionate basis to QIBs, out of which 5% shall be made available for allocation to mutual funds. All eligible bids by mutual funds will be considered for allocation in aforementioned 5% as well as in the balance available for QIBs. In the event of inadequate response from the mutual funds, the shares may be made available to QIBs other than mutual funds.

The Issue is being made through the 100% book building process, in terms of Rule 19 (2) (b) of the SCRR, wherein in at least 60% of the Net Issue shall be allocated on a proportionate basis to QIBs. If at least 60% of the

Net Issue cannot be allocated to QIBs, then the entire application money will be refunded forthwith. Further, up to 10% of the Net Issue shall be available for allocation on a proportionate basis to Non-Institutional Bidders and up to 30% of the Net Issue shall be available for allocation on a proportionate basis to Retail Individual Bidders, subject to valid Bids being received at or above the Issue Price. Under-subscription, if any, in the Non-Institutional and Retail Individual categories would be allowed to be met with spill over from any other category at the sole discretion of our Company and the BRLMs.

11) Except as disclosed herein, there would be no further issue of capital whether by way of issue of bonus shares, preferential allotment, rights issue or in any other manner during the period commencing from submission of the Red Herring Prospectus to SEBI until the Equity Shares offered through the Red Herring Prospectus have been listed.

12) We at present, do not have any intention or proposal to alter the capital structure for a period of six months from the date of opening of the Issue, by way of split / consolidation of the denomination of Equity Shares or further issue of Equity Shares (including issue of securities convertible into exchangeable, directly or indirectly for Equity Shares) whether preferential or otherwise. If our Company goes in for acquisitions and Joint Ventures we might then consider raising additional capital to fund such activity or use shares as currency for acquisition and / or participation in such Joint Venture.

13) At any given point of time, there shall be only one denomination of the Equity Shares of our Company, unless otherwise permitted by law and our Company shall comply with such disclosure and accounting norms specified by SEBI from time to time.

14) We have not raised any bridge loan against the proceeds of this Issue.

15) The Equity Shares locked in by the Promoter are not pledged. The Promoter may pledge his Equity Shares with banks or financial institutions as additional security for loan whenever availed of from banks or financial institutions provided pledge of Equity Shares is one of the terms of sanction of loan.

16) Our Company has not revalued any of its assets since inception.

17) Our Company has 43 members as on the date of filing of the Red Herring Prospectus.

18) Restrictive covenants in the loan agreements.

In respect of various agreements entered into by our Company with our lenders, we are bound by certain restrictive covenants regarding capital structure. As per the loan agreements, we require written consent from the lenders, for certain restrictive covenants, amongst others, including as mentioned below:

- Our Company shall not undertake any new project or expansion without prior approval of the lenders.
- Not undertake or permit any reorganization, amalgamation, reconstruction, takeover or any other schemes of compromise or arrangement.
- Our Company shall not amend or modify its memorandum or articles of association in any manner whatsoever without the prior approval of the lenders, which shall not be unreasonably withheld.
- Not to permit any change in ownership or control of our Company whereby the beneficial ownership or control of our Company shall change, without the prior written consent of the security agents and trustees.
- Not to effect any material change in the management of the business of our Company, without the prior written consent of the security agents and trustees.
- Change in our Company’s capital structure resulting in reduction of capital.
- Invest by way of share capital in or lend or advance funds to or place deposits with any other concern without the prior approval of the Bank.

Pursuant to the aforesaid covenants we have obtained the prior written approvals from Yes Bank Limited, HDFC Bank Limited and Centurion Bank of Punjab Limited.

19) An over subscription to the extent of 10% of the Net Issue to Public can be retained for the purpose of rounding off to the nearest integer, subject to allotment of minimum allotment lot, while finalising the allotment.

20) Equity Shares offered through this Issue shall be made fully paid up or may be forfeited within 12 months from the date of allotment of Equity Shares in the manner specified in Clause 8.6.2 of the SEBI DIP Guidelines.

21) There are no pending warrants, right to convert a debenture, loan or other instruments into Equity Shares of our Company, except the options granted under the ESOP Plan.

22) Discretionary Trust (ACGL Benefit Trust): Our Company has executed a Declaration of Trust, dated December 27, 2005, to form a discretionary trust by and between Mr. Shashi Kiran Shetty ("Settlor") and Mr. Shashi Kiran Shetty, Mrs. Arathi Shetty and Mr. Umesh Shetty ("Original Trustees"). The salient features of the Declaration of Trust are as below :-

- The Settlor has set aside a sum of Rs. 100,000/- for the purpose of settling the same upon the trusts and has paid the same to the Trustees to act as the first Trustees for the benefit of our Company's Employees and / or such other persons who at the discretion of the trustees have a connection with our Company.

- The beneficiaries have been defined under the Declaration of the Trust to mean Employees of our Company and/or such other persons who in the discretion of the Trustees have a connection with our Company, who may be entitled to the Equity Shares of our Company and/or to the benefits arising therefrom, whom the trustees, in their sole, absolute and uncontrolled discretion select as beneficiaries out of those Employees of our Company who have been in the employment of our Company prior to the date of this instrument and who continue to be in the uninterrupted employment of our Company for not less than 3 years from the date hereof, and / or such other persons who in the discretion of the trustees have a connection with our Company and such Employees shall not include the Promoter or relatives of the Promoter and Promoter Directors.

- The discretionary period under the Declaration of Trust begins with the date of execution of the Declaration of Trust and ends either on the expiration of 7 years from the date of this trust or such earlier date as the Trustees shall declare in writing.

- The trustees shall have liberty to merge or amalgamate the trust fund with the fund's assets and properties of any other trust or trusts. The trustees also have the power to delegate to any person any of its powers, duties and discretions conferred upon him by the trust without being liable for the acts or default of any of its delegates.

23) ESOP Plan:

- Our Board of Directors has adopted the Allcargo Employee Stock Option Plan 2006, which is in accordance with the SEBI ESOP Guidelines, vide a Board Resolution dated January 12, 2006, pursuant to the enabling authority granted by the members of our Company at the EGM held on January 5, 2006. The said EGM resolution authorizes the Board to grant upto 500,000 options, which may result in the issue of 500,000 Equity Shares. Of these, the first grant of 38,300 options, equivalent to 38,300 Equity Shares of Rs. 10/- each, was made by the Board to 281 Employees of our Company. As on the date of filing this Red Herring Prospectus, we have granted the following options under the ESOP Plan.

As of the date of filing this Prospectus, we have granted the following options under the ESOP Plan:

Sr. No.	Particulars	First grant on January 12, 2006
1.	Gross options granted	38,300
	Options cancelled till date	Nil
	Options granted (net of options cancelled)	38,300
2.	Exercise price	Rs. 10/- each
3.	Pricing Formula	The grant price for all or any options shall be determined by the Compensation Committee or the Board as the case may be, but shall not be less than the face value of Equity Shares. The exercise price for options granted is Rs. 10/- each.
4.	Options vested	Nil
5.	Options exercised	Nil
6.	The total number of Equity Shares arising as a result of exercise of options	Nil
7.	Options lapsed/expired#	2,600
8.	Variation of terms of options	Nil
9.	Money realised by exercise of options	Nil
10.	Total number of options in force	35,700
11.	Point-wise details of options granted to:	
	(i) Directors* and KMP	As per table (1) below
	(ii) Any other Employee who received a grant in any one year of options amounting to 5% or more of options granted during that year	Nil
	(iii) Identified Employees who are granted options, during any one year equal to or exceeding 1% of the issued capital (excluding outstanding warrants and conversion) of the Company at the time of grant	Nil
12.	Diluted Earning Per Share (EPS) pursuant to issue of shares on exercise of options	N/A since no options have been exercised
13.	Vesting schedule	35% - 24 months from the grant date i.e. January 12, 2006 35% - 36months from the grant date i.e.January 12, 2006 Balance 30% - 48 months from the grant date i.e. January 12, 2006
14.	Exercise Period	The exercise period shall be 3 (three) years from the vesting date or 6 (six) years from the date of the grant, which ever is earlier
15.	Lock-in	None
16.	Weighted Average Exercise Price	Rs. 10/-
17.	Weighted Average Fair Values of Options	Rs. 685.88

* We have not granted any options to Directors of our Company under the ESOP Plan.

\# Some Employees have resigned and hence the options granted to them have lapsed/expired in accordance with ESOP Guidelines.

Details regarding options granted to KMP are set forth below:

Sl. No.	Name of KMP	Number of options granted	Number of Equity Shares issuable upon exercise of Options
1	Mr. Ashit Desai	500	500
2	Mr. Jatin Chokshi	500	500
3	Mr. Narayan Shankar	500	500
4	Mr. Pramod Kokate	500	500
5	Mr. Ajit Biswas	500	500
6	Mrs. Shantha Martin D'souza	500	500
7	Mr. Asif Mujawar	500	500
8	Mr. Prabhakar Manian	500	500
9	Mr. P. K. Raju	500	500
10	Mr. Naveen Prakash	500	500
11	Mr. Shibu Paul	200	200
12	Mrs. Rajashree Bhatt	200	200
13	Mr. Pawan Popli	200	200
14	Mr. Manuraj Gupta	200	200
15	Mr. Anthony D. Gomez	200	200
16	Mr. Kuldeep Sharma	200	200
17	Mr. Tapas Chowdhary	200	200
18	Ms. Sushma Debanath	200	200
19	Mr. Jiss Mathew	200	200

- The impact on the profits and EPS had the Company followed the intrinsic method of accounting for ESOP in terms of the SEBI ESOP Guidelines during the preceding 3 years is as follows:

  Under the ESOP framed by the Company grant of Options has been made only on January 12, 2006.

  The audited profit and loss for the period up to December 31, 2005 only has been incorporated in the Red Herring Prospectus.

  Accordingly, the profits for the year ended March 31, 2006 would be lowered by Rs. 2,027,471/- had the Company followed the intrinsic method of accounting in terms of the SEBI ESOP Guidelines.

- The impact on the profits for the period January 12, 2006 to March 31, 2006 following the Black Scholes Method for valuing the Options issued to Employees is Rs. 2,036,170/- which is higher by Rs. 8,699/- as compared to the intrinsic method of accounting. The various parameters considered for arriving the value of the Options in the case of Black Scholes Method is as follows:

Sr. No.	Particulars	Amount
1.	Exercise Price of the Option	Rs. 10
2.	Fair Market Value on Grant Date	Rs. 685.88
3.	Current Expected Dividend Yield	1.5%
4.	Risk Free Rate of Return for Expected Life	7.20%
5.	Expected Option Life	4 Years
6.	Stock Volatility	Considered Nil as Company is unlisted

24) The shareholders of the Company, vide their resolution passed at the Extraordinary General Meeting held on January 28, 2006 have accorded their consent to this Issue.

25) Only our Employees, a day prior to the Issue opening, would be eligible to apply in this Issue under reservation for Employees on a competitive basis. Separate Bid Applications can be made by Employees under the Net Issue to Public category as well and such Bids will not be treated as multiple bids.

26) The unsubscribed portion, if any, in Employee reservation portion shall be added back to the net offer to the public and in case of under-subscription in the Non-Institutional Bidders and Retail Individual Bidders categories, it will be allowed to be met with spill over from any other category at the sole discretion of our Company and the BRLMs

27) We have not issued any Equity Shares out of revaluation reserves or for consideration other than cash, in the past except to the extent of bonus shares issued to the existing shareholders by capitalisation of free reserves as described above in this chapter of the Red Herring Prospectus. All the bonus shares issued by us in the past were by capitalising free reserves only.

28) Except as disclosed on pages 111 and 118 in the Red Herring Prospectus, none of our Directors and Key Managerial Personnel hold any Equity Shares of our Company.

OBJECTS OF THE ISSUE

The net proceeds of the present Issue after deducting lead managers' fees, underwriting commission and selling fees is estimated to be Rs. [●] million.

We intend to deploy the net proceeds of the Issue for financing the setting up of CFS / ICD, prepayment of loan availed from Yes Bank Limited and general corporate expenses including acquisitions. We believe that listing of our Equity Shares on Stock Exchanges will also enhance our visibility and our brand name.

In the event of a shortfall in raising the requisite capital from the proceeds of the Present Issue, towards meeting the objects of the Issue, the extent of the shortfall will be met by internal accruals. In case of any surplus of monies received in relation to the Present Issue, our Board of Directors in accordance with our internal policies will take necessary steps to determine the application of such monies for general corporate purposes, which may include capital expenditure.

As on the date of filing the Red Herring Prospectus with SEBI, we are in different stages of implementation for proposed projects.

Brief details of the Project and fund requirements

The objects and the estimated cost of the objects as envisaged by our management are as follows:

(Rs. in Million)

Sr. No.	Particulars	Total project cost	Funds deployed up to April 15, 2006	Amount to be raised by way of the Issue
1.	Setting up of CFS / ICD in Chennai, Mundra and NCR	797.80	128.59	669.21
2.	Prepayment of loan from Yes Bank Limited	150.00	0.00	150.00
3.	General Corporate Expenses including Acquisitions	[●]	0.00	[●]
4.	Issue Expenses	[●]	0.00	[●]
	Total	**[●]**	**128.59**	**[●]**

* Funds deployed upto April 15, 2006 is Rs. 128.59 Million which has gone up by Rs. 43.02 Million from February 28, 2006. These have been funded from internal accruals and will be recouped to the extent of Rs. 43.02 Million by us from the proceeds of the Fresh Issue.

The main object clause of our MoA and the objects incidental and ancillary to the main objects enable us to undertake our existing activities as well as activities for which the funds are being raised by us in the Issue.

The fund requirements stated above are based on the current business plan of our Company. We operate in a highly competitive and dynamic industry, and may have to revise our business plan from time to time on account of new projects that we may pursue including any industry consolidation initiatives i.e., potential merger and/or acquisition opportunities for existing CFS/ ICDs or CFS/ ICDs under development.

Means of finance:

Sr. No.	Source of Funds	Amount (in millions)
1.	Proceeds of the Issue	[●]
2.	Internal Accruals*	[●]
	Total	**[●]**

* Out of our total reserves, our free reserves aggregating Rs. 370.90 million on December 31, 2005 can be used as internal accruals.

As required by 19(2) (b) of the Securities Contracts (Regulation) Rules, 1957, the net Issue size shall be at least Rs. 1000 Million.

The item-wise details of the utilisation of the net proceeds of the Issue are given below:

1. Setting up of CFS

Our Company intends to set up CFS / ICD at Chennai, Mundra and NCR and is in various stages of implementation for proposed projects.

CFS at Chennai.

Our Company intends to set up a CFS near Chennai Port to cater to the container traffic in the southern region. Chennai port is second largest in terms of container traffic in India. We plan to set up the CFS in two phases.

In phase I, the facilities would consist of 80,000 sq. ft. of covered warehouse, 2,500 sq. ft. of office space, 200,000 sq. ft. of yard and capacity of handling 5,000 TEUs per month or 60,000 TEUs per annum. The facilities in Phase-II would consist of 50,000 sq. ft. of covered warehouse, 2,500 sq. ft. of office space, 200,000 sq. ft. of yard and capacity of handling 3,000 TEUs per month or 36,000 TEUs per annum.

For phase I, we have already bought 8.904 acres of land situated at a distance of about 8 kms from the Chennai port and about 18 kms from Ennore port, in November 2005. For phase II, we are in the process of buying 7 acres of adjacent land.

We have appointed M/s. Mhatre Sanjeev Architects as our architect and Currie and Brown India Ltd. as our project management consultancy firm for setting up of our CFS. Contractors have also been appointed for the civil work. Our Company has also initiated steps for obtaining various regulatory permissions and government approvals required for setting up of CFS. Based on the feasibility report along with other requisite documents submitted to the Ministry of Commerce and Industry, Infrastructure division, we have received an intimation vide a letter dated December 1, 2005 issued by the Ministry of Commerce, Government of India, stating that the matter has been referred to the Commissioner of Customs, Chennai and our Company is required to pursue the matter for setting up a CFS at Chennai near the Chennai Port Trust with the said authority.

The break-up of the cost for setting up the CFS at Chennai is based on the estimates in feasibility report prepared by Rakesh Garg and Associates, Chartered Accountants in November 2005, which is as follows:

Rs. in millions

Particulars	Phase-I	Phase-II	Total	Amount Spent Up to April 15, 2006	Balance Fund Requirement
Land	79.91	63.04	142.95	75.95*	67.00
Land Development	10.11	7.93	18.04	4.01	14.03
Warehouse	34.64	22.02	56.66	0.00	56.66
Office (including interiors)	4.89	4.95	9.84	0.00	9.84
Yard (including truck parking area, misc. civil works, compound wall etc.	26.66	23.25	49.91	0.00	49.91
Equipments (including electrical & computers)	28.79	3.81	32.60	0.00	32.60
Total	**185.00**	**125.00**	**310.00**	**79.96**	**230.04**

* this amount includes preoperative expenses towards land and land development.

For the above estimates, orders are yet to be placed and we have relied on quotations received over the past six months or based on equipment rates of other existing CFS located close to our proposed CFS. Our Company has yet to take a decision to finalize the suppliers for the equipments.

Proposed Implementation Schedule

The following tables show the implementation schedule for phase I and phase II respectively:

Phase I

Sr. No.	Activity	Expected Commencement	Expected Completion
1.	Acquisition of Land	Completed	
2.	Land Development	March 2006	September 2006
3.	Warehouse	March 2006	September 2006
4.	Yard (including truck parking area, miscellaneous civil works, compound wall etc.)	March 2006	October 2006
5.	Office (including interiors)	April 2006	October 2006
6.	Software Development	July 2006	September 2006
7.	Equipments	August 2006	September 2006

Phase II

Sr. No.	Activity	Expected Commencement	Expected Completion
1.	Acquisition of Land	In Progress	June 2006
2.	Land Development	September 2006	March 2007
3.	Warehouse	January 2007	June 2007
4.	Yard (including truck parking area, miscellaneous civil works, compound wall etc.)	February 2007	September 2007
5.	Office (including interiors)	March 2007	August 2007
6.	Equipments	September 2007	October 2007

Phase I is expected to commence operations in October 2006 and phase II is expected to commence operations in October 2007.

CFS at Mundra

Our Company has also initiated steps to set up CFS near Mundra port, which is a fast growing port of India. North Indian container traffic is slated to grow at a very healthy pace thereby giving the seaports of Gujarat a potential to grow into a major gateway for the North and West India bound traffic. We have entered into a Sub-Lease & Possession Agreement with Gujarat Adani Port Ltd. (GAPL), in April 2006 for lease of approximately 16 acres of land, located at a distance of about 8 kms from the Mundra port, for setting up of our CFS. Under the provisions of this Agreement, our Company has the beneficial user rights with regards to the said easement while all rights of ownership shall belong to GAPL. Our Company has applied to the Ministry of Commerce, Government of India, for permission to set-up a CFS at Mundra on May 2, 2006.

The break-up of the cost for setting up the CFS at Mundra based on a feasibility report prepared by us in March 2006, and certified by Rakesh Garg and Associates, Chartered Accountants is as follows:

(Rs. in millions)

Particulars	Total Cost	Amount Spent up to April 15, 2006	Balance Fund Requirements
Leasehold Land (16 acres)	57.00	48.63	8.37
Land Development	7.58	0.00	7.58
Warehouse (108,870 square feet)	73.35	0.00	73.35
Office (including interiors) (6,456 square feet)	13.81	0.00	13.81
Yard (including truck parking area, miscellaneous civil works, compound wall etc.)(489,763 square feet)	73.87	0.00	73.87
Equipment (including Reach stackers, Forklifts, Trailors)	52.19	0.00	52.19
Total	**277.80**	**48.63**	**229.17**

For the above estimates, orders are yet to be placed and we have relied on quotations received over the past six months or based on equipment rates of other existing CFS located close to our proposed CFS. Our Company has yet to take a decision to finalize the suppliers for the equipments.

Proposed Implementation Schedule

Sr. No.	Activity	Expected Commencement	Expected Completion
1.	Land leasehold	Completed	
2.	Land Development	April 2006	June 2006
3.	Yard	July 2006	December 2006
4.	Office	June 2006	November 2006
5.	Warehouse	September 2006	December 2006
6.	Equipment (including Reach stackers, Forklifts and Trailors)	October 2006	November 2006

Our CFS at Mundra is expected to commence operations in December 2006.

ICD at NCR

Our Company, in order to cater to the industrial belt of northern India, proposes to set up an ICD at NCR. NCR is an active hub for import and export cargo and in order to take advantage of the business potential and as a part of our management’s strategy to expand business at various destinations, our Company plans to set up an ICD at NCR. A Project Feasibility report for the same has been prepared by Rakesh Garg and Associates, Chartered Accountants in February 2006. The report sets out recommendations relating to project viability, sensitivity analysis along with areas of further research. Our Company is in the process of identifying land for the proposed ICD at NCR and once the land is acquired we will initiate steps to obtain regulatory permits and approvals required for setting up of an ICD.

The break-up of the cost for setting up the ICD at NCR based on the feasibility report is as follows:

(Rs. in Million)

Particulars	**Total Cost**	**Amount Spent Up to April 15, 2006**	**Balance Fund Requirement**
Land (10 Acres)	106.60	0.00	106.60
Land Development	6.40	0.00	6.40
Warehouse (80,000 Sq. ft.)	30.40	0.00	30.40
Office (including interiors) 10,000 Sq. ft.	13.80	0.00	13.80
Yard (including truck parking area, misc. Civil works, compound wall etc.) (215,053 sq. ft.)	27.20	0.00	27.20
Equipments (including electrical & computers)	25.60	0.00	25.60
Total	**210.00**	**0.00**	**210.00**

For the above estimates, orders are yet to be placed and we have relied on quotations received over the past six months or based on equipment rates of other existing CFS located close to our proposed CFS. Our Company has yet to take a decision to finalize the suppliers for the equipments.

Proposed Implementation Schedule:

Sr. No.	**Activity**	**Expected Commencement**	**Expected Completion**
1.	Land	March 2006	May 2006
2.	Land Development	June 2006	October 2006
3.	Warehouse	May 2006	February 2007
4.	Office (including interiors)	May 2006	February 2007
5.	Yard (including truck parking area, miscellaneous civil works, compound wall etc.)	June 2006	February 2007
6.	Equipments (including electrical and computers)	February 2007	March 2007

Our ICD at NCR is expected to commence operations in March 2007.

Summary of Funds required for setting up of CFS / ICD:

(Rs. in Million)

CFS / ICD	**Total Cost**	**Amount Spent up to April 15, 2006**	**Balance Fund Requirement**
CFS at Chennai	310.00	79.96	230.04
CFS at Mundra	277.80	48.63	229.17
ICD at NCR	210.00	0.00	210.00
Total	**797.80**	**128.59**	**669.21**

Our total requirement for equipments at our proposed CFS/ ICDs is valued at Rs. 110.39 million which is 13.84% of the total project costs. Our Company is yet to place any firm orders for the same.

2. Prepayment of Debt

Our Company has a medium term loan of Rs. 300.00 million from Yes Bank as per the facility letter dated June 4, 2005 for a period of 3 years with a moratorium of 1 year. The rate of interest on the loan is determined as the banks prevailing prime lending rate (11.75% p.a.) minus 3.5% per annum payable monthly.

As on February 28, 2006, the amount outstanding from this loan is Rs. 150.00 million. The company intends to utilize part of the proceeds of the present Issue towards prepayment of this loan. As per the addendum to the facility letter, received on January 24, 2006, our Company is allowed to prepay the amount of outstanding facility after March 31, 2006 with a seven days notice to the lender. Our Company will take this provision into consideration so as to avoid any prepayment penalty and prepay its debt from the proceeds of the present Issue.

3. General Corporate Expenses including Acquisitions

We propose to utilize about Rs. [●] million for general corporate purposes including acquisitions, brand building exercise, strengthening of our marketing and distribution capabilities, working capital requirements, capital expenditure/ IT support systems or upgradations.

Our Company is currently examining various opportunities to acquire existing CFS/ICD at various locations. The company has initiated discussions with various consultants to evaluate and initiate discussions with prospective acquisition targets. We have identified acquisitions of either businesses or assets including immovable property as one of our key growth strategies. We intend to pursue strategic initiatives through acquisitions of entities that own CFS located at important port destination or ICDs located at hinterlands.

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 Issue expenses include fees payable to BRLMs to the Issue, Registrar to the Issue, Legal Advisors to the Issue, Auditors, Underwriting Commission, Selling Commission, Escrow Bankers charges, Printing and Distribution expenses, Advertising Expenses and all other incidental and miscellaneous expenses for listing of the Equity Shares on the Stock Exchanges. The total estimated expenses is Rs. [●] millions which is [●]% of the Issue size. All expenses with respect to the Issue will be borne by us. For further details please refer to section titled 'Other Regulatory and Statutory Disclosures' beginning on page 235 of this Red Herring Prospectus.

Funds Deployed

Based on the certificate dated April 29, 2006 from the Statutory Auditors of our Company, the expenditure incurred by the Company till April 15, 2006 on the specified new projects is given below:

New business activity	Amount paid for Land	Capital Work in progress and Capital advances	Pre-operative Expenses	Total	Sources of funds
Container Freight Station at Chennai	72.80	5.01	2.15	79.96	Internal accruals & Proceeds from placement of shares to private equity investors
Container Freight Station at Mundra	Nil	48.63	Nil	48.63	Internal accruals & Proceeds from placement of shares to private equity investors

Proposed Deployment of Funds:

Year-wise break-up of the expenditure proposed to be incurred on the projects is as follows:

(Rs. in millions)

Particulars of Activity	**Calendar Year 2006**	**Calendar Year 2007**	**Total**
CFS at Chennai	172.05	57.99	230.04
CFS at Mundra	175.61	53.56	229.17
ICD at NCR	175.70	34.30	210.00
Repayment of Loans	150.00	0.00	150.00
General Corporate Expenses including acquisitions	[●]	[●]	[●]
Issue Expenses	[●]	-	[●]
Total	[●]	[●]	[●]

INTERIM USE OF PROCEEDS OF THE ISSUE

Pending any use as described above, we intend to invest the proceeds of this issue in high quality, interest / dividend bearing short-term / long-term liquid instruments including deposits with banks for the necessary duration and no investments will be made in Equity Markets. Such investments would be in accordance with the investment policies as approved by the Board of Directors from time to time.

No part of the present Issue proceeds will be paid by us as consideration to our Promoter, Directors, key management personnel, associate or Group Companies.

MONITORING OF UTILISATION OF FUNDS

There is no requirement for a monitoring agency in terms of Clause 8.17 of the SEBI DIP Guidelines, however we have appointed Yes Bank Limited as our Monitoring Agency, details of which are given below:

Yes Bank Limited, Nehru Centre, 9th Floor, Discovery of India, Dr. A. B. Road, Worli, Mumbai 400 018.

Tel: +91 22 56699000, Fax: +91 22 24900314, Contact Person: Mr. Rajesh Lahori.

In addition, the audit committee of our Company will also monitor the use of the proceeds of the Issue.

BASIC TERMS OF THE ISSUE / ISSUE STRUCTURE

The present Issue of 2,079,000 Equity Shares at a price of Rs. [●] for cash aggregating Rs. [●] million is being made through a 100% book building process.

Particulars	Employees	QIB Bidders	Non Institutional Bidders	Retail Individual Bidders
Number of Equity Shares*	Up to 51,000 Equity Shares	At least 1,216,800 Equity Shares	Up to 202,800 Equity Shares	Up to 608,400 Equity Shares
Percentage of Issue size available for allocation	Up to 2.45% of the Issue	At least 60% of the Net Issue or the Net Issue less allocation to Non-Institutional Bidders and Retail Individual Bidders. However, up to 5% of the QIB Portion shall be available for allocation proportionately to Mutual Funds only	Up to 10% of the Net Issue or the Net Issue less allocation to QIB Bidders and Retail Individual Bidders.	Up to 30% of the Net Issue or the Net Issue less allocation to QIBs and Non Institutional Bidders.
Basis of Allocation or Allotment if respective category is oversubscribed.	Proportionate	Proportionate as follows: (a) Equity Shares shall be allocated on a proportionate basis to Mutual Funds in the Mutual Funds Portion;(b) Equity Shares shall be allocated on a proportionate basis to all QIBs including Mutual Funds receiving allocation as per (a) above.	Proportionate	Proportionate
Minimum Bid	Nine Equity Shares	Such number of Equity Shares in multiples of nine Equity Shares so that the Bid Amount exceeds Rs. 100,000	Such number of Equity Shares in multiples of nine Equity Shares so that the Bid Amount exceeds Rs. 100,000	Nine Equity Shares
Maximum Bid	Not exceeding 51,000 Equity Shares	Not exceeding the size of the Issue subject to applicable limits.	Not exceeding the size of the Issue	Such number of Equity Shares so that the Bid Amount does not exceed Rs. 100,000
Mode of Allotment	Compulsorily in dematerialised form	Compulsorily in dematerialised form	Compulsorily in dematerialised form	Compulsorily in dematerialised form

Particulars	Employees	QIB Bidders	Non Institutional Bidders	Retail IndividualBidders
Trading Lot/Market Lot	One Equity Share	One Equity Share	One Equity Share	One Equity Share
Bidding lot	Nine Equity Shares	Nine Equity Shares	Nine Equity Shares	Nine Equity Shares
Who can Apply**	Employees of the Company as on one (1) day prior to the Bid/ Issue Opening Date	Public financial institutions as specified in Section 4A of the Companies Act, FIIs registered with SEBI, scheduled commercial banks, mutual funds registered with SEBI, multilateral and bilateral development financial institutions, venture capital funds registered with SEBI, foreign venture capital investors registered with SEBI, state industrial development corpora-tions, insurance com- panies registered with Insurance Regulatory and Development Authority, provident funds with minimum corpus of Rs. 250 million (subject to applicable law) and pension funds with minimum corpus of Rs. 250 million (subject to applicable law).	Resident Indian individuals, HUF (in the name of Karta), companies, corporate bodies, NRIs, scientific institutions, societies and trusts.	Individuals (inclu-ding NRIs and HUFs)
Terms of Payment	Margin Amount appli-cable to Employees shall be payable at thetime of submission of Bid cum Application Formto the members of the Syndicate.	Margin Amount applicable to QIBBidders shall be payable at the time of submission of Bid cum Application Form to the members of the Syndicate	Margin Amount applicable to Non Institutional Bidders at the time of submission of Bid cum Application Form shall be payable to the members of the Syndicate.	Margin Amount applicable to Retail Bidders at the time of submission of Bid cum Applica-tion Form shall be payable to the members of the Syndicate.
Margin Amount	100% of the Bid Amount on Bidding	10% of the Bid Amount on Bidding	100% of the Bid Amount on Bidding	100% of the Bid Amount on Bidding

* In this Issue, in case of over-subscription in all categories, at least 60% of the Issue shall be allocated on a proportionate basis to QIBs, out of which 5% shall be made available for allocation to mutual funds. All eligible bids by mutual funds will be considered for allocation in aforementioned 5% as well as in the balance available for QIBs. In the event of inadequate response from the mutual funds, the shares may be made available to QIBs other than mutual funds.

The Issue is being made through the 100% book building process, in terms of Rule 19(2)(b) of the SCRR wherein at least 60% of the Net Issue size shall be allocated on a proportionate basis to QIBs. If at least 60% of the Net Issue size cannot be allocated to QIBs, then the entire application money will be refunded forthwith. Further, up to 10% of the Net Issue shall be available for allocation on a proportionate basis to Non-Institutional Bidders and up to 30% of the Net Issue shall be available for allocation on a proportionate basis to Retail Individual Bidders, subject to valid Bids being received at or above the Issue Price. Under-subscription, if any, in the Non-Institutional and Retail Individual categories would be allowed to be met with spill over from any other category at the sole discretion of our Company and the BRLMs

** In case the Bid-cum-Application Form is submitted in joint names, the investors should ensure that the demat account is also held in the same joint names and are in the same sequence in which they appear in the Bid cum Application Form.

Under subscription, if any, in the Employees Reservation Portion will be added back to the Net Issue to the Public, and the under subscription can be met with spill over from any other category at the discretion of the Company, in consultation with the BRLMs.

The Bids received under the Employee Reservation Category will not be considered in the book building process and the determination of the Issue Price.

Neither our Promoter nor any person forming part of our Promoter Group is allowed to participate / bid in this Issue.

BASIS FOR ISSUE PRICE

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

QUALITATIVE FACTORS

<u>OUR MTO COMPETITIVE STRENGTHS</u>

PROFESSIONAL MANAGEMENT TEAM

We are managed by a strong team of professionals with industry experience and having served leading organizations in the Shipping Industry.

DIRECT SHIPMENTS TO MAJOR DESTINATIONS

Our scale of operations enables us to have regular and assured shipments to various direct destinations and hub ports.

EARLY MOVER ADVANTAGE

We were among one of the early entrants in the consolidation business in India with a professional management set up giving us the advantage of establishing a strong agent network, a wide national presence, proven track record and top of mind brand recall.

WELL EQUIPPED TO HANDLE HAZARDOUS CARGO

We are well equipped to handle hazardous cargo, which is highly specialized and regulated and requires approvals from carriers, destinations ports and transshipment ports and requires strict adherence to international safety standards.

PAN INDIA PRESENCE

We have a pan India presence across 17 branches and 11 franchisees. We have regional offices in Mumbai, Delhi, Chennai and Kolkata. Each regional office has a network of satellite offices and franchisees that cater to the needs of the customers in the business centres around the major metro cities.

RELATIONSHIP WITH SHIPPING LINES AND VENDORS

Shipping lines that transport the cargo are crucial to our business. Being one of the leading MTO operators and consolidators, we have a strong relationship with the most of the leading carriers/ liners and as a result are able to negotiate favourable commercial terms and obtain operational advantages.

INTERNATIONAL NETWORK

We have a global presence vide our strategic investments, joint ventures and agents. Our international network enhances our service capabilities, enabling us to offer premium quality services to all our customers across the globe due to the i) the spread of international coverage and ii) quality of international network.

STRATEGIC ACQUISITION IN ECU HOLD NV

We have acquired a 49.99% stake in Ecu Hold NV in 2006 and have the option to increase it to 100% as per the letter of intent dated January 10, 2006 subject to a legal and financial due diligence and certain other covenants as stated on page 102 of the Red Herring Prospectus. Ecu Hold NV is the holding company of the Ecu Group, based in Belgium. Ecu Group is one of the leading NVOCC in the world with revenue of Euro 185.8 millions for the year ended December 31, 2004.

OUR JV WITH TRANSWORLD LOGISTICS AND SHIPPING SERVICES

We have entered into a JV with Transworld Logistics and Shipping Services, called Allcargo Movers Inc. which operates as a MTO in the USA. Having our own office in the US, facilitates control of operations in the USA and this gives our local customers a greater level of comfort.

TECHNOLOGY

Our ERP system provides support to our business at all stages starting from the sales, planning to operations and documentation, accounts and customer service thereby helping in enforcing procedures and maintaining an error free work flow process.

OUR CFS COMPETITIVE STRENGTHS

STRATEGIC LOCATION

Our CFS is strategically located 18 kms from the JNPT, India's largest container port.

ROUND THE CLOCK SECURITY

We use advance security systems and CCTV due to which the threat of theft and pilferage is negligible.

STRONG CUSTOMER RELATIONSHIPS

Our strong relationships with shipping lines aided by our long term relationship with them through our MTO business ensure business continuity for our CFS business.

CUSTOMER FOCUS

Our systems and procedures and our strong management team are focused to ensure customer satisfaction through error free operations, timely status updates, and timely turnaround of containers from the port.

IN-HOUSE EQUIPMENTS

We own some of the critical equipments required for the day-to-day operations of the CFS thereby ensuring operational efficiency.

INTER CFS MOVEMENT PERMISSION

TLP is among the few to have requisite permission from the customs authorities for the inter CFS movement of cargo in the JNPT vicinity. This enables us to move cargo from any CFS to our CFS on an immediate basis avoiding delay in the shipment of the container.

PARKING FACILITY

Our CFS has its own parking area of 4 acres for the convenience of transporters.

QUANTITATIVE FACTORS

Information presented in this section is derived from our restated financial statements prepared in accordance with Indian GAAP.

1. Earning Per Share (EPS) (as adjusted for changes in capital)

Particulars	Face value per share (Rs. 10 per share)	
	Rupees	Weight
Year ended March 31, 2003	2.03	1
Year ended March 31, 2004	3.35	2
Year ended March 31, 2005	15.11	3
Nine months ended December 31, 2005	30.09*	4
Weighted average	17.44	

* Annualised

Note:

(i) The Earning per Share has been computed on the basis of the restated profits of the respective years drawn after considering the impact of material adjustments of prior period items pertaining to the earlier years.

(ii) The denominator considered for the purpose of calculating Earnings per Share is the weighted average number of Equity Shares Outstanding as of date.

2. Price/Earning (P/E) ratio in relation to Issue Price of Rs. [•].

a. Based on the year ended March 31, 2005, EPS is Rs. 15.11.

b. P/E based on profits after taxes, as restated, for the year ended March 31, 2005 is Rs. [•].

c. Industry P/E [1]

i)	Highest	:	94.7
ii)	Lowest	:	0.8
iii)	Industry Composite	:	14.7

Source: Capital Market Volume XXI/05 May 8 – 21, 2006

(1) For industry P/E companies in the miscellaneous segment have been considered as most peer group companies form part of this segment. However, as there are no listed companies engaged solely in similar business as ours, the ratios are strictly not comparable.

3. Return on Average Net Worth as per restated Indian GAAP financials:

Particulars	RONW %	Weight
Year ended March 31, 2003	37.71	1
Year ended March 31, 2004	41.48	2
Year ended March 31, 2005	89.28	3
Nine months ended December 31, 2005	68.59*	4
Weighted Average	66.29	

* Not annualised

Note:

The return on average net worth has been computed on the basis of the restated profits of the respective period/ years drawn after considering the impact of material adjustments of prior period items pertaining to earlier years. The Average Net Worth has been computed as a simple average of the opening and closing net worth excluding share application money, as per restated statement of Assets and Liabilities.

4. **Minimum Return on Increased Net Worth required to maintain pre-issue EPS is [•] %.**

5. **Net Asset Value per Equity Share**

(i) Net Asset Value per Equity Share for the Year ended March 31, 2005 and the nine months ended December 31, 2005 is Rs. 24.09 and Rs.48.04. [(1)]

(ii) After the Issue: [•]

(iii) Issue Price: Rs. [•]

Issue Price per Share will be determined on conclusion of book building process.

(1) Net Asset Value per Equity Share represents shareholders' equity as per restated financial statements less revaluation reserves and miscellaneous expenses as divided by weighted average number of Equity Shares outstanding as of date.

6. Comparison of Accounting Ratios

	EPS (Rs.)	P/E	RONW%	NAV (Rs.)
Allcargo Global Logistics	15.11	[•]	89.28	24.09
Industry Average[1]	-	14.7	-	-
Peer Group[2]				
Gateway Distriparks Limited	7.9	30.9	28.1	26.1
Container Corporation of India Limited	77.3	22.9	27.9	328.7
Balmer Lawrie & Company	16.6	21.3	16.0	120.1

Note: The EPS, RONW and NAV figures are based on the latest audited results for the year ended March 31, 2005 and P/E is based on trailing twelve months (TTM) and Market data.

(1) For industry P/E companies in the miscellaneous segment have been considered as most peer group companies form part of this segment. However, as there are no listed companies engaged solely in similar business as ours, the ratios are strictly not comparable.

(2) Source: Capital Market Volume XXI/05 May 8 – 21, 2006

7. The Issue Price is [•] times of the face value of the Equity Shares.

STATEMENT OF TAX BENEFITS

We hereby report that the enclosed annexure states the possible tax benefits available to Allcargo Global Logistics Ltd and its shareholders under the Income Tax Act 1961, Wealth Tax Act 1957, and the Gift Tax Act 1958 presently in force In India as amended by the Finance (No. 2) Act 2005.

Several of these benefits are dependent on the company or its shareholders fulfilling the conditions prescribed under the relevant provisions of the applicable statute. 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, the changing tax laws, each investor is advised to consider in his or her own case the implications of investments in shares.

We neither express any opinion nor 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 the annexure are based on the information, explanations and representations obtained from the company and on the basis of our understanding of the business activities and operations of the company.

The following key tax benefits shall be available to the Company and the prospective shareholders under the current direct tax laws in India.

1. Key benefits available to the Company under :

A. The Income-Tax Act, 1961 (‘the Act’)

a) Tax Holiday under Section 80IA of the Act :

As per the provisions of section 80IA (4) (i) of the Act, any enterprise carrying on the business of

1. developing or
2. operating and maintaining or
3. developing, operating and maintaining any infrastructural facility which includes under explanation to this subsection a port, airport, inland waterway or inland port, will be eligible for a deduction for an amount equal to 100% of the profits and gains derived from such business for ten consecutive assessment years, falling within the first fifteen years, beginning from the year in which eligible undertaking starts developing the infrastructure facilities on complying with the condition specified in the subsection.

   Based on CBDT Circular No. 10/2005 dated 16/12/2005 and the letter obtained from the port authorities stating that the Container Freight Station (CFS) is an extended activities of the Port related activities in accordance with CBDT Circular No. 793 dated 23/06/2000 read with Circular No.133/95 customs dt. 22/12/1995 of CBEC, New Delhi and based on the opinion obtained, the management is of the opinion that the provisions of section 80IA (4) (i) of the Act have been fulfilled and the company is eligible for tax holiday in respect of the profits derived from the CFS situated within the port limits of Jawaharlal Nehru Port Trust, for a period of ten consecutive assessment years beginning with the assessment year 2004-05.

b) Dividend Income :

Under Section 10(34) of the Act, dividend income referred to in section 115(O) (whether interim or final) received by the company from any other domestic Company (in which the company has invested) is exempt from tax .

Under section 10(35) of the Act, the income received by the Company from distribution made by any mutual fund specified under section 10(23D) of the Act in respect of which tax is paid by such mutual fund u/s. 115R of the Act or from the Administrator of the specified undertaking or from the specified companies is exempt from tax.

c) Capital gains :

Capital assets are to be categorised into short-term capital assets and long-term capital assets based on the period of holding. Shares held in a Company or any other securities listed on a recognised stock exchange in India or units of UTI and specified Mutual Fund / Zero coupon Bonds are considered as long-term capital assets if these are held for a period exceeding 12 months. Capital gains arising on transfer of long-term capital assets are considered as 'long-term capital gains'. Capital gains arising on transfer of these assets held for a period of 12 months or less are considered as 'short-term capital gains'.

Under Section 48 of the Act, if any shares are sold by the Resident shareholders after being held for period exceeding twelve months, the gains (in cases not covered under section 10(38) of the Act) if any will be treated as long term capital gains and the gains shall be calculated by deducting from the gross consideration, the indexed cost of acquisition. The benefit of indexation is not available in respect of long-term capital gains arising from the transfer of long-term capital assets like bonds and debenture other than capital indexed bonds issued by the Government.

Long term capital gain arising from transfer of an 'eligible' Equity Share' in a Company Purchased on or after the 1st day of March, 2003 and before the 1st day of March, 2004 (both days inclusive) and held for a period of 12 months or more is exempt from tax under section 10 (36) of the Act.

Under section 10(38) of the Act, long term capital gains on sale of equity shares or units of an equity oriented fund where the transaction of sale is chargeable to Securities Transaction Tax shall be exempt from tax

As per the provisions of Section 112(1)(b) of the Act, other Long-term Capital gains arising to the company are subject to tax at the rate of 20% (plus applicable surcharge and education cess). However, as per the Proviso to that section, the long-term capital gains resulting from transfer of listed securities or units (not covered by section 10(36) and 10(38) of the Act), are subject to tax at the rate of 20% on long-term capital gains worked out after considering indexation benefit (plus applicable surcharge and education cess), which would be restricted to 10% of long-term capital gains worked out without considering indexation benefit (plus applicable surcharge and education cess).

As per the provisions of section 111A of the Act, Short-term Capital Gains arising to the company from transfer of Equity shares in any other company through a recognised stock exchange or from sale of units of any equity-oriented mutual fund are subject to tax @ 10% (plus applicable surcharge and education cess), if such a transaction is subjected to Securities Transaction Tax.

Short-term capital loss suffered during the year is allowed to be set-off against short-term as well as long-term capital gains of the said year. Balance loss, if any, could be carried forward for eight assessment years immediately succeeding the assessment year for which the loss was first computed for claiming set-off against subsequent years short-term as well as long-term capital gains.

Long-term capital loss suffered during the year is allowed to be set-off against long-term capital gains except loss on sale of listed shares & securities wherein security transaction tax is paid. Balance loss, if any, could be carried forward for eight assessment years immediately succeeding the assessment year for which the loss was first computed for claiming set-off against subsequent years long-term capital gains.

Under Section 54EC of the Act and subject to the conditions and to the extent specified therein, long term capital gains not exempt under sections 10(36) & 10(38) of the Act and arising to the Company on transfer of shares shall not be chargeable to tax to the extent such capital gains are invested in certain notified bonds within six months from the date of transfer. If only part of the capital gain is so invested, the exemption shall be proportionately reduced. However, if the said bonds are transferred or converted into money within a period of three years from the date of their acquisition, the amount of capital gains exempted earlier would become chargeable to tax as long term capital gains in the year in which the bonds are transferred or converted into money.

Under Section 54ED of the Act and subject to the conditions and to the extent specified therein, long-term capital gains not exempt under section 10(38) of the Act and arising to the Company on transfer of listed securities or units shall not be chargeable to tax to the extent such capital gains are invested in acquiring equity shares forming part of an 'Eligible issue of capital' within a period of six months after the date of such transfer and held for a period of at least one year. 'Eligible issue of capital' means any issue of equity shares which satisfies the following conditions namely :

a. the issue is made by a public company formed and registered in India;

b. the shares forming part of the issue are offered for subscription to the public.

If only a part of the capital gain is so invested, the exemption shall be proportionately reduced.

d) Depreciation / Business Loss :

Under Section 32 of the Act, the company is entitled to claim depreciation allowance at the prescribed rates on all its tangible and intangible assets acquired and put to use for its business.

Unabsorbed depreciation can be carried forward in future years.

Business losses can be carried forward for eight assessment years immediately succeeding the assessment year for which the loss was first computed for set off against subsequent business profits.

However the carry forward and set off of the business losses are subject to restrictions specified in section 80 of the Act.

e) Preliminary Expenditure :

Under section 35D of the Act, the Company shall be eligible for amortization of preliminary expenditure as specified in said section including the expenditure on proposed public issue of shares subject to meeting the conditions and limits specified in that section.

f) Minimum Alternate Tax :

Under Section 115 JAA of the Act, the company can claim credit for the difference of tax paid for any assessment year under subsection 1 of section 115JB and the amount of tax payable by the company on its total income computed in accordance with the other provisions of the Act. Such credit shall be allowed to be carried forward and set off in accordance with the provisions of said section. The carried forward tax credit shall not be allowed beyond 5th assessment year immediately succeeding the assessment year in which tax credit becomes allowable.

g) Banking Cash Transaction Tax :

Under Section 36 (1) (xiii) of the Act, the Company is entitled to claim deduction of Banking Cash Transaction Tax paid on Taxable Banking Transactions entered into by it from 1st April, 2005.

2. Key benefits available to the Members of the Company

2.1 Resident Members

a) Dividend Income :

Under Section 10(34) read with section 115 O of the Act, dividend (whether interim or final) income received from a domestic company is exempt from tax in the hands of the resident shareholders of the company.

b) Capital gains :

Capital assets are to be categorized into short-term capital assets and long-term capital assets based on the period of holding. Shares held in a Company are considered as long-term capital assets if these are held for a period exceeding 12 months. Capital gains arising on transfer of long-term capital assets are considered as 'long-term capital gains'. Capital gains arising on transfer of these assets held for a period of 12 months or less are considered as 'short-term capital gains'.

Under Section 48 of the Act, if any shares are sold by the Resident shareholders after being held for period exceeding twelve months, the gains (in cases not covered under section 10(38) of the Act) if any will be treated as long term capital gains and the gains shall be calculated by deducting from the gross consideration, the indexed cost of acquisition.

Under section 10(38) of the Act, Long Term Capital Gains on sale of equity shares of the Company where the transaction of sale is chargeable to Securities Transaction Tax shall be exempt from tax.

Short-term capital loss suffered during the year is allowed to be set-off against short-term as well as long-term capital gains of the said year. Balance loss, if any, could be carried forward for eight assessment years immediately succeeding the assessment year for which the loss was first computed for claiming set-off against subsequent year's short-term as well as long-term capital gains.

Under Section 54EC of the Act and subject to the conditions and to the extent specified therein, Long term capital gains not exempt under section 10(38) of the Act and arising to the shareholders on transfer of their shares in the company shall not be chargeable to tax to the extent such capital gains are invested in certain notified bonds within six months from the date of transfer. If only part of the capital gain is so invested, the exemption shall be proportionately reduced. However, if the said bonds are transferred or converted into money within a period of three years from the date of their acquisition, the amount of capital gains exempted earlier would become chargeable to tax as long term capital gains in the year in which the bonds are transferred or converted into money. Where the benefit of section 54EC of the Act has been availed of on investments in the notified bonds, a deduction from the income with reference to such cost shall not be allowed under section 80C of the Act.

Under Section 54ED of the Act and subject to the conditions and to the extent specified therein, long-term capital gains not exempt under section 10(38) of the Act and arising to the shareholders on transfer of their shares in the company shall not be chargeable to tax to the extent such capital gains are invested in acquiring equity shares forming part of an 'Eligible issue of capital' within a period of six months after the date of such transfer and held for a period of at least one year. 'Eligible issue of capital' means any issue of equity shares which satisfies the following conditions namely :

a. the issue is made by a public company formed and registered in India;

b. the shares forming part of the issue are offered for subscription to the public.

If only a part of the capital gain is so invested, the exemption shall be proportionately reduced. Where the benefit of section 54ED of the Act has been availed of on investments in specified equity shares, a deduction from the income with reference to such cost shall not be allowed under section 80C of the Act.

As per the provisions of Section 54F of the Act and subject to conditions specified therein, any long-term capital gains (not being residential house) which are not exempt under 10(38) of the Act, arising to shareholder who is an individual or Hindu Undivided Family are exempt from capital gains tax if the entire net sales consideration is utilized, within a period of one year before, or two years after the date of transfer, in purchase of a new residential house, or for construction of residential house within three years from the date of transfer. If part of such net sales consideration is invested within the prescribed period in a residential house, then such gains would be chargeable to tax on a proportionate basis. Under proviso to the said section the shareholder should not own more than one residential house, other than the new asset, on the date of transfer of the original asset. If the residential house in which the investment has been made is transferred within a period of three years from the date of its purchase or construction, the amount of capital gains tax exempted earlier would become chargeable to tax as long term capital gains in the year in which such residential house is transferred. Similarly, if the shareholder purchases within a period of two years or constructs within a period of three years after the date of transfer of capital asset, another residential house (other than the new residential house referred above), then the original exemption will be taxed as capital gains in the year in which the additional residential house is acquired.

As per the provisions of section 111A of the Act, Short-term Capital Gains arising to the Resident shareholder from transfer of Company's shares through a recognised stock exchange are subject to tax @ 10% (plus applicable surcharge and education cess), if such a transaction is subjected to Securities Transaction Tax.

As per the proviso to section 112(1) of the Act, the long term capital gains resulting on transfer of listed securities of the company (not covered by section 10(38) of the Act), are subject to tax at the rate of 20% (plus applicable surcharge and education cess) with indexation benefit or 10% (plus applicable surcharge and education cess) without considering indexation benefit at the option of the shareholder.

c) Rebate :

As per Section 88E of the Act, the Securities Transaction Tax paid in respect of the taxable securities transactions entered into in the course of business would be eligible for rebate from the amount of income tax on the income chargeable under the head 'Profits and Gains of Business or Profession' arising from taxable securities transactions.

d) Income of minor child :

In accordance with the provisions of Section 10 (32) of the Act, any income of minor child clubbed with the total income of the parent under Section 64(1A) of the Act will be exempt from tax to the extent of Rs. 1500/- per minor child per year.

2.2 Non-Resident / Non-Resident Indian Member :

a) Dividend Income :

Dividend (both interim and final) income, if any, received by the non-resident /non-resident Indian shareholders from the domestic company shall be exempt under Section 10(34) read with Section 115-O of the Act.

b) Capital gains :

Capital assets are to be categorized into short-term capital assets and long-term capital assets based on the period of holding. Shares held in a Company are considered as long-term capital assets if these are held for a period exceeding 12 months. Capital gains arising on transfer of long-term capital assets are considered as 'long-term capital gains'. Capital gains arising on transfer of these assets held for a period of 12 months or less are considered as 'short-term capital gains'.

Section 48 of the Act contains special provisions in relation to computation of capital gains on transfer of an Indian company's shares by non-residents. Computation of capital gains arising on transfer of shares in case of non-residents has to be done in the original foreign currency, which was used to acquire the shares. The capital gain (i.e., sale proceeds less cost of acquisition / improvement) computed in the original foreign currency is then converted into Indian Rupees at the prevailing rate of exchange.

Under section 10(38) of the Act, Long Term Capital Gains on sale of equity shares of the Company where the transaction of sale is chargeable to Securities Transaction Tax shall be exempt from tax.

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

As per the provisions of section 111A of the Act, Short-term Capital Gains arising to the Shareholders from transfer of Equity shares in the company through a recognised stock exchange or from sale of units of any equity-oriented mutual fund are subject to tax @ 10% (plus applicable surcharge and education cess), if such a transaction is subjected to Securities Transaction Tax.

Short-term capital loss suffered during the year is allowed to be set-off against short-term as well as long-term capital gains of the said year. Balance loss, if any, could be carried forward for eight years for claiming set-off against subsequent years short-term as well as long-term capital gains.

Under Section 54EC of the Act and subject to the conditions and to the extent specified therein, Long term capital gains not exempt under section 10(38) of the Act and arising to the shareholders on transfer of their shares in the company shall not be chargeable to tax to the extent such capital gains are invested in certain notified bonds within six months from the date of transfer. If only part of the capital gain is so invested, the exemption shall be proportionately reduced. However, if the said bonds are transferred or converted into money within a period of three years from the date of their acquisition, the amount of capital gains exempted earlier would become chargeable to tax as long term capital gains in the year in which the bonds are transferred or converted into money. Where the benefit of section 54EC of the Act has been availed of on investments in the notified bonds, a deduction from the income with reference to such cost shall not be allowed under section 80C of the Act.

Under Section 54ED of the Act and subject to the conditions and to the extent specified therein, long-term capital gains not exempt under section 10(38) of the Act and arising to the shareholders on transfer of their shares in the company shall not be chargeable to tax to the extent such capital gains are invested in acquiring equity shares forming part of an 'Eligible issue of capital' within a period of six months after the date of such transfer and held for a period of at least one year. 'Eligible issue of capital' means any issue of equity shares which satisfies the following conditions namely :

a. the issue is made by a public company formed and registered in India ;

b. the shares forming part of the issue are offered for subscription to the public.

If only a part of the capital gain is so invested, the exemption shall be proportionately reduced. Where the benefit of section 54ED of the Act has been availed of on investments in specified equity shares, a deduction from the income with reference to such cost shall not be allowed under section 80C of the Act.

As per the provisions of Section 54F of the Act and subject to conditions specified therein, any long-term capital gains (not being residential house) which are not exempt under 10(38) of the Act, arising to shareholder who is an individual or Hindu Undivided Family are exempt from capital gains tax if the entire net sales consideration is utilized, within a period of one year before, or two years after the date of transfer, in purchase of a new residential house, or for construction of residential house within three years from the date of transfer. If part of such net sales consideration is invested within the prescribed period in a residential house, then such gains would be chargeable to tax on a proportionate basis. Provided that the said shareholder should not own more than one residential house at the time of such transfer. If the residential house in which the investment has been made is transferred within a period of three years from the date of its purchase or construction, the amount of capital gains tax exempted earlier would become chargeable to tax as long term capital gains in the year in which such residential house is transferred. Similarly, if the shareholder purchases within a period of two years or constructs within a period of three years after the date of transfer of capital asset, another residential house (other than the new residential house referred above), then the original exemption will be taxed as capital gains in the year in which the additional residential house is acquired.

c) Rebate :

As per Section 88E of the Act, the STT paid in respect of the taxable securities transactions entered into in the course of business would be eligible for rebate from the amount of income tax on the income chargeable under the head 'Profits and Gains of Business or Profession' arising from taxable securities transactions.

d) Tax Treaty Benefits :

As per Section 90(2) of the Act, the provisions of the Act would prevail over the provisions of the tax treaty to the extent they are more beneficial to the non-resident/non-resident Indian shareholder. Thus, a non-resident/ non-resident Indian shareholder can opt to be governed by the beneficial provisions of an applicable tax treaty.

e) Capital gains tax – Options available to a non-resident Indian under the Act

Non-resident Indian :

As per Section 115-C(e) of the Act, a 'non-resident Indian' means an individual, being a citizen of India or a person of Indian origin who is not a 'resident'. As per the Explanation to the said clause, a person shall be deemed to be of Indian origin if he, or either of his parents or any of his grand-parents, was born in undivided India.

Where shares have been subscribed in convertible foreign exchange, the non-resident Indians (as defined in section 115C(e) of the Act), being shareholders of the company, have the option of being governed by the provisions of Chapter XII-A of the Act, which, *inter alia*, entitles them to the following benefits in respect of income from shares of the company acquired, purchased or subscribed to in convertible foreign exchange :

As per the provisions of section 115D read with section 115E of the Act and subject to the conditions specified therein, long term capital gains (in cases not covered under section 10(38) of the Act) arising on transfer of the Company's shares, will be subject to tax at the rate of 10% (plus applicable surcharge on tax and education cess on tax and surcharge), without indexation benefit.

As per the provisions of section 115F of the Act and subject to the conditions specified therein, gains arising on transfer of a long term capital asset (in cases not covered under section 10(38) of the Act) being shares in the company, shall not be chargeable to tax if the entire net consideration received on such transfer is invested within the prescribed period of six months in any specified asset or savings certificates referred to in section 10(4B) of the Act. If part of such net consideration is invested within the prescribed period of six months in any specified asset or savings certificates referred to in section 10 (4B) of the Act then such gains would not be chargeable to tax on a proportionate basis. For this purpose, net consideration means full value of the consideration received or accrued as a result of the transfer of the capital asset as reduced by any expenditure incurred wholly and exclusively in connection with such transfer.

Further, if the specified asset or savings certificates in which the investment has been made is transferred within a period of three years from the date of investment, the amount of capital gains tax exempted earlier would become chargeable to tax as long term capital gains in the year in which such specified asset or savings certificates are transferred.

As per the provisions of section 115G of the Act, non-resident Indians are not obliged to file a return of income under section 139(1) of the Act, if their only source of income is income from investments or long term capital gains earned on transfer of such investments or both, provided tax has been deducted at source from such income as per the provisions of Chapter XVII-B of the Act.

Under section 115H of the Act, where the non-resident Indian becomes assessable as a resident in India, he may furnish a declaration in writing to the Assessing Officer, along with his return of income for that year under section 139 of the Act to the effect that the provisions of the Chapter XII-A shall continue to apply to him in relation to such investment income derived from the specified assets for that year and subsequent assessment years until such assets are converted into money.

As per the provisions of section 115I of the Act, a non-resident Indian may elect not to be governed by the provisions of Chapter XII-A for any assessment year by furnishing the return of income for that assessment year under section 139 of the Act, declaring therein that the provisions of Chapter XII-A shall not apply to him for that assessment year and accordingly his total income for that assessment year will be computed in accordance with the other provisions of the Act.

2.3 Key Benefits available to Foreign Institutional Investors (FIIs)

a) Dividend Income :

Dividend (both interim and final) income, if any, received by the FII shareholder from the domestic company shall be exempt under section 10(34) read with Section 115O of the Act.

b) Capital Gains :

Under Section 115AD of the Act, income (other than income by way of dividends referred in Section 115-O) received in respect of shares of the company shall be taxable at the rate of 20% (plus applicable surcharge on tax and education cess on tax and surcharge).

Under Section 115AD, capital gains arising from transfer of shares of the company which are not exempt under Section 10(38), shall be taxable as follows :

Securities which are held for the period of upto or less than twelve months and where such transaction is chargeable to Securities Transaction Tax levied under Chapter VII of the Finance (No. 2) Act of 2004, shall be taxable at the rate of 10% (plus applicable surcharge on tax and education cess on tax and surcharge). Securities held for the period of upto or less than twelve months and where such transaction is not chargeable to Securities Transaction Tax levied under Chapter VII of the Finance (No. 2) Act of 2004 shall be taxable at the rate of 30% (plus applicable surcharge on tax and education cess on tax and surcharge);

Securities which are held for the period of twelve months or more shall be taxable at the rate of 10% (plus applicable surcharge on tax and education cess on tax and surcharge). Such capital gains would be computed without giving effect of indexation as provided in the first and second proviso to Section 48. In other words, the benefit of indexation, as mentioned under the two provisos would not be allowed while computing the capital gains.

c) Exemption of capital gains from income-tax :

Long term capital gains arising on transfer of equity shares in the Company, which is held for the period exceeding twelve months and where such transactions is chargeable to Securities Transaction Tax, shall be exempt from tax under Section 10(38) of the Act.

Under Section 54EC of the Act and subject to the conditions and to the extent specified therein, Long term capital gains not exempt under section 10(38) of the Act and arising to the shareholders on transfer of their shares in the company shall not be chargeable to tax to the extent such capital gains are invested in certain notified bonds within six months from the date of transfer. If only part of the capital gain is so invested, the exemption shall be proportionately reduced. However, if the said bonds are transferred or converted into money within a period of three years from the date of their acquisition, the amount of capital gains exempted earlier would become chargeable to tax as long term capital gains in the year in which the bonds are transferred or converted into money.

Under Section 54ED of the Act and subject to the conditions and to the extent specified therein, long-term capital gains not exempt under section 10(38) of the Act and arising to the shareholders on transfer of their shares in the company shall not be chargeable to tax to the extent such capital gains are invested in acquiring equity shares forming part of an 'Eligible issue of capital' within a period of six months after the date of such transfer and held for a period of at least one year. 'Eligible issue of capital' means any issue of equity shares which satisfies the following conditions namely :

a. the issue is made by a public company formed and registered in India ;

b. the shares forming part of the issue are offered for subscription to the public.

If only a part of the capital gain is so invested, the exemption shall be proportionately reduced.

d) Rebate :

As per Section 88E of the Act, the Securities Transaction Tax paid in respect of the taxable securities transactions entered into in the course of business would be eligible for rebate from the amount of income tax on the income chargeable under the head 'Profits and Gains of Business or Profession' arising from taxable securities transactions.

e) Tax Treaty Benefits :

As per Section 90(2) of the Act, the provisions of the Act would prevail over the provisions of the tax treaty to the extent they are more beneficial to the FIIs. Thus, a non-resident can opt to be governed by the beneficial provisions of an applicable tax treaty.

2.4 Key Benefits available to Mutual Funds :

Dividend Income :

In case of a shareholder being a Mutual fund, as per the provisions of Section 10(23D) of the Act, any income of Mutual funds registered under the Securities and Exchange Board of India Act, 1992 or Regulations made thereunder, Mutual Funds set up by public sector banks or public financial institutions and Mutual Funds authorised by the Reserve Bank of India are exempt from income-tax, subject to such conditions as the central government may by notification in the Official Gazette specify in this behalf.

2.5 Key Benefits available to Venture Capital Companies / Funds :

In case of a shareholder being a Venture Capital Company / Fund, any income of Venture Capital Companies / Funds registered with the Securities and Exchange Board of India, are exempt from income-tax, subject to the conditions specified in Section 10(23FB) of the Act.

2.6 Benefits available under the Wealth Tax Act, 1957

'Asset' as defined under section 2(ea) of the Wealth Tax Act, 1957, does not include share in companies. Hence, the shares are not liable to Wealth Tax.

2.7 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 will not attract gift tax.

Notes :

1. The above Statement of Possible Direct Tax Benefits sets out the provisions of law in a summary manner only and is not a complete analysis or listing of all potential tax consequences of the purchase, ownership and disposal of ordinary shares. The statements made above are based on the tax laws in force as also under the Finance (No.2) Act, 2005 and is interpreted by relevant taxation authorities as of date.
2. All the above benefits are as per the current direct tax laws and will be available only to the sale by first named holder in case the shares are held by joint holders.
3. In respect of non-residents the tax rates and the consequent taxation mentioned above shall be further subject to any benefits available under the Double Taxation Avoidance Agreements, if any, between India and country in which the non-resident has fiscal domicile.
4. In view of the nature of tax consequences, being based on all the facts, in totality, of the investors, each investor is advised to consult his/her own tax advisor with respect of specific tax consequences of his/her participation in the scheme.

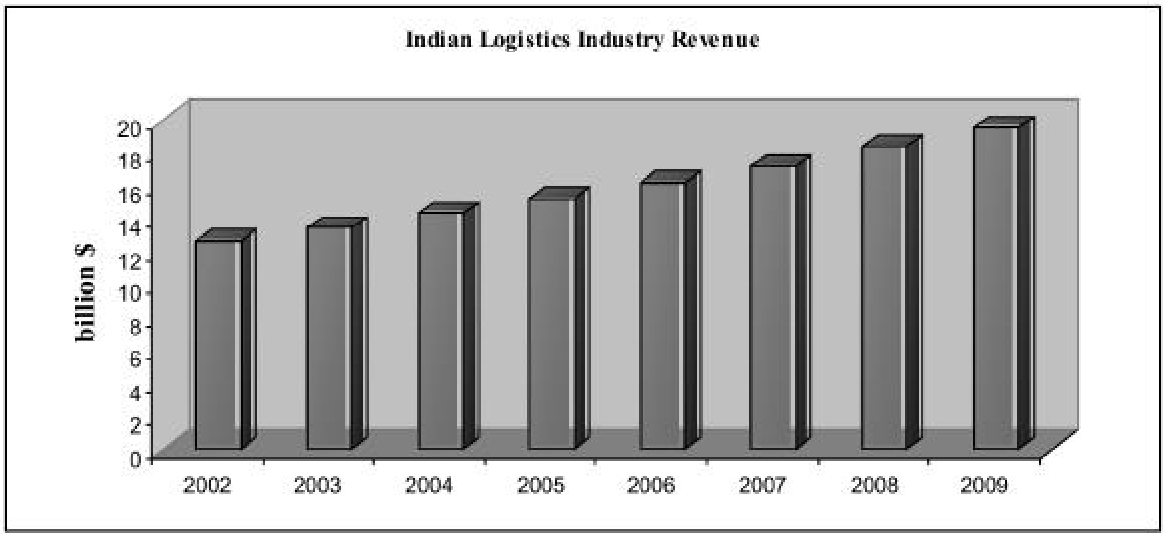
SECTION IV: ABOUT THE ISSUER COMPANY

INDUSTRY OVERVIEW

BACKGROUND

Logistics is the total process of moving goods from the origin to the destination in the most timely and cost-efficient manner possible. The concept of logistics covers all activities relating to the procurement, transport, transshipment and storage of goods. The logistics industry evolved due to the rising trend of companies focusing on their core competencies and outsourcing the ancillary activities to the experts. Outsourcing the logistics functions leads to improved customer service, enhancing flexibility of business operations, and reduction in costs and capital expenditure.

Revenue for logistics industry from manufacturing sector was estimated at $13,460 million in 2003. Revenues are forecasted to reach $19,540 million by 2009 on the strength of a growing economy and higher international trade. Chemicals, metal & metal products, FMCG, cement and textiles are the top five revenue contributors for logistics. Third party logistics (3PL) provider is an outsourced provider that manages all or a significant part of the logistics requirements of manufacturers and traders and performs transportation, locating and some product consolidation activities. Revenues for the 3PL market in India were estimated at $250 million in 2003. Market for 3PL services is forecasted to grow at a CAGR of 20.4% over the period 2004-09. The 3PL market is witnessing higher growth due to entry of MNC's, and exports focus of Indian companies. This market is expected to generate revenues of $970.3 million by 2009. Currently, the automotive, IT hardware and FMCG companies are large users of 3PL services. Emerging users include textiles, auto components, retail and pharmaceuticals industries. *(Source: Supply Chain Management and Logistics 2.0, July 2005).*



(Source: Supply Chain Management & Logistics 2.0, July 2005)

The international trade operates primarily through two modes of transport –

- Ocean
- Air

Majority of the heavy and / or voluminous cargoes, including commodities, are transported by the ocean route except for high value and perishable items, which need to be transported by air for faster deliveries.

TYPES OF CARGO

There are different types of cargo that are transported through ships –

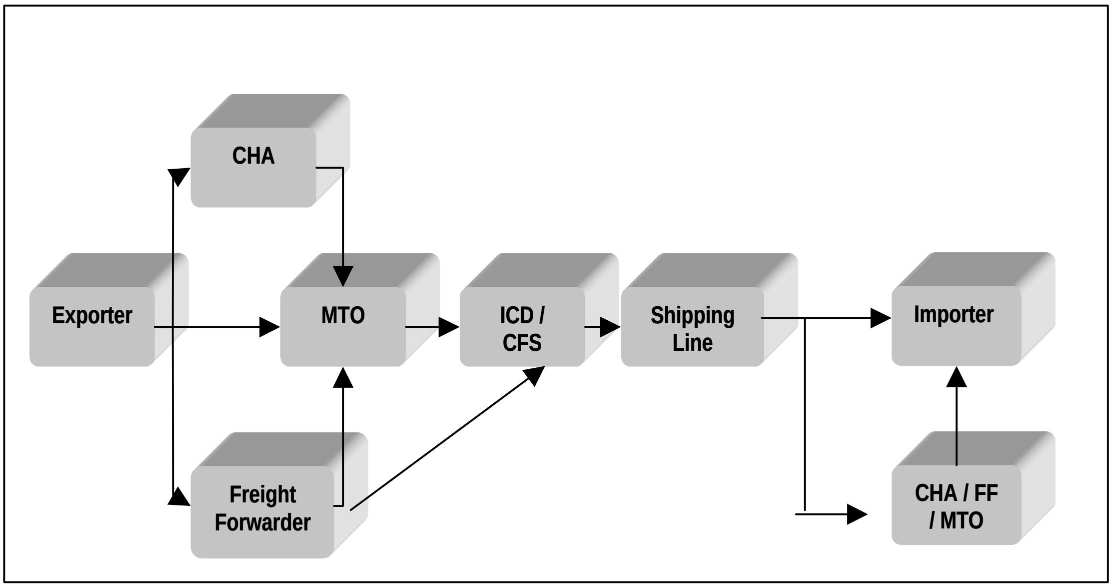
- Wet cargo – Liquid cargo like chemicals, dyes, and oils etc are classified as wet cargo.
- Break bulk cargo – General cargo conventionally stowed as opposed to containerized cargo
- Dry bulk cargo – Unpacked homogeneous cargo poured loose in a certain space of a vessel or container e.g. foodgrains, urea etc
- Containerized cargo – Cargo that can be stuffed in containers and transported. e.g. garments, auto ancillaries, and other cargo which would include the above cargo but being traded in smaller quantities

OCEAN LOGISTICS

The key players in the ocean logistic chain are:

- Exporter – The exporter is the consignor of cargo who uses the services of the logistic service provider to transport the cargo.
- Custom House Agent (CHA) –The licensed agent of the importer or exporter designated to perform customs clearance services.
- Shipping Agent – The representative of a shipping line for a specific territory. The agent is involved with marketing the principal's services, canvassing and booking cargo, handling all types of cargo entering or leaving the territory whether directly or by transshipment and handling of vessels owned / chartered (including any slot- or space charter agreement) or otherwise operated by the principal within the port of the territory.
- Freight Forwarder –The agent who arranges the carriage of goods including connected services and other related formalities on behalf of the exporter or importer.
- Multimodal Transport Operator (MTO) –The multimodal transport operator is the one who is allowed to transport cargo by more than one mode of transport under a single Multimodal Transport Document.
- CFS / ICD – Container Freight Station or Inland Container Depot is a facility where export cargo is received from merchants for custom clearance and loading (stuffing) into containers and is transported to the shipping lines or where import cargo is unloaded (stripping/ destuffing) from containers, customs cleared and delivered to the consignees.
- Shipping line –The shipping lines owns the ship and physically transports the goods from the port of origin to the port of destination.
- Importer –The importer is the consignee of cargo who receives the cargo from the shipping line.

OCEAN LOGISTICS FLOW



CONTAINERIZATION

Containerization is the method of packing goods in reusable containers of uniform shape and size for transportation. Goods of different shapes and different quantities can be shipped in containers as a single piece of standard size rendering it easy for transport. Before containerization, handling and transport of cargo was done piecemeal which required more time and led to losses due to multiple handling of goods. This is known as break-bulk shipping. Containerization has led to the carriage of goods by one or more modes of transport, without intermediate loading and unloading. With containerization, shippers can stuff their goods into containers and deliver them to the port container yard for shipment to the intended destination.

Containerization has led to –

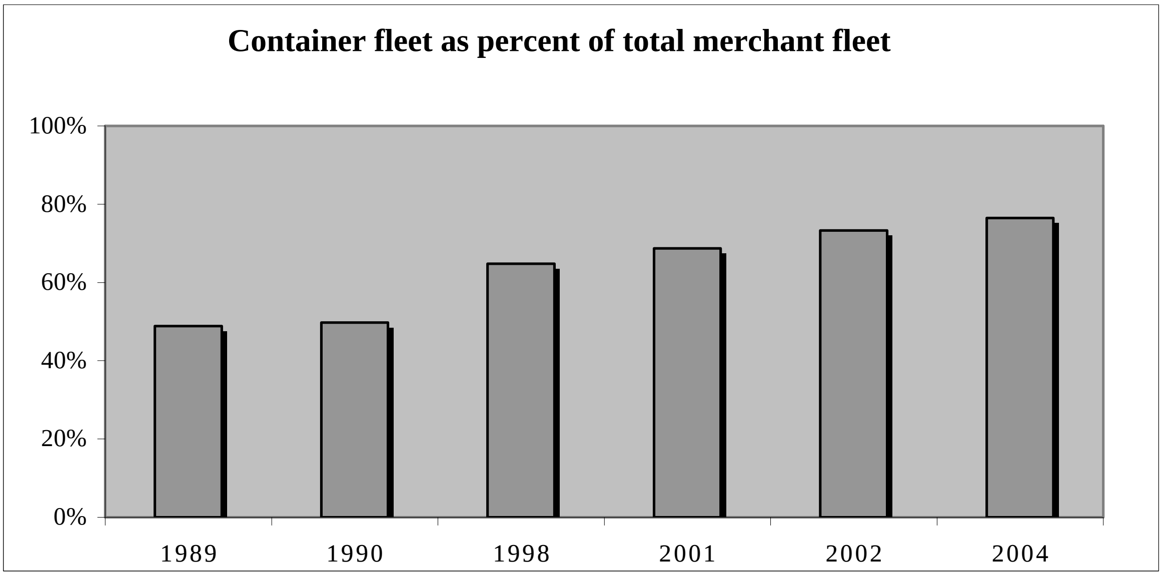
- Increased safety of goods transported
- Reduction in costs
- Reduction in losses due to multiple handling
- Increased speed of transportation
- Increased efficiency in handling cargo
- Inter modal transportation, i.e. transport from the origin to the destination, using different mode en route like roadways, railways, shipping and airlines.

Containers can be used to ferry garments, engineered components, consumer durables, electronic items, machinery, food products, plastic, chemicals, etc. They can also be used to transport dry bulk and liquids in smaller quantities, which are not ideal for transportation in hull of ships. Containers come in different types and shapes. The most common containers are 20 feet and 40 feet containers. Standardization of containers promoted mechanized form of cargo handling.

Global Scenario

Containers are used to transport most of the globally traded goods. Worldwide the container traffic is projected to grow by leaps and bounds. Recognizing the increased efficiency of containerized cargo, shipping lines became the chief proponents of containerization and constructed ships dedicated to containerized cargo movement. The number of container vessels as part of the total fleet of shipping lines has been steadily increasing reflecting an increase in containerized cargo. During 2004, 183 container ships with a capacity of 0.67 million TEU were added to the fleet which signified a TEU growth of 11.6%.

As of January 1, 2005 the order book for container vessels stood at 903 ships with 3.6 million TEU. The rise in containerization can be seen from the increase in the number of container vessels to the total global merchant fleet. *(Source: ISL SSMR June 2005).*



(Source : ISL SSMR June 2004 and June 2005)

It has been observed that the Asian ports account for a significant portion of container handling, thereby making Asia a dominant player in global container shipping. The throughput of the top ports of the world has been detailed below vis-à-vis the throughput of JNPT, India's largest container port.

Ports	**Country**	**Throughput in 2004 (million TEU)**
Hong Kong	Hong Kong	21.93
Singapore	Singapore	20.60
Shanghai	China	14.50
Shenzen	China	13.65
Busan	South Korea	11.40
Kaohsiung	Taiwan	9.70
Dubai	Dubai	6.42
JNPT	India	2.36

(Source: THE LINK, May 2005)

Growth of Containerized Cargo in India

India is on the growth path in containerization. Currently Indian trade is reflecting a steady growth at the rate of 15% in the past five years *(Source: Times Shipping Journal, January 2005).* The growth of containerized transportation, together with technological developments improving the systems for transferring cargo between different modes, has considerably affected transport patterns and practices. Shippers and consignees are often interested in dealing with one agency (MTO), who arranges the transportation of goods from door to door and assumes contractual responsibility for the transportation. Frequently, goods are carried in (sealed) containers, designed for transportation by different modes from door to door. Containerization is the key factor that has led to the development of:

- Multimodal Transport Operation
- Container Freight Station

Container traffic has seen a 20% compound growth rate in India in the last decade from 0.68 million TEU in 1990-91 to 3.9 million TEU in 2003-04. A volume of 7 million TEU in year 2006-07 is estimated in line with the current EXIM trends. *(Source: Department of Shipping website)* The National Maritime Development Program envisages a CAGR growth in traffic at all ports from 2003-04 to 2013-14 of 7.69% and that of container traffic is being estimated at 18.31%. *(Source: Economic Survey of India)*

MULTIMODAL TRANSPORT OPERATION

It is the chain that interconnects different links or modes of transport -air, sea, and land into one complete process that ensures an efficient and cost-effective door-to-door movement of goods under the responsibility of a single transport operator, known as a Multimodal Transport Operator (MTO), on one transport document. The constant endeavor of logistic providers to improve customer service resulted in the integration of all activities in the transport chain. The massive growth in containerization which introduced the modern concept of multimodal transport has shifted the cargo delivery system from "port-to-port" to "door-to-door". Multimodal transport gained increased importance as the facilitator of a global supply chain due to the development of logistics and supply chain management as a competitive strategic management tool. Reduction of logistics costs is one of the important benefits of multimodal transportation, thereby reducing the overall cost to the exporter and making his products more competitive in the international market.

Benefits of multimodal transport :

- Single document for all modes of transport
- Reduction in transport cost
- Reduction in time required for transport
- Smoother and quicker movement of cargo
- Improvement in quality of services

Key factors for the success of multimodal transport operation :

- Presence across the globe
- Good network of collection and distribution points
- Efficient collection and delivery system
- Safety and storage of transit cargo
- Good relations with shipping lines

Regulations

The MMTG Act provides for the regulation of multimodal transport of goods from any place in India to any place outside India involving two or more modes of transport on the basis of a single multimodal transport document. Multimodal transportation can be carried out only by persons registered as a Multimodal Transport Operator (MTO) under the MMTG Act. The Director General of Shipping has been notified as the competent authority to perform functions under the said Act including registration of MTO. The MTO registration is valid for period of three years and may be renewed for further period of three years from time to time. Three categories of companies are eligible to be registered as a multimodal transport operator –

- Shipping Companies
- Freight Forwarding Companies
- Companies which do not fall in either of the above two categories.

In the case of shipping companies (which own and operate vessels) as well as freight forwarding companies the turnover of the last three years should be Rs. 5 million or more. In the case of a company falling under the third category above, the subscribed share capital of the company should be Rs.5 million or more. In addition the applicant company should submit a certificate of turnover duly signed and issued by a Chartered Accountant and have offices/agents/representative in at least two other countries.

Current Scenario

The development of containerized traffic provides significant indications of increase in multimodal transport as containers are designed for door-to-door transportation by different modes. While globally the major container flows are between Asia, Europe and North America, there are significant flows within all regions. Most of this containerized cargo is expected to be transported by more than one mode before reaching its final destination.

In India there was no uniformity followed in respect of multimodal transport of goods. The government felt that absence of uniformity in such practices led to ambiguity and imbalance of interests between the operators and the cargo owners. With the advent of containers, the ocean carriers started extending their services to inland locations, as containers, are smoothly and easily handled from one mode of transport to another. The Multimodal Transportation of Goods Act, 1993 was, therefore, introduced to facilitate the exporters and give them a sense of security in transporting their goods.

Consolidation of cargo

Cargo to be shipped by an exporter may either be enough to fill an entire container or less than a full container load. However, the benefit of containerization can be availed by both these types of exporters through the following services offered by MTOs:

Full Container Load (FCL) – FCL services are offered to exporters who transport sufficient amount of cargo to fill an entire container. These goods are containerized and transported to the shipping lines after completion of the requisite customs and other formalities.

Less than Container Load (LCL)– There are innumerable small shipments made by companies and by traders who do not trade in large quantities and using an entire container for such shipments is not a cost effective option. A consolidator collects such smaller cargo loads from exporters and consolidates a full container load for each destination and ships it accordingly.

Key Players

The cargo is usually segregated on the basis of size (LCL or FCL) and value (Low, medium and high). In India, cargo up to 50 kgs is sent by courier services and other cargo is shipped through freight forwarders, consolidators, agents, etc.

The key players in these segments are:

Shipping Lines	Domestic Freight Forwarders
● APL Ltd. ● A.P. Moller Maersk ● Compañía Sudamericana de Vapores (CSAV) ● Wan Hai Lines Ltd. ● K Line (America) Ltd. ● Hanjin Shipping Co. Ltd.	● AFL Ltd. ● Alpha Cargo Express ● Air & Sea Cargo Systems ● Container Carriers International ● Countrywide Express, Express Freight Forwarders

International Freight Forwarders	Custom House Agents
● Geologistics ● Kuehne + Nagel ● Exel ● Bax Global ● Panalpina World Transport	● Tulsidas Khimji Pvt. Ltd. ● Velji Dosabhai & Sons. Pvt. Ltd. ● Atlantic Shipping ● N G Bhanushali & Company

CONTAINER FREIGHT STATION

CFS and ICD are facilities set-up for handling of in-transit containers, examination and assessment of cargo by regulatory agencies like Customs for the EXIM trade of the country. They are a critical part of the logistics chain in relation to the movement of containerized cargo. An ICD is located in the hinterland, away from the gateway ports of the country whereas a CFS is an off dock facility located near ports to facilitate decongestion at the ports.

CFS and ICD are appointed as custodians of the imported goods by the Commissioner of Customs under Section 45 of the Customs Act, 1962. CFS and ICD facilitate clearance of the cargo for export out of a country or import into a country, consolidation and deconsolidation of cargo resulting in the port functioning as a shipping vessel loading and unloading facility. The imported goods remain in the custody of the CFS and ICD till they are cleared for home consumption, warehoused or transshipped to another location. Emergence of CFS in and around the ports and of ICDs in the hinterlands has helped in a manifold increase in the handling capacity of ports.

Need for CFS and ICD

Ports and harbors due to inherent structural and procedural constraints could not accommodate the increased traffic in containerized cargo. Such increase in container traffic necessitated ancillary facilities, which could provide

- Place for speedy evacuation of import containers from the port
- Space for activities like consolidation, stuffing, de-stuffing and regulatory clearances
- Warehouse to ensure safety and security of cargo
- Facilities for storage and transport of empty containers.

Functions of CFS and ICD

The primary functions of ICD and CFS may be summed up as under:

- Receipt and dispatch or delivery of cargo.
- Stuffing and stripping of containers.
- Transit storage before transportation by rail or road to and from gateway ports.
- Customs clearance of cargo
- Consolidation and desegregation of cargo.
- Temporary storage of cargo and containers.
- Reworking of containers.
- Maintenance and repair of container units.

Benefits of CFS and ICD

The benefits of an ICD/CFS are as follows:

- Consolidation points for long distance cargoes and its unitization.
- Service as a transit facility.
- Reduced level of demurrage and pilferage.
- No customs required at gateway ports.
- Reduced overall level of empty container movement.
- Competitive transport cost.
- Increased trade flows.

Regulations

In order to set up container freight station in India an entrepreneur has to submit his proposal to the Inter-Ministerial Committee (IMC) under the chairmanship of the Additional Secretary (Infrastructure), Ministry of Commerce. The Committee considers the proposals submitted by public sector as well as private sector entrepreneurs for setting up of new ICD/CFS at different centers in the country and monitors their progress. The proposal for setting up of ICD/CFS is examined by the Committee on the basis of following guidelines:

- A survey/feasibility study must precede the setting up of ICD/CFS and a copy of the report should accompany the application for setting up such a facility.
- A separate copy of the application is to be submitted to the Commissioner of Customs, for its comments on the merits of the application to the Ministry of Commerce.
- In case the project is in a port town, a copy of the proposal has to be submitted to the concerned port authority as well.

- The concerned departments submit their views and the final decision is taken by the IMC.
- Once the proposal has been accepted a letter of intent is issued.
- A quarterly progress report has to be submitted to the Ministry of Commerce. The applicant will have to put up the required infrastructure, meet the security standards of the Commissioner of Customs and also provide a bond backed by a bank guarantee to the Customs.
- The working of the ICD/CFS is always open to IMC scrutiny. For approval of an ICD/CFS, following minimum level of traffic volume is prescribed: For ICD - 6,000 TEU per year (Two way) and for CFS - 1,000 TEU per year (Two way)
- Land requirements: For the ICD/CFS proposed to be set up outside the limits of major cities, a minimum of 3 acres of land is required and for such facilities inside city limits /port area, a minimum area of 1 acre (about 4,500 sq. mts) is required.
- Rail head ICD: For setting up a rail based ICD, the applicant has to bear the cost for all the infrastructure facilities, including land, track, handling equipment for containers, maintenance of assets including track, rolling stock etc. as per railway rules applicable to private sidings.

Key CFS players

JNPT, Mumbai	**Chennai**
• Maersk India Private Ltd • Gateway Distriparks Ltd • United Liner Agencies of India Private Ltd • Transindia Logistics Park • Seabird Maritime • Balmer Lawrie & Co. • Punjab State Warehousing Corporation Ltd (CONWARE) • Container Corporation of India Ltd. - DRT • Central Warehousing Corporation, Kalamboli • Central Warehousing Corporation, Mulund • Fly Jac Forwarders – CFS • Barwil Forbes • Central Warehousing Corporation – Distripark • Maharashtra State Warehousing Corporation	• Container Corporation of India Ltd. • Gateway Distriparks Ltd. • Central Warehousing Corporation Sanco Trans Ltd. • Balmer Lawrie & Co • Binny Ltd • Gateway East India Private Ltd. • Continental Warehousing Corporation Limited **Mundra** • Mundra CFS Private Ltd. • Mundra International Container Terminal • Central Warehousing Corporation • Forbes Gokak • Parekh Marine

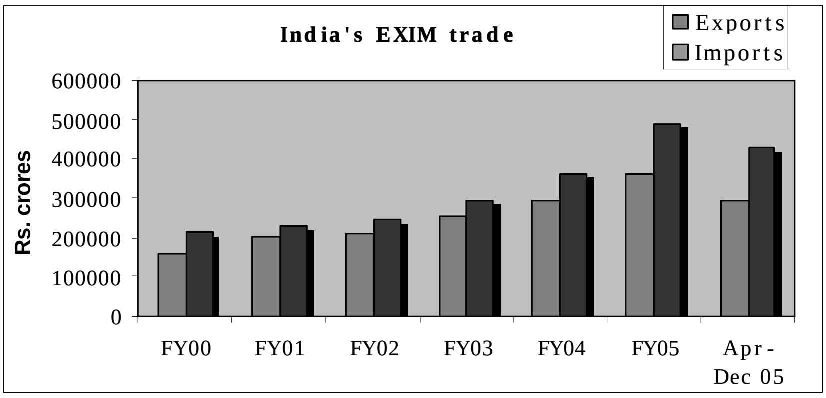
FACTORS AFFECTING MULTIMODAL TRANSPORT OPERATION AND CONTAINER FREIGHT STATION

The CFS and MTO are critical links in the logistics chain of international trade. They are directly influenced by –

- India's External Trade
- Infrastructure
- Policies and Initiatives of the Government

India's External Trade

The Economic Survey for 2005-2006 reflects the economy in an upswing mode, with a growth of 7.50% in FY2005 and is projected to grow at 8.10% in FY 2006. Merchandise exports witnessed a growth of 26.20% (in US dollar terms) in FY2005 continuing the rise of more than 20 per cent in each of the previous two years. USD 74.9 billion worth of goods have been exported in April 2005 to January 2006. Export growth of commodities continued to be broad-based with the manufacturing sector in the lead. The main drivers of this high growth were the five major sectors of engineering goods, gems & jewellery, ores and minerals, chemicals & related products, and petroleum products. Imports have registered a 39.70% growth in FY 2005 and 26.70% in April 2005 to January 2006 *(Source: Economic Survey 2005-06)*. The Government of India has fixed an ambitious target of US$150,000 million for exports by the year FY2009 in order to double India's share in world exports to 1.5 per cent *(Source: Economic Survey 2004-05)*.



Source: Economic Survey 2005-06)

Encouraged by the robust growth in exports, the Commerce Ministry moved up the export target for FY2005 to around $92,000 million. India's export earnings in FY2005 reached around $80,000 million, notching up a 24% growth over the previous year while the country's import value touched $105,000 million reflecting a 34% growth in comparison to the previous year *(Source: Foreign Trade Policy 2005-06).*

Increase in containerization of cargo

The sustained growth of containerized cargo estimated at a compounded average growth rate of about 15% over the last ten years has acted as a major catalyst in maritime trade growth. Container traffic growth has also provided impetus to the development of maritime transport and logistics sector industry in the country, with the emergence of several private public partnerships for provision of port and other cargo handling facilities; alongside several new private ports and terminals. Growing containerization of cargo (currently reckoned at about 75% of the containerisable cargo) has in particular brought about a significant redefinition of organization of port terminal services and demand for highly sophisticated handling equipment and inland logistics capabilities and service efficiencies. *(Source: Supply Chain Management and Logistics 2.0, July 2005)* Goods, which have not been containerized until, now are now being transported by containers due to its innumerable advantages over break-bulk cargo transport. Tea, which was transported in jute bags, and newsprint, shipped as bulk cargo are few examples of items, which are now being containerized. Containerized cargos like auto and engineering components and garments have been growing steadily over the years.

The main containerized cargoes are garments, electronic goods, agro products, cotton yarn, machinery/parts, granite products, coir products, leather products and jute products. The handling cost is lower for containerized cargo as opposed to break bulk leading to containerization of minerals exported. The cost advantage also occurs due to India's balance of trade. With 40 per cent more imports than exports, incoming containers wait for repositioning to other locations. Container lines, instead of spending on shipping out empties, offer good deals for shippers to specific locations as a result of which soya, sugar, steel plates and agricultural products have gone the container way. For the thriving print media activity in Chennai, transporting newsprint in containers reduces handling cost. The damages used to eat up 20% of the cargo when shipped in break bulk, offering a strong incentive to box it. This is also true in case of small consignments. Shippers wanting to handle smaller parcel sizes because customers want just in time deliveries prefer containers where tracking transit and transit times is easier due to the technology and communication facilities today.

Indian ports have been seeing many hitherto break bulk cargoes like rice, maize, glass, granite, garnet sand, soya, cement and flowers now moving in containers. Some break-bulk cargoes such as banana, cotton and green coffee beans have become permanent container fixtures, while others such as pulp, lumber, cocoa and onions migrate from container to ship holds and back to containers, according to the rise and fall of box rates. Even iron ore has been successfully exported from Chennai in containers. All this points to a steady move towards containerization for value added benefits, and the beneficiary would be the container shipping industry and container terminals. *(Source: News Report in CII Logistics and Freight News, June 2005).*

Infrastructure

The infrastructure required for the logistics industry includes ports, roadways and railways to ensure the safe and timely delivery of cargo.

Ports

India has around 6,000 km of natural peninsular coastline. There are 12 major ports and 185 minor ports. As of today, the 12 major ports at Chennai, Cochin, Ennore, JNPT, Kandla, Kolkata, Mormugao, Mumbai, New Mangalore, Paradip, Tuticorin and Visakhapatnam handle about 75 per cent of the traffic.

Throughput of Major Ports in the country:

	FY 2004			'000 tonnes
Port	**Import**	**Export**	**Transhipment**	**Total**
Kolkata	3102	1007	4514	8693
Haldia	22676	9890	1	32567
Paradip	6705	18606	-	25311
Vishakapatnam	19306	21369	7061	47736
Chennai	20302	16408	-	36710
Tuticorin	10184	3694	-	13678
Cochin	11118	2448	6	13572
New Mangalore	13045	13624	4	26673
Mormugao	4468	23406	-	27874
Mumbai	16469	10861	2665	29995
JNPT	13886	15578	1726	31190
Ennore	9277	-	-	9277
Kandla	31080	10308	135	41523
Total	**181618**	**147069**	**16112**	**344799**

(Source: Supply Chain Management and Logistics 2.0, July 2005)

About 80 per cent of total volume of port traffic handled was in the form of dry and liquid bulk, while the remaining 20 per cent consisted of general cargo including containers. There has been an impressive growth of container traffic in the last few years with growth of 14.20% per annum during the five years up to FY 2005. While container traffic has grown well in India, there is still a considerable lag when compared with the larger international ports. The annual aggregate cargo handling capacity of major ports increased from 389.50 million tonnes p.a. in FY 2004 to 397.50 million tonnes p.a. in FY 2005. *(Source: Economic Survey 2005-06)*

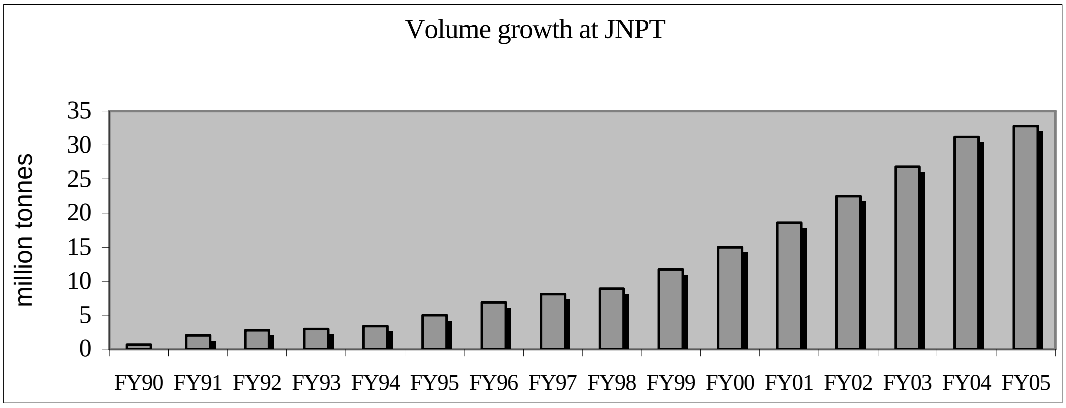
But the present Indian gateway ports do not attract a sufficient number of mainline vessels due to inadequate facilities and the distance from international shipping routes. The ports of Colombo, Singapore and Salalah (Oman) are major transhipment hubs in Asia. *(Source: News Report in CII Logistics and Freight News).*

Some of the country's significant container ports have been detailed below -

Jawaharlal Nehru Port Trust (JNPT)

Commissioned in 1989 and located within the Mumbai harbour on the west coast of India, JNPT is one of the major ports of the country. Certified an ISO 9001:2000 port, it was initially developed as a "satellite port" for decongesting traffic at the Mumbai Port. In the course of time it developed as an independent port in its own right and became the country's largest container port. JNPT owns 2,584 hectares of land with sufficient back-up area for developing additional facilities for future maritime requirements of the country.

In FY 2005, the port achieved a throughput of 32.81 million tonnes, against 31.18 million tonnes in FY 2004 and 26.84 million tonnes in FY2003. The total container traffic during the eleven months ended February 2006 was 34.27 million tonnes, of which the container traffic is 2.41 million TEUs. JNPT container terminal handled 1.21 million TEUs and the NSICT (Nhava Sheva International Container Terminal) handled 1.20 million TEUs. JN Port is ranked 32nd among the top 100 ports of the world. *(Source: JNPT).*



(Source: JNPT website)

Chennai Port

Chennai port handles both bulk and container cargo. The container terminal at Chennai port was established in 1983. It is a major exporter of automobiles and second largest in terms of container traffic in India. The Chennai Container Terminal, managed by P&O Ports, is South India's largest terminal with a market share of around 55%. P&O Ports have invested heavily in providing the latest equipment and ensuring that the terminal is equipped to handle the increasing cargo volumes at Chennai. The cargo originates from Chennai's immediate vicinity as also from ICDs of Bangalore, Coimbatore, Hyderabad, Guntur and other hinterland locations like Salem, Tirupur, Erode and Karur. Chennai is well connected with these locations and is the preferred gateway port for South India. The port is also to be linked to two national highways at a cost of Rs.165 crores in a bid to ease congestion and improve its performance. Chennai port has set itself a target to handle 72 lac TEU in 2005, which translates into 60000 TEU a month and a 42% growth for FY2006. *(THE LINK, May 2005)* The Government of India has approved the construction of the second container terminal in March 2005. *(Source: Cargo Times, January 2006)*

With the sudden surge in container traffic, it is pivotal for the other infrastructure like road and rail to keep up with the pace and avoid traffic bottlenecks. Integrated service orientation of the Indian ports can be developed through development of enhanced infrastructural linkages.

Mundra Port

Mundra Port is India's largest privately developed port. The Port is strategically placed with respect to the northern and western hinterland, to which it is well-connected by both railways and roadways. This area generates nearly 70% of India's containerized international trade. The Port has privately developed a 57 km railhead, which is connected to the nearest railhead. The Bhuj airport is a short drive away, and proposed Mundra airstrip will bring airways to the Port zone. The port has a container terminal and Special Economic Zone. Mundra International Container Terminal is capable of handling container vessels. The Government approved Mundra SEZ is multi-modal, multi-sector, multi-product and is the largest SEZ in India. The port operates with a single window clearance system. Mundra International Container Terminal (MICT) is managed by P&O Ports. The Container terminal comprises of 2 berths capable of handling 1.2 million TEUs per annum. It is strategically located and is able to handle the deepest container vessels of the world. The Terminal is capable of berthing 5th generation 8000 TEU vessels. The terminal operates 24 hrs-365 days a year and has no tidal restrictions *(Source: Mundra website).*

Roadways

The Government of India is taking major steps to improve the road connectivity and quality. For this purpose the National Highway Authority of India was set up which is responsible for the National Highway Development Project of connecting the major cities and state capitals in the country. The total length of the roads to be covered under these projects is estimated at 50,146 kms *(Source: Press Information Bureau).*

Railways

The Government of India has conceived a massive investment plan for rail sector to eliminate capacity bottlenecks on Golden Quadrilateral and other highways to provide strategic rail communication links to ports, construction of mega-bridges for improving communication to the hinterland and development of multi-modal transport corridors. This initiative has been given the name of National Rail Vikas Yojana. The railway ministry has identified certain projects under the National Rail Vikas Yojana (NRVY) for strengthening connectivity to ports.

Policies and initiatives of the Government

The Department of Shipping has drafted National Maritime Development Program (NMDP) to complement the National Maritime Policy by identifying specific schemes to give a concrete shape to the vision laid down in the policy document in a 10 year's time horizon. The port infrastructure is woefully short of handling the rapidly escalating EXIM trade in the country. Currently the capacity of all ports amounts to 49.55 million tonnes whereas the existing traffic has already touched 51 million tones. As per the NMDP the capacity requirement for major ports is likely to increase from the existing 400 million tonnes to 917 million tonnes by 2013-14. The maximum capacity requirement will be for the containerized cargo which is likely to go up from the existing 50 million to 235 million adding a capacity of 186 million tonnes by 2013-14.

National Maritime Development Program –capacity expansion of ports

	Million tonnes		Estimated percent increase
Port	**FY 2004**	**FY 2014**	
Kolkata	10	22	120%
Haldia	34	74	116%
Paradip	39	92	137%
Vizag	49	130	164%
Ennore	12	62	415%
Chennai	42	62	47%
Tuticorin	16	46	190%
Cochin	16	59	277%
Mormugao	24	57	143%
New M'lore	30	56	84%
JNPT	33	95	187%
Kandla	45	106	135%

(Source: National Maritime Development Program)

With the above projections in view, all the major ports identified those projects, which would meet the challenges of the growing international traffic demand of the country along with developing the port facilities at par with world standards for giving a concrete shape to the vision and strategy laid down in the Maritime policy document over a period of 10 years time horizon relating to projects related to port development like construction of jetties berths etc, procurement, replacement or upgradation of port equipment, deepening of channels for improvements in drafts projects related to port connectivity and other related schemes. The total investment required is about Rs. 603,385 million. The program is proposed to be implemented through public/private partnership *(Source: National Maritime Development Program).*

Future potential

- A Feasibility study for a World class Container Terminal at Ennore Port has been completed. Further action in this regard is being taken up by the port authorities. Ennore Port is also set to enter in chemical handling operation through private sector participation.
- Government has approved the proposal for award of contract for Development of International Container Transhipment Terminal at Cochin on BOT basis to Dubai Port International and accordingly the license agreement between Cochin Port Trust and India Gateway Terminal Private Limited, 100% subsidiary of the Dubai Port International was signed in FY 2005.
- In the process of reviving the Sethu Samundram Ship Navigation Channel Project, techno-economic viability and environment impact assessment studies on the project completed. Based on the study, the Government has decided to implement the project, through a SPV by the name "Sethusamundram Corporation Limited". The project envisages

cutting of a ship canal to connect Gulf of Mannar & Palk Bay, so that most of the ships, depending on draft required, moving between east and west coast of the country could have a continuous navigable sea route around the peninsula, which will save up to 400 nautical miles and up to 36 hours of sailing time for ships between east & west coast.

- The Jawaharlal Nehru Port has signed a license agreement with Gateway Terminals India Private Limited, a joint venture company formed by Maersk A/S- CONCOR Consortium for operation of the Third Container Terminal on Build Operate Transfer basis.
- The Centre has approved the JNPT plan to extend its existing CFS facilities over a 300-hectare land to facilitate cargo movement after the commencement of the port's third terminal in the next year.
- JNPT is contemplating development of fourth container terminal in two phases of 1.5 million TEU capacity each. The first phase is estimated to cost Rs. 2,567 crores and will be operational in FY 2010. The second phase is estimated to cost Rs. 2,134 crores and will be operational in FY 2014. JNPT is conducting a feasibility study for the same. *(Source: JNPT Website).*
- Mumbai port is developing an offshore container terminal on BOT basis in two phases — the first phase envisages construction of two berths with a capacity to handle 0.8 million TEU and the second phase involves construction of a third berth to take up the total capacity to 1.2 million TEU.

Air Freight Forwarding

The air transport is mainly used for high value items and perishable goods for increased safety and faster delivery. Around 10% of volume of India's EXIM trade is by air. India's air cargo traffic has risen from 7.97 lakh tonnes in 1999-2000 to 8.4 lakh tonnes in 2001-02 and 10.6 lakh tonnes in 2003-04 to 12.8 lakh tonnes in 2004-05. This reflects a 20% growth from FY 2004 to FY 2005. *(Source: Cargo Times, January 2006)*

Registration with International Air Transport Association (IATA) is required for operating as an air freight forwarder. IATA prescribes certain criteria for such registration and continuance of the registration which include –

- Staff qualifications
- Financial requirements
- Suitability of premises and cargo handling equipment
- License to trade and other national legal requirements

Project Cargo

Handling of project cargo involves transportation of equipments and products on a turnkey basis. Each contract is unique and the logistic requirements are tailormade to suit the specific needs of the contract depending on the nature, size and value of items to be transported. It includes transportation of oil field equipments, power plants, compressor stations and other over-dimensional and over weight cargo. Multiple modes of transport are utilized for handling project cargo depending on the origin and destination of the cargo. Detailed and intricate planning and technical expertise is required to successfully execute the transportation of such equipments.

The key players in the project cargo handling business are –

- Panalpina
- Exel India
- Schenkers
- Geologistics
- DHL Danzas
- Geodis
- Kuehne and Nagel
- Lee and Muirhead Ltd.

OUR BUSINESS

We are a logistics service provider involved in multimodal transport operations (MTO), owning and operating Container Freight Station (CFS) and handling of project cargo.

We started MTO in 1998 and have since then built expertise in this field. Today we have a pan India presence across 26 locations through our branches and franchisees and an extensive international coverage of over 4000 destinations through strategic tie-ups and agents. As a multimodal transport operator, we offer end-to-end freight services for export and import cargo utilizing multiple modes of transport such as sea, road, rail and air. At present we are one of the leading consolidators for Less Than Container Load (LCL) and have large volumes of Full Container Load (FCL) cargo. We also undertake Multi City Consolidation (MCC), which involves movement of cargo from hinterland locations to CFS at gateway ports to facilitate consolidation which enables us in achieving faster turnaround of cargo.

To strengthen our position at important international destinations, we have acquired a 49.99% stake in the Belgium based ECU Hold NV, the holding company of ECU Line NV which is one of the leading global NVOCC players, with whom we have been associated for the last 10 years. Ecu Hold NV has 110 own offices in 56 countries and a franchisee and agent network across 203 locations in 120 countries, and the total network spanning 313 locations in 176 countries. This has given us the ability to service our customers' logistics needs across the globe. We also have a joint venture with the Transworld Group in New Jersey, USA to cater to the US markets.

We are also engaged in handling of project cargo, which is a specialized activity requiring detailed planning and technical expertise. The comprehensive project handling service includes designing and execution of customized solutions tailored to meet specific customer requirements for the transport of high value specialized equipments such as oil field equipments, power plants, compressor stations etc from one location to another using multiple modes of transport. These assignments are generally handled on a turnkey contract basis.

We provide port related logistic support services, through our CFS called Transindia Logistics Park (TLP) located at a distance of about 18 kms from the JNPT, India's largest container port. Our CFS facility has a capacity to handle 1,20,000 TEUs p.a. and is equipped with sophisticated technology, high quality equipments, an advanced fire fighting system, comprehensive generator back-up, and CCTV and VHF for round the clock security of cargo. Our CFS has recorded 118.15% growth in volumes during the last one year from FY 2004 to FY 2005.

We believe in gaining customer satisfaction through process enhancements and constant innovation in our services and have received an ISO:9001:2000 certification for our MTO at our corporate office and our CFS facility.

We achieved an income of Rs. 2321.93 million and adjusted PAT of Rs. 245.47 million for the FY 2005. For the 9 month period ending December 31, 2005, we have achieved an income of Rs. 2041.21 million and an adjusted PAT of Rs. 370.24 million.

EVOLUTION

With a vision to provide comprehensive logistic solutions for international trade, we commenced operations in 1993 as an agent for AMI International NV, the freight forwarding division of global major shipping line Safmarine Holdings NV. Thereafter, in 1994, we were also appointed as the sole Agent in India of ASIA Lines Ltd., Mauritius. Our activities as an agent included LCL Consolidation and FCL Forwarding on behalf of our principals.

The year 1995, was significant as we joined hands with a leading global NVOCC player, Ecu Line NV as their agent to take advantage of their extensive network. This relationship was enhanced in 2000 when we entered into a subsequent agreement which enabled us to act as principals and Ecu Line NV as our agent for business originated by us and vice versa. To further strengthen our association, we made a strategic investment and acquired 33.80% stake in Ecu Hold NV, the holding company of Ecu Line NV in June 2005. In January 2006 we increased our stake to 49.99% for a consideration of Euro 3.60 million. Ecu Hold NV was valued at Euro 22.50 million based on 3.75 multiple of its unaudited consolidated EBITDA as on December 31, 2005.

The year 1998 witnessed our transition from an agent to a principal when we registered ourselves as a Multimodal Transport Operator (MTO) with the Directorate General of Shipping. This enabled us to issue a single negotiable multimodal transport document covering multiple modes of transport and position ourselves as an independent player in this field thus strengthening our revenue model. Today, we are one of the leading MTO's in the country and offer end to end freight services for export and import cargo.

To cater to the opportunities in the USA markets, we entered into an agency agreement with Shipco Transport Inc a major NVOCC player in 1998. In 2002, to strengthen our position and presence, we started our own office in USA through a Joint Venture with Transworld Logistics and Shipping Services under the name of Allcargo Movers Inc.

In 2004, we ventured into handling of project cargo which involves transportation of high value specialized equipments utilizing multiple modes of transport. In the same year, in order to cater to multiple needs of our customers we started offering airfreight forwarding services.

Considering the potential for port related logistic support services, we set-up our first CFS - TransIndia Logistic Park, near JNPT, which commenced operations in 2003 and achieved full capacity utilization within 7 months. In 2004, we commenced the second phase of development, which became operational in 2005. The third phase of development was initiated in 2005 and is in progress and is expected to be completed by May 2006.

BUSINESS OPERATIONS

Our business can be broadly classified into:

- Multimodal Transport Operations
- Container Freight Station
- Project Cargo Handling

Our revenue mix has been as follows:

(Rs. in Million)

Income	FY 2003	FY 2004	FY 2005	Nine month ended Dec 31, 2005
Multimodal Transport Operations	1,169.66	1,334.88	1,820.12	1,354.62
Container Freight Station	-	127.58	325.03	498.62
Project cargo handling	-	-	120.45	118.41
Total operating income	1,169.66	1,462.46	2,265.60	1,971.65

MULTIMODAL TRANSPORT OPERATIONS

We are one of the leading Multimodal Transport Operators in India, with domestic presence spread across 26 locations and an extensive international coverage of over 4000 destinations through strategic tie-ups and agents.

As a Multimodal Transport Operator, our principal activities include the consolidation and transport of cargo as Less than Container Load (LCL) cargo, and Full Container Load (FCL) forwarding, by utilizing multiple modes of transport such as sea, road and rail under a single Multimodal Transport Document. We also started air freight forwarding services from the year 2003 to provide a comprehensive array of services to our customers. We have acquired our IATA license, which enables us to directly liaison with airlines and issue our own airway bills. We perceive this business as a potential high growth segment of the logistics business and this will complete the entire logistic chain covering all modes of transport.

Our services cover the carriage of out-bound export as well as in-bound import cargo. Our customers are Customs House Agents (CHAs), Domestic and International Freight Forwarders, Exporters and Importers.

Presently, we are one of the leading consolidators in the industry offering MCC, which involves movement of cargo under customs approved bond from the inland container depots (ICD) based at hinterland locations to CFS at gateway ports where the cargo is segregated and stuffed into containers for onward transportation to respective destinations. Our national network includes our own offices at 17 locations and franchisees at 11 locations. For further details of our network please refer to page 76 of the Red Herring Prospectus.

With over 320 strong dedicated nationwide workforce along with a strong international agency network, we are able to provide our customers with efficient services to various destinations. Our direct export services to major international destinations and relationship with reputed carriers has enabled us to reduce transit time, be cost competitive and assure safe and timely delivery of cargo to our customers.

We handled more than 13,000 TEUs of LCL and 12,000 TEUs of FCL cargo in FY 2005. Our business volumes have been growing steadily at a CAGR of 22.05% over the last 3 years.

PROCESS FLOW

The MTO business in exports and imports broadly covers the following activities:

Export

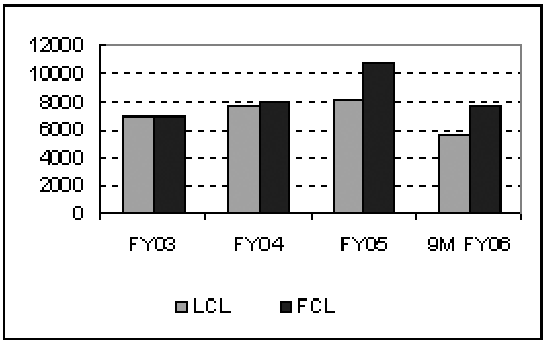
- Consolidation of LCL cargo

  We collect LCL cargo from our customers to be shipped to various destinations. Cargo for each destination is consolidated into containers at the CFS to be shipped to either the final destination or to hub ports from where they are transshipped to the final destination. We also undertake multi-city consolidation whereby the cargo is transferred from our branches and franchisees at hinterland destinations to the CFS at gateway ports where it is destuffed and re-consolidated into containers and shipped. This facilitates faster consolidation and shipment of cargo.

- Forwarding of FCL cargo

  This involves shipping of full container load cargo generally for a single Customer. The Container is stuffed either at CFS / ICD or the Shippers Factory and transported to Port for onward shipment.

  The export volumes handled by us in the last 3 years and nine months ended December 31, 2005 are given below:

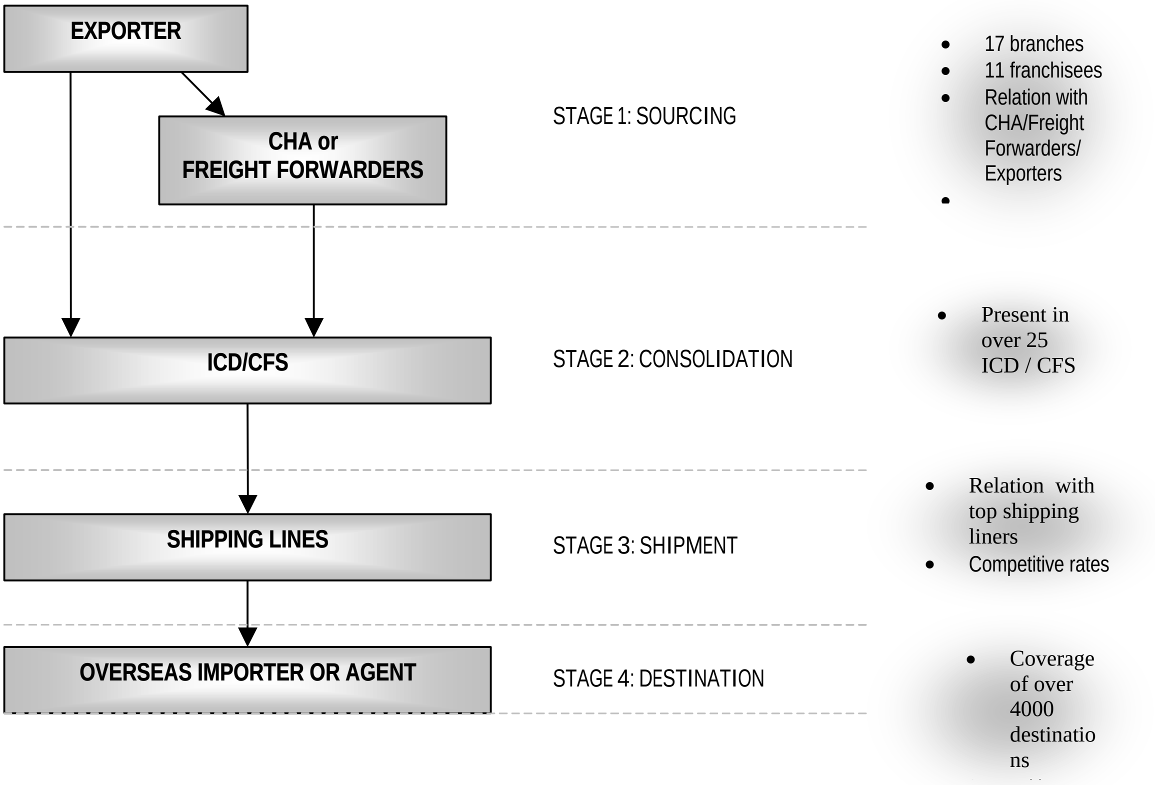


'(In TEUs)

	FY03	FY04	FY05	Nine month ended Dec. 31, 2005 (9MFY06)
LCL	6945	7642	8034	5571
FCL	6786	7911	10813	7676
Total	**13731**	**15553**	**18847**	**13247**

Workflow

Below is a flowchart depicting the process flow of export MTO activity. In case of import MTO activity the workflow is in reverse order.



Stage 1: The exporter usually appoints a freight forwarder or customs house agent for customs clearance and transportation of the cargo from the exporters' warehouse to the importers' warehouse. The agent transports the cargo to our designated ICD/CFS. We stuff the cargo, after custom clearance according to its destination in the appropriate container. In case of FCL cargo, either the shipper transports it to our designated ICD/CFS or we collect the cargo from the shippers' factory/warehouse.

Stage 2: After we complete stuffing an entire container for a particular destination, we transport the container to the port / ICD and handover to the shipping line. MCC Cargo is transported to a gateway port CFS, where it is re-consolidated with other cargo for the same destination port, and transported to the port for shipment.

Stage 3: The cargo is shipped to the destination port by the shipping line.

Stage 4: The importer through our agent, either collects his cargo from the CFS or our agent delivers the cargo to the consignee in accordance with the agreed terms of delivery.

For MTO exports we hire containers either from shipping lines or Carrier Owned Container operators including our subsidiary, Contech Transport Services Private Limited. We obtain relatively better freight rates from our said subsidiary thereby making us competitive in the Far East, Gulf and Indian Ocean Sectors which are sectors where freight rates are under pressure.

Import

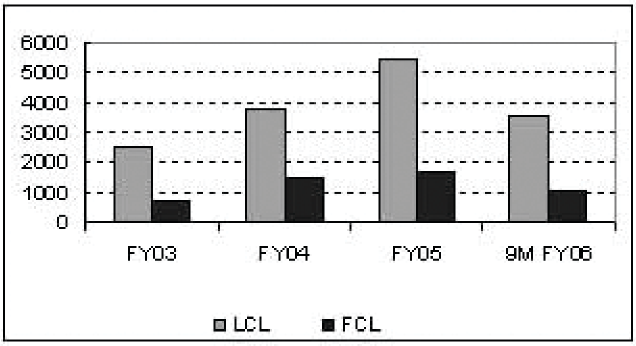
- Deconsolidation of LCL Cargo:

  In case of LCL imports, our role as the handling agent, is to destuff the container at the designated CFS/ ICD. The cargo is deconsolidated and delivered to the respective importers after customs clearance to any destination in the country.

- FCL Cargo:

  The custom cleared cargo is transported according to the mutually agreed terms with the consignee. We cater to delivery needs of importers at various ICD locations. The cargo can be moved under bond to inland locations enabling the importers to custom clear their cargo at such locations.

The import volumes handled by us in the last 3 years and nine months ended December 31, 2005 are given below:



'(In TEUs)

	FY03	**FY04**	**FY05**	**Nine month ended Dec. 31, 2005 (9MFY06)**
LCL	2486	3770	5475	3592
FCL	700	1477	1668	1115
Total	**3186**	**5247**	**7143**	**4707**

Workflow

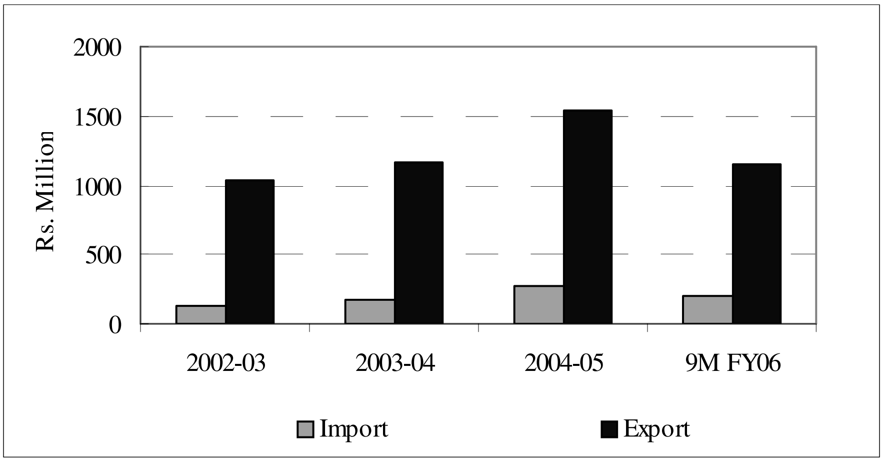
For LCL Shipments we first destuff container at the CFS / ICD and store it for further customs clearance by the importers or their designated agents. After custom clearance a Delivery Order is issued for final delivery and the cargo is transported to the nearest ICD of the consignee according to the terms of shipment. In case of FCL cargo, we transport the custom cleared cargo from the CFS to the consignee or his nearest CFS/ ICD according to the delivery terms. The operational flow is as follows:

Stage 1: Once the shipment arrives into the country, the container is unloaded from the shipping lines and transported to the designated CFS / ICD. The MCC cargo is destuffed at the gateway port CFS, reconsolidated and transported to the designated ICD.

Stage 2: Once the cargo is destuffed at the CFS/ ICD it is stored for custom clearance.

Stage 3: After custom clearance, the delivery order is issued and the importer takes delivery of the goods. In certain cases, the agreement with the importers provides for the delivery of cargo to the importers' factory or warehouse.

Our total revenue from Import and Exports is as follows:



Revenue	FY 2003		FY 2004		FY 2005		Nine month ended Dec 31, 2005 (9MFY06)	
	TEU	**Rs. mn**	**TEU**	**Rs. mn**	**TEU**	**Rs. mn**	**TEU**	**Rs. mn**
Import	3186	131.9	5247	167.3	7143	271.2	4707	197.33
Export	13731	1037.8	15553	1163.5	18847	1537.5	13247	1148.92
Total	**16917**	**1169.7**	**20800**	**1330.8**	**25990**	**1808.7**	**17954**	**1346.25**

SALES AND MARKETING

Our sales team is divided into the following groups: Export Sales, Import Sales and Direct Sales. Geographically, we have regional offices in Mumbai, Delhi, Chennai and Kolkata. Each regional office has a network of satellite offices that cater to the needs of the customers in the business centres around the major metro cities. Besides our own offices, we also have franchisees who promote business on our behalf.

Each regional office has dedicated teams for export, import and direct sales. Within the export sales team we also have product managers for our LCL and FCL segments, and a key accounts manager who supervises the business from the international freight forwarders. All destinations are segregated into sectors such as US and Canada, Central and South America, Europe, East and West Mediterranean, Africa, Gulf, Indian Subcontinent, Far East and Australia-New Zealand. Each sector has a sector manager who focuses on tradelane development for the respective sector.

Our sales strategy for export business is focused on:

- *Neutrality with our customer:* We maintain neutrality with our customers. This gives them the confidence that by doing business with us, their customer contacts are not compromised. As our customers are CHAs and Freight Forwarders who are giving us cargo on behalf of their exporter customers, this neutrality is a critical element of our sales strategy.

- *Time and Costs Commitment:* Vis-à-vis competition where sailings are decided on the basis of consignments, we have scheduled fixed periodic sailings to direct destinations and hub ports. This strategy gives our customers the confidence that we would meet our delivery commitments.

- *Dedicated Customer Service for Key Accounts:* Our sales team identifies key accounts based on volumes and business potential. We have a dedicated team for managing customer service for key accounts. This ensures that our key accounts get focused attention.

- *Market Coverage:* Our sales team is organized for extensive market coverage at the Metros as well as at other major business centres across the country to meet our customers needs promptly.
- *Relationship with shipping lines:* We have a strong relationship with the most of the leading carriers/ liners and as a result are able to negotiate favourable commercial terms. We pass on the benefits of our preferential terms with shipping lines to our customers. We also negotiate spot deals with shipping lines for large shipments and special rates for large exporters.
- Our sales strategy for import business has been a proactive sales effort to contact CHAs and importers and provide them with optimum freight solution and efficient cost structure.

Our sales strategy for direct sales is focussed on:

- Identifying importers and exporters who are not the customers of our loyal CHA and forwarder clients to maintain neutrality.
- Providing end-to-end solutions to our customer's import, export and airfreight requirements.

CUSTOMER PROFILE

- The customers for our export business are the custom house agents and freight forwarders and direct exporters for whom we transport cargo from the place of origin to the final destination. Our import business derives its revenues from the cargo shipped to India by our joint venture partner and agents in various countries.

Our customers include major Custom House Agents like Francis Shipping Agency, Liberty Shipping Agencies, Reliable Freight Forwarders and Eagle Global Logistics. Our major International Freight forwarding customers include Kuehne & Nagel, Exel India, etc.

QUALITY STANDARDS

We have received the ISO 9001: 2000 Quality Management System certification from Det Norske Veritas (DNV) in July 2004, which is valid till July 2007 for our services in relation to:-

- Inbound and Outbound LCL consolidation
- FCL forwarding
- Import and export multi-city consolidation
- Import and Export air freight
- Multimodal Transport Operations (MTO)

<u>OUR MTO COMPETITIVE STRENGTHS</u>

PROFESSIONAL MANAGEMENT TEAM

We are managed by a strong team of professionals with relevant industry experience and having served leading organizations in the Shipping Industry. The composition of our management team enables us to draw on their varied experience by providing strategic vision to our operations and growth plans.

DIRECT SHIPMENTS TO MAJOR DESTINATIONS

Our scale of operations enables us to have regular and assured shipments to various direct destinations and hub ports. Direct shipments ensure lower transit time, reduced handling and cost efficiency.

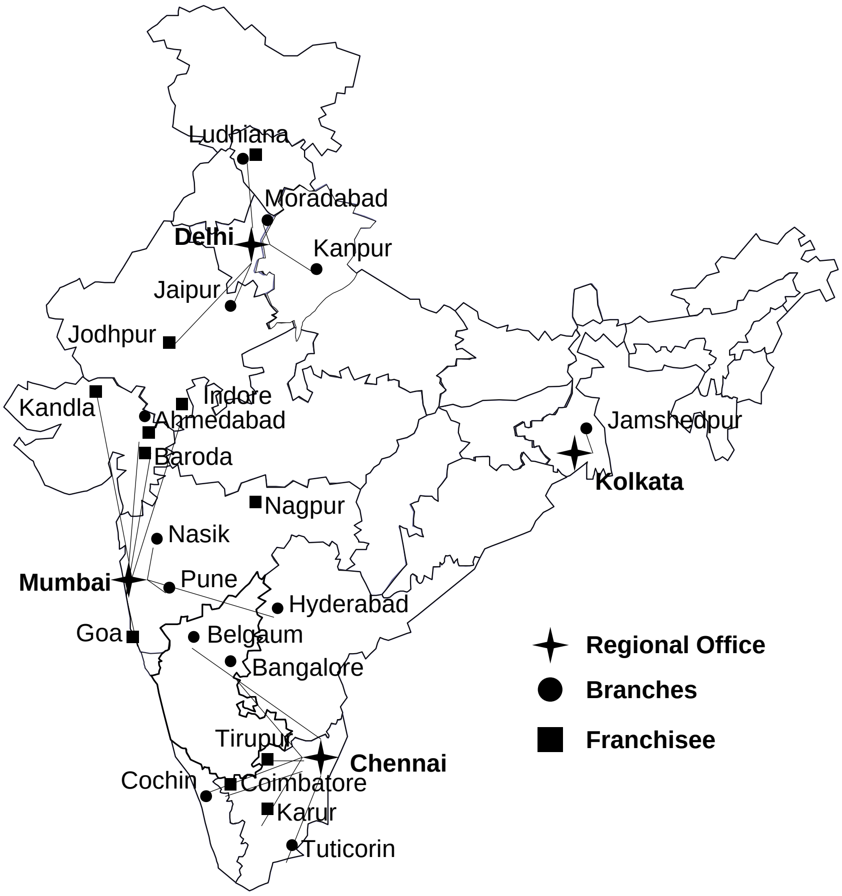
EARLY MOVER ADVANTAGE

We were among one of the early entrants in the consolidation business in India with a professional management set up giving us the advantage of establishing a strong agent network, a wide national presence, proven track record and top of mind brand recall.

WELL EQUIPPED TO HANDLE HAZARDOUS CARGO

We are well equipped to handle hazardous cargo, which is highly specialized and regulated and requires approvals from carriers, destinations ports and transshipment ports and requires strict adherence to international safety standards. We have specially trained supervisory & monitoring staff and well laid out procedures that ensure successful handling of hazardous cargo.

PAN INDIA PRESENCE



We have a pan India presence as can be seen above across 17 branches and 11 franchisees. We have regional offices in Mumbai, Delhi, Chennai and Kolkata. Each regional office has a network of satellite offices and franchisees that cater to the needs of the customers in the business centres around the major metro cities.

Regional Office	Corresponding Satellite Branches	Corresponding Franchisees
Mumbai	Ahmedabad, Pune, Nasik	Nagpur, Baroda, Indore, Kandla, Goa, Ahmedabad
Delhi	Jaipur, Moradabad, Kanpur, Ludhiana	Jodhpur, Ludhiana
Chennai	Bangalore, Belgaum, Tuticorin, Cochin, Hyderabad	Karur, Tirupur, Coimbatore
Kolkata	Jamshedpur	

With our network spread across the country we are able to service the requirements of customers based at gateway ports like Mumbai, Chennai, Cochin and Kolkata as well as dry ports at hinterland locations.

RELATIONSHIP WITH SHIPPING LINES AND VENDORS

Shipping lines that transport the cargo are crucial to our business. Being one of the leading MTO operators and consolidators, we have a strong relationship with most of the leading carriers/ liners and as a result are able to negotiate favourable commercial terms and obtain operational advantages.

Our Company enters into agreements with Shipping Lines to ensure that we get the desired number of containers at any given point in time. We obtain preferential rates from shipping lines on the basis of volumes of business committed by us. The agreements with shipping lines are in the nature of Service Contracts and give the following value addition to our Company

- Assured availability of containers during the period of the agreement
- Service Commitments from Shipping Lines during adverse conditions viz. Port Congestion, over booking, unavailability of slots and any such occurrence which might lead to customer dissatisfaction.

We take adequate measures to select the appropriate and reliable liner service and hence we are able to assure timely and cost effective shipments for our customers. We have arrangements with the following shipping lines, to cater to the various sectors:

Sectors	Shipping lines
USA	Hanjin Shipping, Maersk, Lykes Lines
Canada	Safmarine
Europe	CSAV, Safmarine
Far East	Wan Hai Lines, Hyundai Merchant Marine
Africa	Safmarine

Besides shipping lines over a period of time we have also developed an excellent rapport with vendors and look upon them as partners in our business. Vendors such as surveyors, stevedores, port and customs play a vital role in ensuring timely responses.

INTERNATIONAL NETWORK

We have a global presence vide our strategic investments, joint ventures and agents. We have overseas joint ventures/ strategic investments in the following companies:

Joint Venture/Strategic Investment	Country of operation	AGL Holding
Ecu Hold NV	Operations in 65 countries	49.99%
Allcargo Movers, Inc.	U.S.A.	45.00%
ACM Lines Pty Ltd.	South Africa	50.00%
Ecu Line (IOI) Ltd.*	Mauritius	30.00%

*Since we have acquired stake in the parent company Ecu Hold NV, we have applied to sell our investment in this company and RBI approval is awaited

Our international network enhances our service capabilities, enabling us to offer premium quality services to all our customers across the globe due to the following reasons:

i) The spread of international coverage:

We have an extensive coverage of over 4000 destinations across the globe through our strategic tie-ups and agents. Some of the important locations serviced by us are given in the following table:

Region / Continent	Names of locations
Far East & China	Singapore, Hong Kong, Jakarta, Port Kelang, Busan, Shanghai, Bangkok
Europe	Antwerp, Hamburg, Tilbury, Rotterdam, Felixstowe, Southampton, Marseilles, Lyon, Le Havre
Australia & New Zealand	Melbourne, Sydney, Brisbane, Fremantle, Adelaide, Auckland
Middle East	Dubai, Jebel Ali, Jeddah, Kuwait, Muscat, Bandar Abbas,
Mediterranean	Genoa, Istanbul, Piraeus
USA & Canada	Los Angeles, New York, Montreal, Toronto, Houston, Miami
East & South Africa	Mombasa, Dar-es-Salam, Durban, Kampala, Kigali, Johannesburg, Port Elizabeth

Our wide network ensures that we are able to service all the major destinations providing one stop service to our customers in India. This coverage also ensures that we have substantial import cargo being routed to us from our agents located across the globe.

ii) Quality of international network:

Ecu Line NV which is our major agent is a transnational organization with strong systems and quality procedures that ensures highest standards of cargo handling across the entire network. Our other agents are reputed players in their respective territories. This strength enables us to commit and deliver the highest service standards to our customers.

STRATEGIC ACQUISITION IN ECU HOLD NV

We have acquired a 49.99% stake in Ecu Hold NV in 2006 and have the option to increase it to 100% as per the letter of intent dated January 10, 2006 and the Memorandum of Understanding dated April 15, 2006 subject to a legal and financial due diligence and certain other covenants as stated on page 102 of the Red Herring Prospectus. Our Company is currently conducting the said due diligence which is expected to be completed by June 2006.

Ecu Hold NV is the holding company of the Ecu Group, based in Belgium. Ecu Group is one of the leading NVOCC in the world with revenue of Euro 185.8 millions for the year ended December 31, 2004. It has the following competitive advantages:

- *Cargo Consolidation:* The major focus of the group is on cargo consolidation due to which it is one of the leading consolidators in the world.
- *Neutral Consolidator:* The Group has a neutrality policy due to which it has good relations with various forwarders worldwide.
- *Relationship with shipping lines:* Ecu has long term relationship with major shipping lines which ensures fast and smooth transport of cargo.
- *Network:* Ecu Group's vast and widespread network through 110 own offices in 56 countries and a franchisee and agent network across 203 locations in 120 countries, catering to over 4000 destinations ensures it to offer its customers quality services to various destinations.
- *Technology:* Ecu Group has developed an in-house software system to manage its business. The technology system helps to make efficient decisions for cargo stuffing and routing based on customers' requirements. It also provides detailed web-based tracking and tracing of shipments and critical information about shipments in near real time can be downloaded.
- *Warehousing:* Having over 25000 sq meters of warehousing space in major LCL hubs such as Antwerp, Singapore, Rotterdam, Santos, Casa Blanca, Milan, Le Havre, Dubai leads to efficient consolidation and faster turnaround of cargo.

- *High Frequency of Direct Shipments:* Eculine has an extensive reach from the major global hub ports. The table below indicates the number of shipments from some of the major ports on a monthly basis:
  - Over 150 direct LCL shipments from Antwerp
  - Over 100 direct LCL shipments from Singapore
  - Over 80 direct LCL shipments from Hong Kong
  - Over 40 direct LCL shipments from Dubai

OUR JV WITH TRANSWORLD LOGISTICS AND SHIPPING SERVICES

We have entered into a JV with Transworld Logistics and Shipping Services, called Allcargo Movers Inc. which has given us the following benefits:

- This JV has helped us gain recognition as a MTO in the USA.
- Having our own office in the US, facilitates control of operations in the USA and this gives our local customers a greater level of comfort.

TECHNOLOGY

Our ERP system provides support to our business at all stages starting from the sales, planning to operations and documentation, accounts and customer service. The system helps in enforcing procedures and maintaining an error free work flow process.

The main benefits of our ERP system are as follows:

For customers:

Our system provides us with the ability to have detailed Tracking and Tracing of shipments either through our website or our Interactive Voice Response System (IVRS).

For our operations:

- *Detailed planning of cargo stuffing and movement*

  Information is of critical importance for the detailed planning and monitoring of the entire transportation process. Real-time visibility of the entire supply chain powered by reliable information enables us to maintain control and drive efficient operational execution.

- *Preparation of the Container Load Plan*

  Information on the arrival of goods at our operations centre is captured on real time basis. The integrated system allows the desk operations to anticipate and plan the inducement of containers and the preparation of the Container Load Plan (CLP) to meet the stringent deadlines of ports and shipping lines.

- *Efficient Work Flow*

  This system is designed with internal checks and balances that ensure that all precedent conditions are met before the work flows to the next stage. As a result, errors are minimized and operations are trouble free.

CONTAINER FREIGHT STATION

We provide port related logistic support services, through our CFS called Transindia Logistics Park (TLP) located at a distance of about 18 kms from the JNPT. JNPT has achieved a throughput of 2.27 mn TEUs in 2003-04 and has recorded a CAGR of 29.2% from 1993-1994 to 2003–2004 (Source: EXIM) in the volume of container throughput handled.

JNPT has recently awarded a contract to set up the third terminal to handle containerized cargo that will add a capacity of 1.3 mn TEUs. The new terminal is likely to commence commercial operations in the fourth quarter of 2005-06. TLP is well positioned to take advantage of this growth at JNPT. The CFS is strategically located to serve the industrial belt of western and northern India.

We commenced activities in our CFS in April, 2003 when we developed the first phase of 8.31 acres. Thereafter further area of 2.40 acres was developed in August 2004 and 8.25 acres is being developed and is expected to be completed by May 2006. In the third expansion phase, we are building a warehouse with two floors. The total area in the CFS is detailed below:

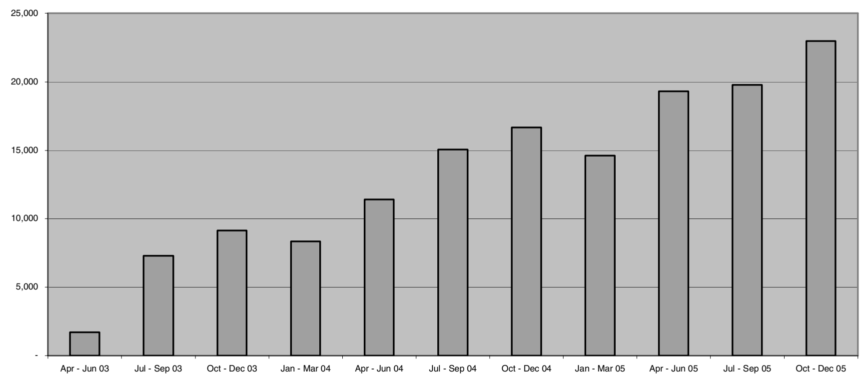
Transindia Logistics Park – JNPT

area in square metres

	Warehouse	Container yard	Office	Utility Area*	Total
Phase I	4,650	22,300	1,350	5,600	33,900
Phase II	-	9,700	-	-	9,700
Phase III	9,750	26,200	-	3,850	39,800
Total	**14,400**	**58,200**	**1,350**	**9,450**	**83,400**

* Utility area pertains to area utilized for fire fighting tank, canteen, parking area etc.

Volumes handled at our CFS are as follows:



Our CFS facility has a capacity to handle 1,20,000 TEUs p.a. Our CFS is designed to withstand load of stacked containers and stacker movements that can endure inclement weather conditions. It has a closed warehouse, designed as per international warehousing standards with one of the world's best anti-corrosive technology in the roofing of the warehouse. It is equipped with an advanced fire fighting system, comprehensive generator back-up, and CCTV and VHF for round the clock security of cargo.

Our Warehouse

Our Container Yard

We provide the following services and facilities–

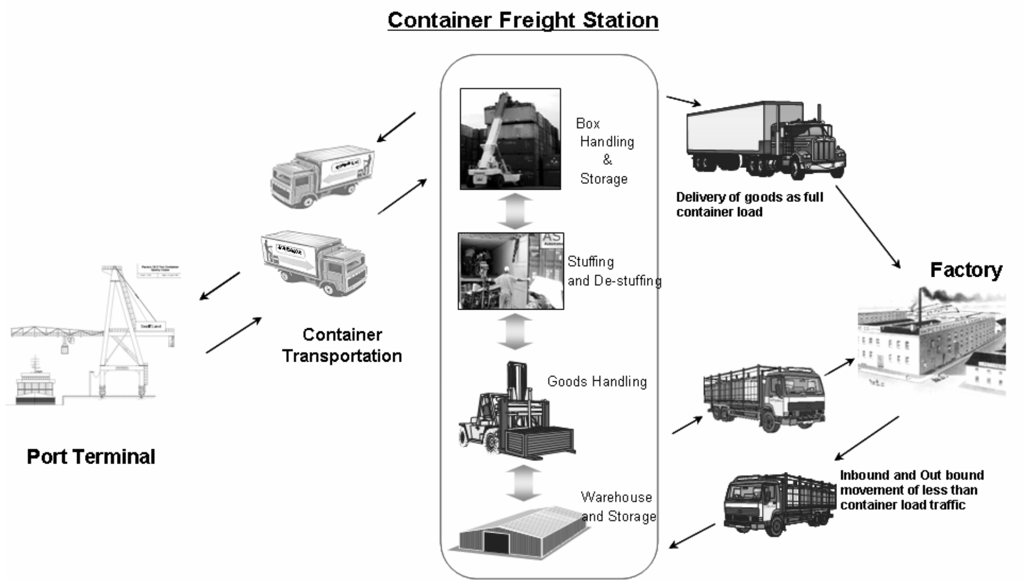
To exporters –

- Storage, handling, consolidation of export cargo
- Provision of facilities for handling and stuffing
- Value added services like sorting, bar coding, shrink wrapping and palletization
- EDI linkage for custom clearance
- Round the clock security of cargo with close circuit television and VHF
- Movement of Export stuffed container from CFS to terminal port
- Regular updates to customers on status of each activity.

To importers –

- Transport of cargo between the port and CFS
- Storage and handling of cargo
- Destuffing the import cargo and arranging for custom examination
- Sorting and warehousing of LCL cargo
- Delivery of goods to the customers (loaded / de-stuffed)
- Regular updates to customers on status of each activity

PROCESS FLOW



For Exports:

Cargo is brought to our CFS by the exporter or their agents. The cargo is examined by customs authorities after which it is stuffed in designated containers under their supervision. We ensure the movement of the loaded container to the port from our CFS in accordance with the vessels sailing schedules.

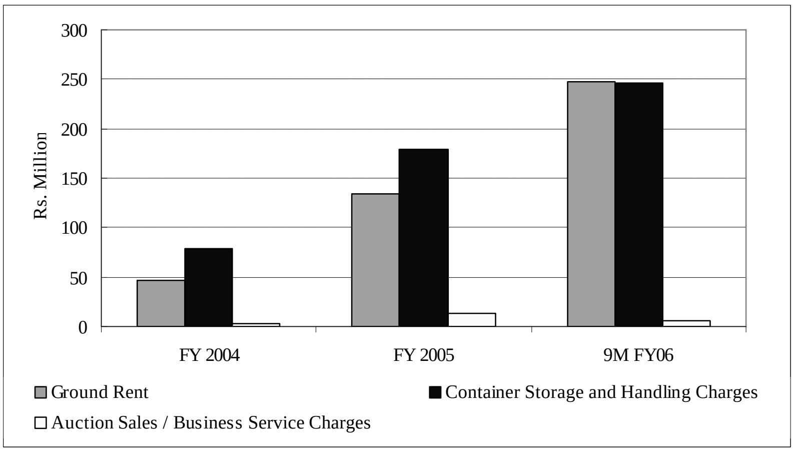
For Imports:

On the arrival of a vessel at the port, the Shipping lines/ importers submit a request to us for movement of container from the port to our CFS and accordingly we arrange for the delivery of containers. On receipt of request for delivery from the importer, the cargo in the container is examined and the importer pays the duty assessed to the customs authorities. Handling/storage charges are paid to the CFS. The importer can take the examined container as such for factory destuffing or can bring empty trucks to the CFS for loading the cargo directly from the container. With customs approval & under customs supervision, cargo intended for transshipment to other ICDs / CFSs are restuffed in other containers. Empty import containers are moved to their designated yard or allotted to an exporter for stuffing in the CFS on the request of the shipping lines.

Customs Bonded Warehouse: Customs examined goods are stored in the bonded warehouse upon the importers request. Upon payment of customs duty and the CFS charges the cargo can be withdrawn from the bonded warehouse. The bonded warehouse facilitates the withdrawal of cargo in parts as and when required by the customer.

Unclaimed Cargo: In case the cargo is not moved by the importer within 60 days of intimation, it is assessed by the customs for value and sold through public auction. The auction proceeds are used to recover costs of auctions, customs duty and CFS charges.

Our total income from CFS activities is as follows:



(Rs. in Millions)

	FY 2004	FY 2005	Nine month ended Dec 31, 2005 (9MFY06)
Ground Rent	46.01	134.14	247.02
Container Storage, Handling Charges and Repairs	78.86	178.76	246.36
Business Service Charges	0.44	0.55	0.00
Auction Sales	2.26	11.58	5.24
Total	**127.57**	**325.03**	**498.62**

SALES & MARKETING

Our sales efforts for TLP are directed towards the shipping lines that are the decision makers for our business. Since this business is location specific, our sales team for TLP is based out of Mumbai for the CFS at JNPT. As our CFS projects at

Chennai, Mundra and NCR will near completion, we will set up teams at the respective locations. However, strategic decisions from the shipping lines are taken from their main offices out of Mumbai and Delhi.

Our sales team tracks container movement data of various shipping lines and identifies shipping lines having consistent and substantial inbound traffic. Based on this analysis, potential customers are identified and our sales team meets the customers to understand their specific requirements if any so that tailormade solutions can be formulated and offered to them. Our sales strategy is focused on providing efficient turnaround times for containers with minimum pendency at ports and dwell time at CFS after destuffing, which is a key differentiator for shipping lines. Our IT systems ensure timely and accurate information flow that helps our customers in planning their movement.

Our customers for exports are CHAs and freight forwarders. Our sales team regularly meets our customers to understand their needs and obtain feedback so as to further improve our service levels. Our offer of well designed warehousing and office space, 24 hour CCTV surveillance for security, additional services like palletisation and fumigation, information kiosks etc. ensures consistent support from our existing customers and attracts new customers to our CFS.

CUSTOMER PROFILE

For Imports

Shipping lines are the initiators for the imports segment of the CFS business. We have agreements with some of the major shipping lines for using our services for their containers. The clearing house agents, freight forwarders and direct importers utilize the CFS chosen by the shipping lines. We have agreements with the following:- Crescent Shipping Agency, Samudera Shipping Line, CSAV, Senator Lines GmbH, Hi-Tos Liner Agency, RCL Feeder Pte., Albatross Shipping, Mitsui OSK Line, Transasia Line and Saturn Ship Agencies.

The agreement with the shipping lines ensures that our CFS receives by and large all the container traffic handled by these shipping lines.

For Exports

Our customers for the exports segment of the CFS business are freight forwarders and MTOs. The export customers reserve a particular area of warehousing space under annual agreements. Our major export customers are Jeena and Co., Panalpina, Liberty Shipping, etc.

TECHNOLOGY

Our CFS has implemented CFS Management System, a software that automates various activities carried out at the CFS and integrates the functionalities related to imports, exports and auction including the accounting module. The key features of the system include:

- Comprehensive coverage of all day-to-day activities involving imports, exports and auctions including accounting module ensuring efficient operations
- Access to customers for providing status of cargo/ container
- Auto E-mail generation for certain events such as – Seal number mismatch during Gate In of container, details of IGM upload, container number change and others.
- Control points have been defined for every process so that unless the preceding stage is completed, subsequent processing cannot be done ensuring error free flow of operations.

Enhancements in the pipeline include:

- Web Based access to the Customers for providing status reports of cargo/container.
- Yard Management system for speedy location of containers.
- Payment Gateway to enable customers to work online.

EQUIPMENTS

Equipments form a critical part of the infrastructure of a Container Freight Station. We have lease agreements for equipments from vendors at competitive rates. We also have few of our own key equipments at the CFS which gives us an edge in providing services to our customers. Some of the essential equipments required at the CFS include:

Reachstackers

Reachstackers are used for movement of containers within the CFS. Our CFS is equipped with 7 reachstackers of 40 ton capacity of which 1 is owned by us and 6 are leased.

Forklifts

Forklifts are used for the movement of cargo within the CFS, stuffing / destuffing of heavy cargo and placing cargo on racks. They are also used for movement of Empty containers. At our CFS, we have leased 17 forklifts of 3 ton capacity, 1 forklift of 5 ton capacity and 1 forklift of 10 ton capacity. We also own 5 forklifts of 3 ton capacity.

Tractor Trailers

Tractor trailers are used for transporting containers between the CFS and the port. We have on lease 90 tractor trailers which include both 20 feet and 40 feet capacity.

Other than those given above, the equipments at our CFS include:

Equipment	Capacity	Owned	Leased	Total
Crane	60 Ton	-	1	1
Mobile Maintenance Van			1	1
Weighing Scales	100-2000 kgs	4		4
Weigh Bridge	100 Tonne	1		1
Diesel Generating Set	320 KVA	1		1
Transformer	750 KVA	1		1
Ambulance		1		1
Total		**8**	**2**	**10**

UTILITIES

The main utilities used at the CFS are power and water. The maximum power demand is estimated at 340 KV. This is sourced from Maharashtra State Electricity Board. The company has entered into an agreement with MSEB for 640 KVA of electricity. In addition, TLP has one DG set of 320 KV, which can supply 100% electricity in case of any major power failure. The daily requirement of water at the CFS is 50000 litres which is met from Fresh Water Suppliers.

QUALITY STANDARDS

We have received the ISO 9001:2000 Quality Management System certification from Det Norske Veritas (DNV) in August, 2004 which is valid till August 2007 for business processes for our CFS consisting of cargo handling, storage and warehousing.

OUR CFS COMPETITIVE STRENGTHS

Our CFS has the following competitive strengths:

STRONG CUSTOMER RELATIONSHIPS

Our strong relationships with shipping lines aided by our long term relationship with them through our MTO business ensure business continuity for our CFS business.

ROUND THE CLOCK SECURITY

We use advance security systems and CCTV due to which the threat of theft and pilferage is negligible.

CUSTOMER FOCUS

Our systems and procedures and our strong management team are focused to ensure customer satisfaction through error free operations, timely status updates, and timely turnaround of containers from the port. We have set up a triangular Radio Frequency Link between JNPT Operations, Front Office and Corporate office for providing information on a near real time basis through Interactive Voice Response System and web based tracking and tracing.

IN-HOUSE EQUIPMENTS

We own some of the critical equipments which are required for the day-to-day operations of the CFS thereby ensuring operational efficiency.

INTER CFS MOVEMENT PERMISSION

TLP is among the few to have requisite permission from the customs authorities for the inter CFS movement of cargo in the JNPT vicinity. This enables us to move cargo from any CFS to our CFS on an immediate basis avoiding delay in the shipment of the container.

PARKING FACILITY

Our CFS has its own parking area of 4 acres for the convenience of transporters.

COMPETITION

There are 15 major CFS catering to JNPT. These CFSs' can be categorised as independent private players, private players associated with shipping lines and public sector players. CFSs' promoted by shipping lines have the distinct advantage of captive business. While they are free to do business for other shipping lines, some of the competing shipping lines view this as a conflict of interest. Independent CFSs' like TLP are perceived as neutral players and hence can cater to a large number of shipping lines.

Our key competitors are CFS/ ICDs set-up by private sector enterprises, shipping lines and public sector enterprises.

At JNPT, some of the key players include:

Government Owned	Private Owned
Container Corporation of India – DRT	Transindia Logistic Park (Our CFS)
Central Warehousing Corporation – Kalamboli	Gateway Distriparks Ltd.
Punjab State Warehousing Corporation (CONWARE)	Maersk India Private Ltd. – CFS
Balmer Lawrie and Co.	Continental Warehousing Corporation
Maharashtra State Warehousing Corpn.	Seabird Shipping Service
Central Warehousing Corporation – Distripark	United Liner Agencies – CFS
Maharashtra State Warehousing Corporation	Fly Jac Forwarders – CFS
	Barwil Forbes

PROJECT CARGO

In 2004, we ventured into handling of project cargo which involves transportation of high value specialized equipments such as the oil field equipments, power plants, compressor stations etc from one location to another utilizing multiple modes of transport. It is a specialized activity since it requires detailed planning and technical expertise. Our experience as an MTO, relationship with shipping lines and vendors and our network enable us to provide customized solutions tailored to meet specific customer requirements.

We undertake and execute turnkey logistics for project cargo comprising of over-dimensional (ODC) and over-weight cargo (OWC). The scope of work begins from packaging of the cargo at the factory point any where in the world, to delivery of the same at the project site. It involves ocean and land transportation, customs clearance, route survey, documentation, obtaining NOC and other permissions from Government departments and arranging heavy lift equipment and inland transportation to its ultimate destination.

We have successfully completed the following projects since commencement of our services.

Power Plant Transportation

The project involved transporting 46000 freight tons of the cargo by sourcing materials from over 70 vendors of the manufacturer across the country and transporting the materials to 4 manufacturing plants at different locations in the country.

Supply Chain Management for an Electronics company

The project involved sourcing raw materials for electronic components from far east countries and export of finished products manufactured by them to USA. We devised a total logistic solution meeting their strict time constraints and at the same time providing huge cost savings in comparison to air freight which was previously used by the company.

Transportation of Compressor Module for an Oil and Gas company

Loading of compressor module on barge

Vessel crane loading compressor module in a single lift on board

The project involved door to door transportation of a compressor module which was a single package weighing 550 freight tons with dimensions of 60 feet height, 120 feet length and 42 feet wide maintaining high quality and safety standards from USA to India. Handling of this project required knowledge of technical aspects of the package, engineering dynamics, organizing specialized lifts for loading, unloading, chartering of vessel having a lift capable of handling the cargo and finally discharging the package from the vessel onto a barge for final installation at the oil company's rig on high seas.

SALES & MARKETING

Our strategy is to identify sectors which have potential for high volume of project cargo handling business and build technical capabilities to design robust project cargo handling solutions. Our sales team tracks new projects in the pipeline, meets customers and consultants involved and make presentations and proposals for dedicated projects. With our network of shipping lines and specialized equipment owners, we are able to offer customized solutions tailored to meet specific customer requirements.

Our focus on the power, oil and gas sectors have yielded good results with project handling orders from BHEL and British Gas. With major projects in the power and steel sector expected in Eastern India, we have strengthened our team in Kolkata to target this business.

OUR BUSINESS STRATEGY

The international logistics business is undergoing a phase of consolidation and related diversification. Global companies are expanding their scope of operations and achieving quantum growth through mergers and acquisitions. The Indian logistics industry has been in a nascent stage and has recently started expanding its roles in areas like terminal management, ports, third party logistics and turnkey solutions to warehousing & distribution services.

In keeping with the global industry trends, our strategy is to achieve organic and inorganic growth in our existing businesses through strategic acquisitions and related diversification in the logistics space.

Our strategic acquisition of 49.99% stake in ECU Hold N.V. is with a vision to establish a global presence in the NVOCC segment and establish a foothold in the Warehousing business. Our diversification into the CFS business that began in 2003 is being expanded through setting up of CFS / ICD at other economic centers like Chennai, Mundra and NCR.

Through our various business segments of MTO, Project Cargo Handling, CFS and our strategic acquisition, we intend to gain synergy between the various business segments of the logistics space and build each segment through strategies as detailed below:

1. ***Strengthen existing services***
2. ***Increase array of services***
3. ***Move up the value chain***
4. ***Strategic initiatives/acquisitions***

1. Strengthen existing services

Strengthen existing experienced and well-trained team

Being in the Service Industry, our people are our most important assets and therefore we constantly endeavour to build an experienced and well-trained team. Our senior management team is well qualified and experienced in the field of logistics and management. We undertake continuous training programs to enhance knowledge base and skill levels. We started implementing the plan to induct management trainees from reputed business schools in India to constantly upgrade our human resources two years ago and are continuing this induction on an ongoing basis. This strategy of ensuring high quality HR practices ensures higher service levels to our customers and enhanced operational efficiencies.

Focus on FCL cargo

Our large volumes in LCL consolidation help us build strong relationships with shipping lines that gives us cost and operational advantages. Consequently we are able to offer favourable terms to our customers. By leveraging our cost advantage we are able to attract substantial FCL Volumes. This service also makes us a single window service for many of our customers. Our strategy going forward is to sustain the focus on FCL cargo.

Project Cargo Handling

Our relationships with shipping lines and other players in the logistics supply chain combined with our technical expertise in cargo handling provide numerous opportunities in project cargo handling. Typically project cargo handling involves ODC cargo and is a highly specialized niche business. Our strategy is to expand our team in the project cargo handling vertical and increase our presence in this segment.

Expansion of CFS operations to multiple locations

Our strategy to expand our CFS operations to multiple locations shall enable us to service our customers on a Pan India basis. This ensures operational efficiencies for our customers.

2. Increase array of services

Wide range of offering

Our strategy has been to expand the range of our services in the logistics space. We offer a wide range of services that enable customers to deal with us as one service provider for multiple requirements. We offer a variety of services such as LCL consolidation, FCL freight forwarding, Multi City Consolidation, Air Freight handling and Project Cargo handling as a comprehensive product offering. With our extensive experience in containerised cargo handling, we have drawn up plans to diversify into the new opportunities emerging from liberalisation in Railways and in Coastal shipping movements in containers.

Container owned cargo business

Currently our subsidiary, Contech Transport Services Private Limited, leases containers and operates in the container owned cargo business. It carries on its activity in certain Asian ports. Going forward we would purchase our own containers, scale up the operations and expand our reach in this activity in line with market conditions.

3. Move up the value chain

Deliver Superior Service Levels

In the LCL consolidation and FCL freight forwarding business in India, customer loyalty is built through the enhancement of service levels in terms of transit times, coverage, timely information flow and efficient cost structures. Our strategy to deliver superior service levels is based on:

A. Network Expansion: Our constant expansion of locations in India is an ongoing process. which offers the following benefits :

- Large number of direct cargo origins and destinations covered increases business opportunities for both Export and Import cargo handling.
- Larger network increases our MCC Volumes enabling us to offer direct services to more destinations thereby reducing transit time, avoiding multiple cargo handling and bringing cost efficiencies.

B. Advanced Technology: We are enhancing our ERP system to include features such as

- Bill of Lading Printing at the Customers Office
- Web-booking of cargo by customers directly
- On-Line Transhipment Tracking
- Delivery Status at Destination

These features are designed to offer extended levels of information to our customers ease the operational requirements at our customer's end and increase customer loyalty. We have initiated steps to acquire Business Intelligence Software to strengthen our Decision Support Systems.

C. Enhance depth of offerings

We are moving up the value chain and have started offering supply chain solutions for our customers' total logistics requirements. We intend to leverage our high level of technical expertise, credibility with customers, extensive network and infrastructure to strengthen our presence in this segment.

D. Direct Marketing

Traditionally, importers left the freight decision to their suppliers discretion due to which importers had minimal control over inward freight costs. We set up the Direct Marketing Division focused towards contacting importers directly, to offer a cost effective solution that ensures that the shipments are nominated to us as the cargo carrier. Our nominated cargo acts as a catalyst for our agent to generate further volumes at the origin port into India. Our initiatives in contacting direct customers also enhance our export, airfreight and project cargo opportunities.

4. Strategic initiatives/acquisitions

ECU Hold N.V.

We have been associated with Ecu Line NV since 1995. In June 2005 we acquired a 33.8% stake in Ecu Hold, the holding company of Ecu Line. After 6 months in January 2006, as a strategic investor we raised our stake to 49.99% with the option to increase it to 100% subject to due diligence and certain covenants as explained on page number 102.

Our strategy towards the investment in Ecu Hold is to combine the expertise of both and achieve optimum synergy of operations by –

- Setting up a centralised vendor management systems to leverage the combined volumes of Allcargo and Ecu Line for better purchasing power,
- Rationalizing costs by setting up centralized back office operations for ECU offices
- Increasing our market share in important markets such as USA, China, Japan, Russia, South Africa

Related Diversifications, Mergers and Acquisitions:

We shall also look for opportunities for acquisitions / mergers of other companies in India in the logistics space thereby build a larger market share, increase the portfolio of services we offer, and move up the value chain.

Our Immovable Property

The following table sets forth the location and the other details of our leasehold and freehold commercial property.

Sr. No.	Location	Nature of Consideration	Nature of Contract	Validity/Date of Expiry
		Freehold Properties		
1.	27/A Sector 3, New Panvel Dist.- Raigad	Property owned by our Company. Sale consideration paid	Agreement for Sale dated October 11, 1995	Owned property. Not applicable
2.	6th Floor, Diamond Square CST Road, Kalina Santacruz (East) Mumbai	Property owned by our Company. Sale consideration paid	Agreement for Sale dated September 24, 2004	Owned property. Not applicable
3.	Ernavur Village Saidapet Taluk (now Ambattur Taluk) Chennai. (Proposed CFS at Chennai)	Property owned by our Company. Sale consideration paid.	Agreement for Sale dated November 11, 2005	Owned property. Not applicable
		Leasehold Properties		
1.	Nargis Dutt Road Pali Hill Road Bandra, Mumbai	Monthly licence compensation / rent	Leave and Licence Agreement dated June 30, 2005	July 1, 2005 to June 29, 2007 (i.e. 2 consecutive 12 months)
2.	N.S. Road No. 6 JVPD, Mumbai	Monthly licence compensation/ rent.	Leave and Licence Agreement dated August 31, 2005	October 1, 2005 to September 30, 2008 (i.e. 36 months)
3.	Civil Lines Kanpur.	Monthly rent/ licence compensation	Leave and licence agreement dated June 1, 2005.	June 1, 2005 to May 31, 2006 (for 11 months)
4.	Moradabad	Monthly rent	Lease Deed dated January 1, 2006.	January 1, 2006 to December 31, 2007 (i.e. 24 months)
5.	Kalkaji, New Delhi	Monthly licence compensation / rent.	Leave and Licence Agreement dated March 1, 2005.	March 1, 2005 to March 31, 2007 (i.e. 25 months).
6.	North Car Street Tuticorin.	Monthly rent.	Rental Agreement Deed dated October 1, 2005.	October 1, 2005 to September 1, 2007 (i.e. 22 months)

Sr. No.	Location	Nature of Consideration	Nature of Contract	Validity/Date of Expiry
		Leasehold Properties		
7.	Camac Street Kolkata.	Monthly licence compensation / rent.	Leave and Licence Agreement dated April 1, 2005.	April 1, 2005 to March 31, 2008 (i.e. 36 months)
8.	Camac Street Kolkata.	Monthly licence compensation / rent.	Leave and Licence Agreement dated April 1, 2005.	April 1, 2005 to March 31, 2008 (i.e. 36 months)
9.	** Koproli Taluka Uran District Raigad. (Our CFS)	One-time lease premium	Lease Deed dated April 1, 2006	30 years from April 1, 2006
10.	Diamond Square (5th Floor) C.S.T. Road, Kalina Santacruz (E) Mumbai (5035 sq. ft)	Monthly licence compensation	Leave and Licence Agreement dated April 29, 2006	April 1, 2006 to March 31, 2008 (i.e. 24 months)
11.	Diamond Square (5th Floor) C.S.T. Road, Kalina Santacruz (E) Mumbai. (3160 sq.ft)	Monthly licence compensation	Leave and Licence Agreement dated April 29, 2006	April 1, 2006 to March 31, 2008 (i.e. 24 months)
12.	Wakefield House Ballard Estate Mumbai.	Monthly compensation / rent.	Leave and Licence Agreement dated January 1, 2006. (Allcargo Shipping Services Private Ltd.)	January 1, 2006 to September 30, 2008. (33 months)
13.	Wakefield House Ballard Estate Mumbai	Monthly compensation / rent.	Leave and Licence Agreement dated January 1, 2006. (Avadh Marketing Private Ltd.)	January 1, 2006 to September 30, 2008. (33 months)
14.	Sam Shiba Apartment Nargis Dutt Road Bandra (W) Mumbai. (890 sq. ft.)	Monthly compensation / rent.	Leave and Licence Agreement dated October 1, 2005	October 1, 2005 to May 31, 2008 (33 months)
15.	Sam Shiba Apartment Nargis Dutt Road Bandra (W) Mumbai (753 sq. ft.)	Monthly compensation / rent	Leave and Licence Agreement dated October 1, 2005	October 1, 2005 to May 31, 2008 (33 months)
16.	M. I. Road Jaipur	Monthly rent	Lease Deed dated November 23, 2002	December 1, 2002 to November 30, 2006

Sr. No.	Location	Nature of Consideration	Nature of Contract	Validity/Date of Expiry
		Leasehold Properties		
17.	Ameerpet Hyderabad	Monthly rent	Lease Deed dated September 12, 2005	22 months from June 1, 2005
18.	K Menon Road Cochin	Monthly rent	Agreement of Lease dated June 19, 2003	5 years from August 1, 2003
19.	Rustam Bagh Main Road Kodihalli Bangalore	Monthly rent	Lease Agreement dated December 1, 2004	2 years i.e. from December 1, 2004 to November 30, 2006
20.	Sundarban Colony CIDCO, Nashik	Monthly compensation / rent	Agreement of Leave & License dated January 19, 2005	33 months commencing from January 1, 2005 to September 30, 2008
21.	No. 69 Armenian Street Chennai	Monthly rent	Deed of Lease dated April 1, 2005	2 years from April 1, 2005 to March 31, 2007
22.	No. 69 Armenian Street Chennai	Monthly rent	Lease Deed dated May 16, 2005	2 years from May 16, 2005 to May 15, 2007
23.	347- A/2 Tadiwala Road Pune.	Monthly compensation / rent	Leave and Licence Agreement dated February 1, 2006	Three terms of 11 months each commencing from February 1, 2006
24.	706, 7th Floor Atma House Ashram Road Ahmedabad	Monthly rent	Leave and Licence Agreement dated March 17, 2006	11 months 29 days from March 15, 2006
25.	C- 145-A Focal Point Ludhiana	Monthly rent	Lease Deed dated November 28, 2005	3 years from November 28, 2005
26.	Mulund-Goregaon Link Road Mulund (W) Mumbai	Payment of 3 months rent in advance	Letter from Indira Rashtriya Kamgar Sahakari Society Ltd. to the Company dated February 23, 2006	April 1, 2006 to June 30, 2006
27.	Dronagiri Rail Terminal Navi Mumbai	Monthly rent	Letter from CONCOR to the Company dated February 16, 2006 regarding allocation of Reserved Space in Export Warehouse	January 1, 2006 to December 31, 2006
28.	Dronagiri Rail Terminal Navi Mumbai	Monthly rent	Letter from CONCOR to the Company dated February 16, 2006 regarding Allocation of Reserved Space in Import (LCI.Hub) Warehouse	January 1, 2006 to December 31, 2006

Sr. No.	Location	Nature of Consideration	Nature of Contract	Validity/Date of Expiry
		Leasehold Properties		
29.	Dronagiri Rail Terminal Navi Mumbai	Monthly rent	Letter from CONCOR to the Company dated February 16, 2006 regarding Allocation of office space at CFS DRT	January 1, 2006 to December 31, 2006
30.	Dronagiri Rail Terminal Navi Mumbai	Monthly rent	Letter from CONCOR to the Company dated February 16, 2006 regarding Allocation of Reserved Space in Export (Open Yard)	January 1, 2006 to December 31, 2006
31.	Village Koproli Uran Taluka Raigad District	Monthly licence compensation	Leave and Licence Agreement dated April 1, 2006	60 months from April 1, 2006
32.	Taluka Mundra District Kutch	Lease rental per annum	Deed of Sub-Lease dated April 20, 2006	April 20, 2006 to September 27, 2030

** Lease deed dated August 13, 2003 was entered into by our Company with the Promoter, being the owner of the leased land. Our Company has terminated the said lease and entered into a fresh lease for a period of thirty years commencing from April 1, 2006 for a one-time lease premium of Rs. 124,755,000/-.

IPR-Trade Marks Application

We had applied for registering our logo "All Cargo" which has been admitted for publication in the Trade Mark Journal. Once the logo is published the Trade Mark Registry would issue a certificate of registration. In respect of our logo "Allcargo", the same has been published in the Trade Mark Journal for which certificate is awaited from the Registry.

Our Company has also filed an application dated February 2, 2006 with the Trade Marks Registry, Mumbai to register our Company's new logo as appearing on the cover page of this Red Herring Prospectus.

Insurance

We maintain an insurance cover being a MTO & Freight Forwarder's Insurance Policy ("Policy") with IFFCO-TOKIO General Insurance Company Limited ("Underwriters") that concerns our business and we also renew such Policy on a regular basis. The details of this Policy are as follows: -

- The Policy covers all our branches.
- The Co-Insured are Transindia Freight Services Private Ltd., India, All Cargo INC, USA, ACE Lines Ltd., Mauritius, ECU Lines, Antwerp, Belgium and Contech Transport Services Private Ltd.
- The period of insurance of our current Policy is from May 17, 2005 to May 31, 2006.
- The various services covered by the Policy pertain to multimodal transport operators where the insured issues either its own multimodal transport documents or house bill of lading, Freight Forwarding, CFS Operations and Haulage Services.
- The limits of indemnity are restricted to US$ One million for each claim and in the aggregate for MTO and Freight Forwarding, US$ One hundred thousand for each claim and in the aggregate pertaining to liability for fines and duties. For third party legal liabilities the limits in the Policy are US$ One million for each claim and in the aggregate.
- The deductible limits for each claim for MTO, Freight Forwarding and CFS is restricted to US$ Five thousand. This limit pertains to liability for fines and duties and as well as third party liability except for high value cargoes where the deductible shall be US$ Five thousand or ten percent of the claim whichever is greater.

- Underwriters are liable to indemnify the insured once the annual average deductibles have been exceeded in respect of any claims pertaining to MTO and Freight Forwarding exceeding US$ Forty thousand and CFS related claims exceeding US$ Twenty five thousand.
- We are indemnified for claims arising out of physical loss or damage to cargo (provided such legal liability arises from certain laws or conventions that are compulsorily applicable to our Company), vessel or equipment owned or operated by sub-contractor or customer, for legal liability of a third party for consequential loss directly arising from physical loss or damage to cargo or vessel or equipment owned or operated by the sub-contractor; incorrect or wrongful delivery of cargo or delay in handling cargo and cargoes contribution to General Average and salvage which is not possible to recover from the customers.

The premium payable by us is US$ sixty thousand.

The Policy indemnifies us for third party consequential loss directly arising from such a claim that we are liable for. The Policy also indemnifies us for Claims Expenses (as defined in the Policy) incurred by us with the Underwriters prior to written approval in investigating us; minimizing or defending a claim (as defined in the Policy) made against us.

Employees

Our Company has a total strength of over 320 Employees and around 60 contract labourers. The classification of the Employees as per their qualification and designation is stated below:

Grade	Number of Employees		
	Post Graduates	**Graduates**	**Undergraduates**
Senior Management	5	5	Nil
Managers	39	36	4
Executives	38	119	38
Staff Level	Nil	18	17
Trainees	5	2	Nil
Total	**87**	**180**	**59**

Our Company has adopted an ESOP Plan, the objects of which are to provide means to enable our Company to attract, retain and motivate talented and senior level Employees for the business of our Company, to provide our Employees with additional incentives and reward opportunities, to enhance the profitable growth of our Company and creation of shareholder value by aligning the interests of our Employees with the long-term interests of our Company and shareholders, to create a sense of ownership and participation amongst our Employees and to provide wealth creation opportunities in the hands of our Employees on a long-term basis.

The ESOP Plan shall remain in effect for a period of 7 (Seven) years and thereafter no grants will be made under the ESOP Plan.

The aggregate number of options / underlying shares shall not exceed 500,000 (Five Hundred Thousand). Grants to an Employee shall not be less than 50 options / underlying shares and shall not exceed 1% of the total issued capital of our Company in any year.

Our Company has, pursuant to the approval of the shareholders at the EGM held on January 5, 2006, granted 38,300 stock options equivalent to 38,300 Equity Shares of our Company in favour of 281 Employees. This grant is subject to the terms and conditions contained in the ESOP Plan at a price of Rs. 10/- per option being the face value of the Equity Shares.

Our Company has come up with a Human Resource Policy ("HR Policy"), which is in force currently. The provisions of the same have been stated below:

- Our HR Policy provides for up-gradation / promotions wherein awards are given to deserving Employees who are consistent performers. They are also given an incentive to take on greater responsibilities to demonstrate their managerial competencies.
- Our Company awards increments annually to our Employees for their performance and contribution during a specified period (i.e. April-March) including its branches.

- We give our Employee "Long Service Awards" in recognition of their long years of service with our Company.
- We have a recruitment policy to attract and retain the best talent. According to this policy, recruitment is bifurcated into various stages such as requisition for additional manpower, screening of applications, interviews and selection, probation, extension of probation or direct confirmation etc.
- Our Company has a recruitment referral program policy wherein staff members of our Company who have helped the management in the process of recruitment of new candidates are awarded.
- We have setup certain leave rules that are applicable to the Employees of our Company. Provisions have been made for grant of leave, its entitlement, accumulation and encashment. Also rules pertaining to privilege leave, casual leave, sick leave, maternity leave, encashment of privilege leave etc.; encashment of leave on cessation of employment and procedure to avail leave or extension of leave have been explained in these Rules.
- Car policy has been made applicable to all Employees in the management cadre of our Company.
- We have come up with mobile telephone reimbursement policy that is applicable to Managers of Head Office (including all locations) and also for certain Employees.
- Our travel policy facilitates the guidelines to the Employees who require travelling for business needs within India.
- Our relocation policy deals with reimbursements towards relocation expenses and travelling expenses.
- Our housing loan policy / guidelines deal with subsidy on housing loans under which general terms and conditions for interest subsidies have been explained. The HR Policy has in place provisions for loans for medical purposes and higher education.

WORKING CAPITAL

Details of Working Capital / Term Loans availed as by our Company on April 15, 2006:

Rs. in Millions

Name of the Bank	Nature of the Facility	Amount Sanctioned	Amount Outstanding as on April 15, 2006	Terms of the Facility
Fund Based Facilities				
HDFC Bank Ltd.	Term Loan	50.00	40.95	Pari Passu Charge on Assets of Phase I, II and III of our CFS, hypothecation of Stock and Book Debts and pledge of Shares of Ecu Hold NV
HDFC Bank Ltd.	Temporary Overdraft	5.00	15.36	
YES Bank Ltd.	Term Loan	300.00	150.00	
		355.00	**206.31**	
Non Fund Based Facilities				
HDFC Bank Ltd.	Bank Guarantee	12.00	11.79	Pari Passu Charge on Assets of Phase I, II and III, hypothecation of Stock and Book Debts and pledge of Shares of Ecu Hold NV
Centurion Bank of Punjab	Bank Guarantee	36.00	35.81	
YES Bank Ltd.	Bank Guarantee	150.00	101.30	
		198.00	**148.90**	

REGULATIONS AND POLICIES

The primary statutes/regulations governing the business of our Company is Multimodal Transportation of Goods Act, 1993, ("MMTG Act") the Customs Act, 1962 ("Customs Act") and guidelines issued by the Ministry of Commerce, Government of India for setting up CFSs in India ("CFS Guidelines"):

The Customs Act applies in a limited manner to the business conducted by us. The relevant provisions of which have been reproduced below:

MMTG Act

The MMTG Act came into force with effect from April 2, 1993 and is the principal legislation for the purpose of governing the regulation of multimodal transportation of goods, from any place in India to a place outside India, on the basis of a multimodal transport contract and for matters connected therewith or incidental thereto.

Multimodal transportation has been defined under the MMTG Act to mean carriage of goods, by at least two different modes of transport under a multimodal transport contract, from the place of acceptance of goods in India to a place of delivery of the goods outside India. A consignor has been defined under the MMTG Act to mean a person, named in the multimodal transport contract as consignor, by whom or on whose behalf the goods covered by such contract are entrusted to a multimodal transport operator for multimodal transportation. A multimodal transport operator is any person who concludes a multimodal transport contract on his own behalf or through another person acting on his behalf, acts as principal, and not as an agent either of the consignor, or consignee or of the carrier participating in the multimodal transportation, and who assumes responsibility for the performance of the said contract. A multimodal transport contract is a contract under which a multimodal transport operator undertakes to perform or procure the performance of multimodal transportation against payment of freight.

Under the MMTG Act, no person can carry on or commence business of multimodal transportation without registration. A person should apply to the competent authority for registration to carry on or commence the business of multimodal transportation. The competent authority has the power to cancel the registration for certain reasons. If the competent authority refuses to grant or renew registration or cancels registration a person can appeal to the Central Government. If the competent authority is satisfied that all the conditions under the MMTG Act are satisfied it may grant a certificate to the applicant which shall be valid for a period of 3 years and which may be renewed from time to time for a further period of 3 years.

When the consignor and the multimodal transport operator enter into a contract for multimodal transportation and the multimodal transport operator has taken charge of the goods he shall at the option of the consignor issue a negotiable or a non-negotiable multimodal transport document during the subsistence of a valid insurance cover. A multimodal transport document is a negotiable or non-negotiable document evidencing a multimodal transport contract and which can be replaced by electronic data interchange messages permitted by applicable law. It is to be regarded as a document of title. The consignor is deemed to have guaranteed its accuracy and this document shall be prima facie evidence of the fact that the multimodal transport operator has taken charge of the goods as described in the document. If the particulars in this document do not accurately represent the goods taken in charge, the multimodal transport operator or a person acting on his behalf shall insert in the document a reservation specifying the inaccuracies. The multimodal transport document *inter alia* contains particulars like general nature of the goods and apparent condition of the goods, names of the consignor, consignee and the multimodal transport operator to freight payable by the consignor and consignee terms of shipment.

Chapter 4 of the MMTG Act provides for the responsibilities and liabilities of the multimodal transport operator. The multimodal transport operator shall be liable for losses arising from certain events as provided in the MMTG Act. When the nature and value of the consignment have not been declared and stage of transport where loss or damage occurred is not known, then his liability to pay compensation shall not exceed two Special Drawing Rights per kilogram of the gross weight of the consignment lost or damaged or 666.67 Special Drawing Rights per package or unit lost or damaged, whichever is higher. When the nature and value of the consignment have not been declared and stage of transport where loss or damage occurred is known, then his liability for such loss of damage shall be determined in accordance with the provisions of the relevant law applicable in relation to the mode of transport during the course of which the loss or damage occurred and any stipulation in the multimodal transport contract to the contrary shall be void and unenforceable. He shall not be entitled to the benefit of limitation of liability under any of the provisions of this Chapter if it is proved that the loss, damage or delay in delivery of consignment resulted from his act or omission with an intent to cause such loss, damage or delay or recklessly and with knowledge that such loss, damage or delay would probably result shall not, in any case, be liable for an amount greater than the liability for total loss of goods for which a person will be entitled to make a claim against him under the provisions of this Act.

The MMTG Act also provides that if the goods are of a dangerous nature, the consignor has to inform the multimodal transport operator, otherwise he shall be liable under the MMTG Act. The multimodal transport operator who has not been paid the amount of consideration stipulated in the multimodal transport contract shall have a lien on the consignment and on the documents in his possession. The multimodal transport operator shall not be liable under any of the provisions of this MMTG Act unless action against him is brought within nine months of either the date of delivery of the goods, or the date when the goods should have been delivered, or the date on and from which the party entitled to receive delivery of the goods has the right to treat the goods as lost. Further, the nine-month period of limitation overrides any other law for the time being in force.

COGSA

The Indian Carriage of Goods by Sea Act, 1925 came into force on September 21, 1925 and extends to the whole of India. The Act provides that the rules set out under the Schedule to the Act (“Rules”) have effect in relation to and in connection with the carriage of goods by sea in ships carrying goods from any port in India to any port whether in India or outside India. In a contract for the carriage of goods by sea, an absolute undertaking by the carrier of the goods to provide a seaworthy ship, is not to be implied. The Act also provides that every bill of lading, issued in India which contains or is evidence of any contract to which the Rules apply, shall contain an express statement that it is to have effect subject to the provisions of the said Rules.

The Act also provides for modifications of certain Rules and states that nothing in this Act shall affect the operations of some of the provisions of the Merchant Shipping Act, 1958 or any other enactment that limits the liability of the owners of sea-going vessels.

Under the Rules, carriage of goods covers the period from the time when the goods are loaded on to the time when they are discharged from the ship. A “Carrier” is defined to include the owner or the charterer who enters into a contract of carriage with a shipper. The Rules also set out the responsibilities, liabilities and the rights and immunities of the carrier. No provisions of the Rules prevent a carrier or a shipper from entering into any agreement, condition or exemption as to the responsibility and liability of the carrier or the ship for loss or damage to goods prior to the loading on and subsequent to the discharge from the ship on which the goods are carried by sea.

The Customs Act

The Customs Act came into force on February 1,1963 and has been enacted for the purpose of consolidating and amending the law relating to customs along with the levy of duty of customs. The Customs Act deals with appointment of customs ports, airports, warehousing stations, etc. The Central Board of Excise and Customs (“CBEC”) has the power to appoint ports and airports as customs ports and customs airports and inland container depots for the loading of export goods and unloading of import goods or any class of such goods. CBEC also has powers to appoint places that can be designated as land custom stations, routes by which goods specified by notification under the Customs Act may pass. The Commissioner of Customs has been conferred power under the Customs Act to approve proper places in any customs port or airport or coastal port for the unloading and loading of goods and specify the limits of any custom area. CBEC also has the power to declare places to be warehousing stations where public warehouses may be appointed and private warehouses be licensed. The Commissioner of Customs also under the Customs Act has a power to appoint boarding stations in or near any customs port and for the purpose of boarding or disembarkation from vessels by officers of customs.

The Customs Act also stipulates provisions relating to clearance of imported goods and export goods. For the clearance of imported goods, certain restrictions have been imposed on the custody and removal of imported goods. The Customs Act sets out the procedure to be followed in case of goods which are not cleared, warehoused or transshipped within 30 days after unloading and for storage of imported goods in warehouses pending clearance. Procedure has been laid down under the Customs Act for clearance of export goods.

Provisions have been laid down under the Customs Act for goods in transit, the transit and transshipment of certain goods without payment of duty, liability of duty on goods transited / transshipped and the transport of certain classes of goods subject to prescribed conditions.

The Customs Act prescribes provisions for appointment of public warehouses, licensing of private warehouses, warehousing bond and permission for deposit of goods in a warehouse. It also deals with the period for which goods can remain in the warehouse, control over warehouse goods, payment of rent and warehouse charges, owner's right to deal with warehoused goods, manufacture and other operations in relation to goods in a warehouse. Power to exempt imported materials used in the manufacture of goods in warehouse, removal of goods from one warehouse to another, clearance of warehoused goods for home consumption / exportation, allowance in case of volatile goods and cancellation and return of warehousing bond has also been made clear by the Customs Act. Goods must not be taken out from the warehouse except as provided by the Customs Act or improperly removed from the warehouse, etc.

Further, the Customs Act deals with stores. Stores may be allowed to be warehoused without assessment to duty. Provisions have also been made regarding transit and transshipment of stores. Imported stores may be consumed on board a foreign-going vessel or aircraft without payment of duty. Goods produced or manufactured in India and required as stores on any foreign going vessel or aircraft may be exported free of duty.

CFS Guidelines

A CFS has been defined under the CFS Guidelines as a common user facility with public authority status equipped with fixed installations and offering services for handling and temporary storage of import/export laden and empty containers carried under customs control and with customs and other agencies competent to clear goods for home use, warehousing, temporary admissions, re-export, temporary storage for onward transit and outright export. Transshipment of cargo can also take place from such stations. Functionally CFS is a transit facility, which offers services for containerization of break bulk cargo and vice-versa. These could be served by rail and/ or road transport. CFS is an off dock facility located near the servicing ports which helps in decongesting the port by shifting cargo and customs related activities outside the port area. Some of the primary functions of CFSs relate to receipt and dispatch/delivery of cargo, stuffing and stripping of containers, transit operations by rail/road to and from serving ports, customs clearance, consolidation and desegregation of LCL cargo, temporary storage of cargo and containers, reworking of containers and maintenance and repair of container units. The centers of activity that the CFSs revolve around are rail siding (in case of a rail based terminal), container yard, warehouse and gate complex. CFSs are concentration points for long distance cargoes and its unitisation, they serve as a transit facility, provide customs clearance facility near the centers of production and consumption, reduce level of demurrage and pilferage and eliminate customs requirements at gateway ports. The issuance through bill of lading by shipping lines by resuming full liability of shipments, reduced overall level of empty container movement, competitive transport cost, reduced inventory cost and increased trade flows are some of the benefits envisaged from a CFS. Part B of the CFS Guidelines provides that survey/ feasibility study must precede the setting up a CFS. The minimum area requirement for a CFS has been prescribed under the CFS Guidelines to be one hectare.

The CFS Guidelines prescribe procedure for approval of CFS along with its implementation. Such proposals for setting up CFS are considered and cleared, on merits, by an Inter Ministerial Committee for CFSs consisting of officials of Ministries of Commerce, Finance (Department of Revenue), Railways and Shipping. Views of the State Governments as necessary would be obtained for the proposals submitted. On acceptance of a proposal, a LOI will be issued to the applicant, which will enable him to initiate steps to create infrastructure. The applicant would be required to set up the infrastructure within one year from the date of approval. After the applicant has put up the required infrastructure, met the security standards of the jurisdictional Commissioner of Customs and provided a bond backed by bank guarantee to the Customs Authorities, a final clearance and Customs notification would be issued. The said approval would be subject to cancellation in the event of any abuse or violation of the conditions of the said approval. The CFS Guidelines prescribe that the working of the CFS will be open to review by the Inter Ministerial Committee.

HISTORY AND CERTAIN OTHER CORPORATE MATTERS

Our Company was promoted by Mr. Shashi Kiran Shetty and incorporated on August 18, 1993 as a private limited company under the name of All Cargo Movers (India) Private Limited. A fresh certificate of incorporation was obtained on June 25, 2004 subsequent to the change of name to Allcargo Movers (India) Private Limited. The name of our Company was changed to Allcargo Global Logistics Private Limited with effect from December 8, 2005. Subsequently, our Company was converted into a public limited company, pursuant to which a fresh certificate of incorporation was obtained on January 17, 2006.

Our Company commenced its operations in 1993 as a shipping agency house and in addition provided freight forwarding services. After achieving thorough expertise and customer support, it became a Multimodal Transport Operator (Registration No. MTO/DGS/163/98) from June 1998. This registration is renewable every three years and is presently valid till June 12, 2007.

Our Company provides various services such as inbound & outbound consolidation, multi-city consolidation, FCL forwarding, airfreight forwarding activities, project cargo handling and transportation and CFS operations. Today our Company is one of the leading consolidators with 17 branches and 11 franchisees in India. Our Company has made strategic investments in Ecu Hold NV, Belgium, ACM Lines Pty. Ltd., South Africa and has a JV with Transworld Logistics and Shipping Services Inc., USA.

Our Company has, vide an agreement dated January 10, 2006, increased its stake in Ecu Hold NV to 49.99% from 33.80%. The said investment is a strategic investment and Ecu Hold NV does not form part of our Promoter Group. Ecu Hold NV is a key NVOCC player having a presence globally via 110 own offices in 56 countries and franchisee and agents network across 203 locations in 120 countries totalling to 313 locations in 176 countries. Our association with Ecu Hold NV has enabled us to have a wider presence globally.

The Registered Office of our Company was originally located at 303, Green Star, Rizvi Complex, Opposite Shirley Rajan Road, Bandra (W), Mumbai 400 050. Our office was shifted with effect from June 28, 1999 to Wakefield House, 1st Floor, Sprott Road, Ballard Estate, Mumbai 400 038, and subsequently shifted to Diamond Square, 5th Floor, CST Road, Kalina, Santacruz (E), Mumbai – 400 098 with effect from July 1, 2003.

Transportation Division:

Our Company had a transport division, which carried on business till October 31, 2005. The said transport division had leased its various transport equipments to Transindia Freight Services Private Limited (a part of the Promoter Group company) and earned income by way of hire and transport charges. The income generated by the said transport division amounted to 2.1% of our Company's total income for the year ended March 31, 2005. Our Company has on out right sale basis transferred majority of the assets relating to the said transport division, along with related liabilities to Transindia Freight Services Private Limited and Meridien Tradeplace Private Limited with effect from November 1, 2005 vide agreements dated October 31, 2005.

Milestones achieved by our Company

Our Company's growth over the last 12 years is highlighted below:

Year	Event
1993	Incorporated as a private limited company.
1994	Appointed as agents of ASIA Lines Ltd., a Mauritian Shipping Line, and to work for them under the daily supervision of general agents i.e. Sea Trade Shipping Services LLC, Dubai, UAE.
1995	Formed association with Ecu Line NV, Belgium to serve as their agents in Mumbai and New Delhi.
1998	Obtained MTO licence from the Ministry of Shipping, Government of India.
2001	Made strategic investments in Ecu Line, Mauritius and Ecu Line, Middle East (Dubai).
2002	Rewarded with "Best Consolidator" Award by CONCOR.
2002	Acquired 50% stake in ACM Lines (Pty) Ltd.
2003	Entered into a JV with Transworld Logistics & Shipping Services Inc.

Year	Event
2003	Commissioned CFS at Koproli near JNPT.
2004	Obtained ISO 9001:2000 Certificate from Det Norske Veritas (DNV).
2004	Commissioned the 2nd phase of our CFS at Koproli near JNPT.
2004	Started Project Cargo Handling business.
2005	Acquired 33.8% stake in Ecu Hold NV with representation on the Board.
2005	Commisioned expansion of the 3rd phase of our CFS at Koproli near JNPT.
2006	Increased the stake to 49.99% in Ecu Hold NV.
2006	Converted into a public limited company.

Main Objects of our Company

The main objects of our Company as stated in our MoA are as under:

1. To carry on the business of storage, warehousing, transportation and handling of all kinds of cargo, whether containerized or not, from any port station to any container freight station or to any inland container depot and freight carriers, transportation of goods, animals or passengers from place to place either by land or by air, sea or partly by sea and partly by land or air, whether by means of motor vehicles and/or aero planes or other means of transport, to establish and to construct and operate container freight stations, inland container depots, and allied activities and operate railway sidings and to own, lease, use container and deploy the containers in the business of international freight forwarding, by means of road, sea, transport and multimodal transport, and to carry on the business of clearing & shipping agent, hirers, fleet owners of trucks, trailers, cranes, bulldozers and all types of earth moving equipments and machines.

1(a) To undertake and carry on the business of carriers, ship owners, ship brokers, ship agents, ship underwriters, ship managers, tug-owners, freight brokers, freight contractors, carriers of goods and passengers by land air and water, transport haulage and general contractors, barge owners, and wharfingers.

Our main objects clause of the Memorandum of Association enable us to undertake the activities for which the funds are being raised through the Issue and also the activities which we have been carrying on till date.

Changes in the Memorandum of Association

Date of shareholder approval	Changes
March 18, 2000	The Authorised share capital of our Company was increased from Rs. 500,000 comprising of 5,000 Equity Shares of Rs. 100/- each to Rs. 5,000,000 comprising of 50,000 Equity Shares of Rs.100/- each
February 28, 2005	The Equity Share capital of our Company was sub-divided from 50,000 Equity Shares of Rs. 100/- each to 500,000 Equity Shares of Rs. 10/- each.
February 28, 2005	The Authorised share capital of our Company was increased from Rs. 50,00,000 comprising of 5,00,000 Equity Shares of Rs. 10/- each to Rs. 20,00,00,000 comprising of 1,50,00,000 Equity Shares of Rs. 10/- each and 5,00,000 Preference shares of Rs. 100/- each.
December 3, 2005	Changes in the object clause of our Company.
December 9, 2005	The Preference share capital of our Company was reclassified into Equity Share capital. As a result of such reclassification our Authorised share capital increased to 20,000,000 equity shares of Rs. 10/- each aggregating to Rupees 200,000,000.
January 5, 2006	The Authorised share capital of our Company was increased from Rs. 200,000,000 comprising of 20,000,000 Equity Shares of Rs. 10/- each to Rs.210,000,000 comprising of 21,000,000 Equity Shares of Rs.10/- each
January 14, 2006	Our Company was converted from a private limited company to a public limited company.

Our Subsidiaries

Contech Transport Services Private Limited (CTSPL)

CTSPL was incorporated on December 23, 1993 to carry on the business of international freight forwarding, clearing and shipping agents, multimodal transport operator and owning of various transport equipments. CTSPL became our subsidiary from March 31, 2005. Formerly the company was into movement of ISO containers by trailors within the jurisdiction of Mumbai port and was also a port nominated transporter, but with effect from July 1, 2003, the company has exited the above activities. At present the company is engaged into carrier owned container business. CTSPL has been a registered port transporter at Mumbai Port Trust (MPT) and has its own MTO licence which is essential for its COC activity.

COC activity is the activity wherein a COC operator does not own vessels but would have containers owned or leased (from Container Leasing Companies) and would load them with shipping lines.

CTSPL carries on business of transporting containerized cargo by sea through its leased containers. Since it does not have its own vessels it enters into agreements with vessel operators for hiring slots in the vessel that carry its containers to various trade lanes. We have entered into agency agreements with the agents, under which they are responsible for receiving the containers sent by us, carrying out all activities relating to movement of the cargo, providing information of arrival of the cargo to the importers, making all local payments to authorities, vendors, feeder operators, as the case may be. CTSPL has a network of agents at Dubai, Singapore, Malaysia, Indonesia, Philippines & Kuwait that it services. It is also in the process of establishing agents at Iran, Vietnam, Sri Lanka, Bahrain and Saudi Arabia.

Shareholding pattern:

The shareholding pattern of CTSPL as on March 31, 2006 is as follows:

Sr. No.	Name of the shareholder	No. of shares	% of holding
1	Allcargo Global Logistics Limited	9,999	99.99%
2	Allcargo Global Logistics Limited jointly with Mr. Shashi Kiran Shetty	1	0.01%
	Total	**10,000**	**100.00%**

Board of Directors:

The board of directors of CTSPL comprises of:

Name	Designation
Mr. Adarsh Hegde	Director
Mrs. Susheela J. Shetty	Director

Financial Performance:

For details refer to the section titled “Financial Statements” on page 144 of the Red Herring Prospectus

Allcargo Belgium NV

Our Company has incorporated a wholly owned subsidiary, Allcargo Belgium NV, in Belgium, on March 17, 2006. For this purpose, our Company had remitted a sum of Euro 62,000 towards the share capital of the new subsidiary. The new subsidiary would be acquiring RMK NV, subject to due diligence and compliance with other covenants as per the Letter of Intent dated January 10, 2006 and the Memorandum of Understanding dated April 15, 2006, details of which are appearing on page 102 of this Red Herring Prospectus. RMK NV is a joint stock company registered under the laws of Belgium with which our Company has entered into an agreement relating to the sale and purchase of shares in Ecu Hold NV. RMK NV currently holds 50.01% stake in Ecu Hold NV. The new subsidiary will also be availing of a loan from our Company for the purpose of its funding, if our Company decides to acquire shares from RMK NV based on the due diligence in terms of the letter of Intent dated January 10, 2006 and the Memorandum of Understanding dated April 15, 2006 with RMK NV.

Shareholding pattern:

The shareholding pattern of Allcargo Belgium N.V. as on March 31, 2006 is as follows:

Sr. No.	Name of the shareholder	No. of shares	% of holding
1	Allcargo Global Logistics Limited	999	99.99%
2	Mr. Shashi Kiran Shetty	1	0.01%
	Total	**1,000**	**100.00%**

Board of Directors:

The board of directors of Allcargo Belgium N.V. comprises of:

Name	Designation
Mr. Shashi Kiran Shetty	Director
Mr. Mohinder Pal Bansal	Director

Financial Performance:

The company has recently been incorporated and has not commenced business till date.

SHAREHOLDERS' AGREEMENTS

Shareholders' agreement of Ecu Hold NV

Our Company (defined in the agreement as "B Shareholder") has entered into a shareholders' agreement with RMK, a joint stock company under the laws of Belgium (defined in the agreement as "A Shareholder") dated June 16, 2005. The salient features of the said agreement are as below: -

- Under the provisions of this agreement, any B Share transferred to an A Shareholder shall be immediately converted into an A share and any A share transferred to a B Shareholder shall be immediately converted into a B Share.
- No Shareholder shall transfer shares to a third party until such third party has entered into a deed of adherence.
- No party shall create or allow the creation of an encumbrance over any of its shares without the prior written consent of the other party.
- There is a call option available to our Company to purchase such number of shares of A Shareholder in the company (i.e. "Ecu Hold NV") so as not to exceed the difference between the percentage of the participation held by our Company and 50% of Ecu Hold NV's entire share capital. This call option should be exercised on or before June 30, 2005. If the call option has been exercised on or before June 30, 2005 and certain conditions have been fulfilled, both A and B Shareholder shall have a drag along right whereby a party shall be entitled but not be obliged to procure a buyer for all the shares of the company. In such case the right of pre-emption shall supersede such drag along right.
- If the call option has not been fully exercised then the same drag along right can be exercised together with the fetter of the pre-emptive right.
- If the tag along right or the pre-emptive right is not exercised within 45 days of the receipt of the offer notice then the selling sponsor (i.e. a party offering to sell its shares) may sell its shares to the buyer at the sale price and on the terms mentioned in the offer notice.
- Non-competition: B Shareholder covenants under this agreement that they shall not, for the term of this agreement and until two years after the termination thereof, unless with prior written consent of the A Shareholder be directly or indirectly engaged, concerned or interested whether as director, shareholder, principal, agent, partner, consultant, employee, financer or otherwise in any other business engaged in the activity which is in competition with the group (i.e. the company and the company's subsidiaries) and shall not solicit or endeavor to solicit away any person employed by the group. This non-competition clause is with regard to outside India. It is also provided in this clause that the parties are aware of the B Shareholder's participation in Transworld Logistics, Inc with activities in the United States. B Shareholders participation does not cause a breach of this article.

Agreement relating to the sale and purchase of shares in Ecu Hold N.V.

Our Company ("Purchaser") has entered into an 'Agreement' relating to the sale and purchase of shares in Ecu Hold N.V. with RMK, a joint stock company under the laws of Belgium, (Seller) on January 10, 2006.

The salient features of this Agreement are as follows: -

- The share capital of Ecu Hold NV, a company incorporated under the laws of Belgium is divided into 160,546 shares of which 112,382 are held by RMK (class A shares) and 48,164 are held by our Company (class B shares);
- Our Company has purchased 54,265 of said class B shares in Ecu Hold N.V. from RMK pursuant to a share purchase agreement dated June 16, 2005 between our Company and RMK (Share Purchase Agreement), whereby 48,164 class B shares representing 30% of the Ecu Hold NV's share capital were immediately transferred and delivered to our Company on June 16, 2005. The ownership of the remaining 6,101 class B shares, representing 3.8% of Ecu Hold NV's share capital was to be transferred at the latest on June 30, 2006.
- Our Company has purchased certain number of class A shares of RMK and currently holds 30% of the same. Pursuant to this Agreement, our Company further intends to increase our participation in Ecu Hold NV to 49.99% by purchasing the required amount of 26,007 class A shares from RMK.
- Any class - A shares transferred to our Company shall be converted into class B shares.
- The amount of consideration payable by our Company is 3,600,000 (Three million six hundred thousand) Euros.
- Upon full payment of the consideration and subject to release by ING and Fortis of their share pledge,(within 15 business days –i.e. Closing Date) the ownership of the Shares representing 16.19% of Ecu Hold's share capital shall be immediately transferred and delivered to our Company and shall be recorded in Ecu Hold N.V.'s shareholders' register. Simultaneously with the delivery of the shares, and subject to the release of the share pledge by ING and Fortis, on an additional 6,101 Class B shares in Ecu Hold N.V. representing 3.8% of its share capital, shall be transferred and delivered to our Company and shall be recorded in Ecu Hold N.V.'s shareholders' register.

Letter of Intent

Our Company ("Purchaser") has entered into a letter of Intent, dated January 10, 2006, between (i) Mr. Raymond Van Achteren, (ii) Conray NV, (iii) Mr. Marc Van Looveren, (iv) Commercial Circle NV (a company under the laws of Belgium), (v) Mr. Kris De Witte [(i) to (v) are collectively hereinafter referred to as "Sellers"] and RMK NV (a company under the laws of Belgium) (RMK).

The salient features of the LOI are as follows: -

- All binding documentation, including a share purchase agreement and new management agreements and close the transfer of shares and payment of an amount of 7,400,000 (seven million four hundred thousand) euro as soon as possible at the latest on April 15, 2006. If the documents are not duly signed before the above-mentioned date then this LOI will be terminated (save and except the clauses relating to public announcement, prior agreements, costs and timing & governing law) and none of the parties shall compensate the other.
- Thereafter, the parties entered into a Memorandum of Understanding dated April 15, 2006, by way of an addendum to the Letter of Intent dated January 10, 2006, whereby the parties agreed to extend the date of execution from April 15, 2006 as appearing in the said Letter of Intent to a revised date of June 15, 2006. This Memorandum of Understanding shall form an integral part of the Letter of Intent and is to be read along with the same and all other terms of the Letter of Intent remain unchanged and shall continue to be in force and effect.
- The share capital of RMK is divided into 10,000 (ten thousand) registered shares (jointly the 'Shares'), of which the Sellers are jointly the legal and beneficial owners.
- The Purchaser has purchased 54,265 shares of the Company pursuant to a share purchase agreement dated June 16, 2005 between the Purchaser and RMK, of which 48,164 class B shares representing 30% of the Company's share capital were immediately transferred and delivered to the Purchaser on June 16, 2005 and the remaining 6,101 class A shares, representing 3.8% of the Company's share capital were to be transferred at the latest on June 30, 2006. Subsequently, and by a share purchase agreement dated January 10, 2006, the Purchaser has

purchased a further 26,007 class A shares representing 16.19% of the Company's share capital from RMK. Following the said purchase, RMK owns and holds 80,274 class A Shares representing 50.01% of the Ecu Hold N.V.'s share capital and our Company holds 80,272 class B Shares representing 49.99% of Ecu Hold N.V.'s share capital as on the date of this LOI.

- The Purchaser intends to purchase all the Shares with a clear title and free from all encumbrances, through a newly to be established Belgian holding company ("Newco") from the Sellers and become the owner of the entire share capital of RMK. The Purchaser further intends that upon purchase of the Shares, it shall, through Newco, indirectly become the owner of the entire share capital of the Ecu Hold N.V.
- The Sellers, the Puchaser and RMK are entering into this LOI to set out the terms and conditions for the transaction and have agreed that the sale and transfer of the shares shall be subject to a legal due diligence of Ecu Hold NV and financial due diligence of the group companies of Ecu Hold NV by the Purchaser.
- The Purchaser intends to establish Newco prior to January 20, 2006, through which it shall purchase, through several transactions as described in article 2.1, all the Shares from the Sellers.
- The Sellers and RMK shall have the share pledge, held by the financial institutions ING and Fortis on Ecu Hold N.V.'s shares, released simultaneously with the repayment by RMK of its outstanding financial debt to Fortis and ING, it being understood that such repayment will be paid directly by the Purchaser to Fortis and ING on behalf of RMK, at or around April 1, 2006. This LOI is subject to release of the shares pledged to Fortis and ING.
- After the payment of an amount of 7,400,000/- (Seven million four hundred thousand) Euro of the price / consideration, our Company i.e. the purchaser shall have the right to appoint our Promoter as the Chairman of Ecu Hold's board of directors and Mr. Bansal as the deputy chairman of Ecu Hold. As soon as the price has been fully paid by our Company, we shall have the right to appoint all of RMK's and Ecu Hold's board members, including the right to increase the number of directors.
- If our Company fails to complete not later than April 15, 2006, the purchase transaction of the said shares of RMK envisaged under this LoI, the Seller shall have a put option towards the purchaser with respect to one share of Ecu Hold N.V., giving the purchaser 50% of the share capital of the Company at the terms and conditions set out of in the LoI. Our Company shall have a call option towards the sellers with respect to the said shares.
- The amount of consideration payable by the Purchaser, i.e. our Company is 13,400,000 (thirteen million four hundred thousand) Euros.

Agreement (Investment Agreement) between our Company, our Promoter and New Vernon Private Equity Limited (Investor)

- The Investment Agreement was executed on December 26, 2005.
- Pursuant to the Investment Agreement, our Company had issued to the Investor, shares constituting six per cent (6%) of the issued and paid up share capital of our Company on a fully diluted basis as on the date of allotment on the terms and conditions of the Investment Agreement.
- Subsequent to the investment in our Company by the Investor, the Investor would hold certain rights in relation to the management and affairs of our Company as set out in the Investment Agreement, and the relationship of Investor with our Promoter would be governed by the terms of the Investment Agreement.
- Subscription Price. The aggregate amount payable by the Investor for acquisition of the issued shares shall be Indian Rupees Six Hundred million (INR 600,000,000) ("Subscription Price"). The Subscription Price shall be fixed and firm and shall not be subject to escalation.
- Use of Subscription Price. Our Company and our Promoter shall ensure that we use the Subscription Price principally for retirement of debt of Yes Bank, purchase of land for construction of container freight stations, for construction activities of container freight stations, for further acquisition of shares of Ecu Hold NV and repayment and retirement of any debt taken prior hereto by us for the aforementioned purposes. Any other usage of the Subscription Price shall require the prior consent in writing of Investor.
- On or prior to March 6, 2006, our Board may at its sole discretion issue a notice to Investor calling on Investor to

contribute an additional amount of Indian Rupees Four Hundred Million (INR 400,000,000) to Company towards subscription for equity shares constituting up to an additional four per cent (4%) of the issued and paid-up share capital of our Company on a fully diluted basis, and on the terms and conditions of this Agreement.

- At all times during the subsistence of this Agreement, the Investor shall be entitled to nominate directors on the Board of our Company in proportion to its holding of the issued and paid up share capital of Company, subject always to a minimum of one (1) director ("Investor Director").
- There are restrictions on transfer of shares by our Promoter and the Investor.
- The Investor shall have the right to require our Company to buy-back all of the shares held by Investor in our Company in the following events: (i) Company's right to own or operate all or any of its Container Freight Stations ("CFS") is terminated, withdrawn or suspended for any reason whatsoever, or (ii) For any financial year, ECU Hold NV incurs losses exceeding fifty percent (50%) of Company's net profits before tax. Provided that the provisions of this Section 15.1.2 shall be applicable only in the event the Company holds a controlling stake in ECU Hold NV.
- One of the events of termination under this Investment Agreement is that this Agreement may be terminated upon filing of the Red Herring Prospectus with SEBI, provided that in the event that the shares of the Company are not listed for trading on the National Stock Exchange and the Stock Exchange, Mumbai, within Six (6) months after the date of filing the Red Herring Prospectus with SEBI, this Agreement shall be deemed to have continued in full force and effect and shall continue to be fully binding on Company and Promoter.

OTHER AGREEMENTS

Joint Venture Agreement with Transworld Logistics and Shipping Services Inc

Parties to this agreement are Transworld Holdings Limited ("Transworld"), Our Company, Transworld Logistics And Shipping Services Inc ("Transworld Logistics"), Orient Express Lines Limited and Balaji Shipping (U.K.) limited dated March 27, 2003. The salient features of the said agreement are as below: -

- Our Company expressed its interest in joining hands with Transworld and other shareholders of Transworld Logistics, and also expressed an interest in acquiring 45% interest in Transworld Logistics. Transworld Logistics will issue such number of shares to Our Company as constitutes 45% (forty five per cent) shareholding in Transworld Logistics. The shareholders of Transworld Logistics shall subscribe to any additional issue of shares in Transworld Logistics in proportion to their existing shareholding at the time of such issuance provided that the ratio of the shareholding i.e. (Transworld Group = 55% and our Company = 45%) shall not be amended or altered to the detriment of our Company.
- If there is a change in the corporate control of a party ("Defaulting Party") not including internal group restructuring, the party affected by such change of control shall immediately so notify the directors and the other parties. The other party may at any time during the three (3) month period following receipt of such notice, serve a notice in writing on the Defaulting Party stating that the provisions relating to the term and termination will apply.

Agreement with Transindia Freight Services Private Ltd.

Our Company has entered into an agreement dated October 31, 2005 with Transindia Freight Services Private Ltd. ("Transindia"). The salient features of the agreement are as follows: -

- Our Company is involved in Multimodal Transport Operations, Logistic Solutions and Operations of Container Freight Station and Air Cargo Transportation etc and Transindia are interalia engaged in the business of supplying Tractor-Trailors for transportaiion of ISO containers etc.
- Our Company was desirous of selling its Trailors, Reachstacker and Cranes to Transindia and Transindia agreed to purchase the same from our Company subject to the terms and conditions of the agreement.
- Our Company is the absolute owner of the equipments and these are either free/charged to Financial Institutions.
- Transindia has agreed to pay Rs. 40,533,871/- net of a loan outstanding of the financed equipment as on October 31, 2005, as consideration for the purchase of vehicles within nine months from the date of execution of this agreement. With respect to the vehicles under Finance, the parties to the agreement have agreed that although there would be a transfer of ownership, our Company would ensure that the respective Banks/ Financial Institutions

would continue to extend the same facilities and terms as were enjoyed by our Company as well as the repayment terms enjoyed by our Company.

Agreement with Meridien Tradeplace Private Ltd.

Our Company has entered into an agreement dated October 31, 2005 with Meridien Tradeplace Private Ltd. ("Meridien"). The salient features of the agreement are as follows: -

- Our Company is involved in Multimodal Transport Operations, Logistic Solutions and Operations of Container Freight Station and Air Cargo Transportation etc. and Meridien is inter alia engaged in the business of supplying Tractor-Trailors for transportation of ISO containers etc.
- Our Company was desirous of selling its Trailors, Reachstacker and Cranes to Meridien and Meridien agreed to purchase the same from our Company subject to the terms and conditions of the agreement.
- Our Company is the absolute owner of the equipments and these are either free/charged to Financial Institutions.
- Meridien has agreed to pay Rs. 637,500/- net of a loan outstanding of the financed equipment as on October 31, 2005, as consideration for the purchase of vehicles within nine months from the date of execution of this agreement. With respect to the vehicles under Finance, the parties to the agreement have agreed that although there would be a transfer of ownership, our Company would ensure that the respective Banks/ Financial Institutions would continue to extend the same facilities and terms as were enjoyed by our Company as well as the repayment terms enjoyed by our Company.

Agency Agreement with Transindia Freight Services Private Ltd. (MTO)

Our Company ("Agent") has entered into an agreement with Transindia Freight Services Private Ltd. ("Principal") on April 1, 2004. The salient features of this agreement are as follows:

- The Principal carries on the business of transportation, MTO services and owns and supplies transportation equipment on hire basis.
- Our Company is engaged in the business of providing logistic solutions and operating CFS and air-cargo transportation in India and abroad.
- The Principal is holding in its name a MTO license issued under the Multimodal Transportation of Goods Act, 1993.
- The Principal wishes to appoint our Company as its agent and authorizes the Agent to use / issue its bills of lading for and on behalf of the Principal as per the terms and conditions (including consideration) as mentioned in this agreement.
- Our Company shall operate as an Agent for a period of five years from April 1, 2004 without prejudice to the right of re-appointment by the Principal.
- Our Company agrees to pay the Principal USD 5.00 per bill of lading for the use of the Principal's bill of lading.
- The Principal shall not appoint any other agent to carry out MTO services without the express written permission of our Company.

OUR MANAGEMENT

As per our AoA, our Company cannot have less than three Directors and more than twelve Directors on our Board. At present, our Company has six Directors on its Board. Our Chairman and MD, Mr. Shashi Kiran Shetty manages our day-to-day operations under the overall supervision, direction and control of our Board of Directors.

Details of our Board of Directors are:

Sr. No.	Name, Designation, Father's Name, Address, Occupation, Nationality, Appointment Date & Term	Age (years)	Directorship in Other Companies
1	**Mr. Shashi Kiran Shetty** Chairman and Managing Director S/o (Late) Mr. Janardhan Shetty 7 S2, Samshiba Apartments 7th Floor, Nargis Dutt Road Pali Hill, Bandra (West) Mumbai – 400 050 Occupation : Business Nationality : Indian Appointment Date : August 18, 1993 Term : Non Retiring	48	• Transindia Freight Private Ltd. • Avadh Marketing Private Ltd. • Prominent Estate Holdings Private Limited • Allcargo Movers (Bombay) Private Ltd. • Allnet Infotech Private Ltd. • Jupiter Machines Private Ltd. • Transindia Freight Services Private Ltd. • Allcargo Shipping Services Private Ltd. • N R Holdings Private Ltd. • Sealand Cranes Private Ltd. • Alltrans Logistics Private Ltd. • Alltrans Port Management Private Ltd. • Contech Estate Private Ltd. • SKS Netgate Private Ltd. • Energy Health Spas Private Ltd. • Avash Builders Private Ltd. • TransNepal Freight Services Private Ltd. • ECU International Asia Private Ltd. • ECU Hold N.V. • Allcargo Belgium N.V.
2	**Mrs. Arathi Shetty** Executive Director W/o Mr. Shashi Kiran Shetty 7 S2, Samshiba Apartments 7th Floor, Nargis Dutt Road Pali Hill, Bandra (West) Mumbai – 400 050 Occupation : Business Nationality : Indian Appointment Date : August 18, 1993 Term : Non Retiring	40	• Transindia Freight Private Ltd • Avadh Marketing Private Ltd. • Prominent Estate Holdings Private Ltd. • Allcargo Movers (Bombay) Private Ltd. • Allnet Infotech Private Ltd. • Jupiter Machines Private Ltd. • Transindia Freight Services Private Ltd. • Allcargo Shipping Services Private Ltd. • N R Holdings Private Ltd. • Sealand Cranes Private Ltd. • Alltrans Port Management Private Ltd. • SKS Netgate Private Ltd. • Avash Builders Private Ltd· • Energy Health Spas Private Ltd. • Contech Estate Private Ltd. • ECU International Asia Private Ltd.

Sr. No.	Name, Designation, Father's Name, Address, Occupation, Nationality, Appointment Date & Term	Age (years)	Directorship in Other Companies
3	**Mr. Kaiwan Kalyaniwalla** Independent Director S/o Mr. Dossabhoy Kalyaniwalla Phirojsha Building, III Floor 70/C, Gowalia Tank Mumbai – 400 036 Occupation: Solicitor Nationality: Indian Appointment Date : June 30, 2005 Term : Retiring	41	• MHTC Logistics Ltd • Synchro Investments Private Ltd. • Boston Analytics Private Ltd.
4	**Mr. Keki Elavia** Independent Director S/o Mr. Manchersha D. Elavia 2A, Anand Bhavan, 36th Road Bandra (W), Mumbai – 400 050. Occupation: Chartered Accountant Nationality: Indian Appointment Date : January 14, 2006 Term : Retiring	60	• Bombay Metal & Alloys Manufacturing Company Private Ltd • Grover Vineyards Ltd. • Goa Carbon Ltd. • Uni Abex Alloy Products Ltd. • Mazars Business Solutions Private Ltd. • Uri Deritend Ltd.· • Uni Klinger Ltd. • Paradeep Carbons Ltd. • Sulzer India Ltd.· • NRB Bearings Ltd. • Zest Pharmaceuticals Private Ltd.
5	**Mr. Satish Gupta** Independent Director S/o Mr. Maheshchandra K. Gupta 1101. Le Pepeyon, Mount Mary Road Bandra (W), Mumbai – 400 050 Occupation : Business Nationality : Indian Appointment Date : January 14, 2006 Term : Retiring	47	• Auditra Engineering Company Private Ltd. • Balavra Leasing and Finance Private Ltd.
6	**Mr. Mark Rubin** Nominee Director S/o Mr. Theodore I. Rubin 12, Hill Hollow, Warren, New Jersey United States Occupation : Service Nationality : American Appointment Date : January 14, 2006 Term : Retiring	39	NIL

The following are the family relationships between the persons on our Board of Directors

Mrs. Arathi Shetty is the wife of Mr. Shashi Kiran Shetty.

Brief details of our Directors

Mr. Shashi Kiran Shetty, 48 years, Chairman and Managing Director. For details of Mr. Shashi Kiran Shetty, please refer to the section titled Our Promoter and Promoter Group Companies on page 121 of the Red Herring Prospectus.

Mrs. Arathi Shetty, 40 years, Executive Director, holds a Bachelor of Arts degree and is associated with the business since 1988. She comes with an experience of over seventeen years in the business and has an understanding of the intricacies of our business and handles customer relations which is of paramount importance in our service industry. She actively participates and contributes to various policy decisions at Board meetings of our Company and other forums. Her remuneration for the year ended March 31, 2006 is Rs. 1,200,000.

Mr. Kaiwan Kalyaniwalla, 41 years, Independent Director, is a Solicitor and Advocate of the Bombay High Court and a Partner of the law firm M/s Maneksha & Sethna in Mumbai. He is also enrolled as a Solicitor of the Supreme Court of England and Wales. He is on the board of various companies and advises private sector corporates, multinational banks, transport and logistics companies and some of India's largest property development companies and business houses. His expertise of practice is in the field of corporate law, property law, taxation and general commercial law. He has been an active member of the Managing Committee of the Bombay Incorporated law Society and currently is its Honorary Secretary. He represents the Bombay Incorporated Law Society on issues concerning the legal profession. Except for sitting fees and actual expenses that may be incurred by him, there is no other remuneration payable to him.

Mr. Keki Elavia, 60 years, Independent Director, is a Chartered Accountant by profession having thirty four years of post qualification experience with M/s Kalyaniwalla & Mistry, Chartered Accountants. He joined the firm as an employee in 1971 and became a partner in 1974. Mr. Elavia is a director on the board of several companies and holds the position of Chairman or Member of Audit Committee in most of them. He is a member of the Corporate Governance and Audit Committee of the Hongkong and Shanghai Banking Corporation Limited, Mumbai and a member of a number of expert committees of various Chambers of Commerce as well as an elected member of the governing council of the Indo-French Chamber of Commerce and Industry. Except for sitting fees and actual expenses that may be incurred by him, there is no other remuneration payable to him.

Mr. Satish Gupta, 47, Independent Director, is a Science Graduate and is a partner in M/s Agra Engineering Company. He joined the business when it was a player in the domestic market. With the joint efforts of the partners he was instrumental in taking his business from the domestic market to international markets making it a hundred per cent export oriented firm.. His firm is currently one of the leading exporters of Engine Parts. Except for sitting fees and actual expenses that may be incurred by him, there is no other remuneration payable to him.

Mr. Mark Rubin, 39 years, Nominee Director, received his JD, Magna Cum Laude, from the University of Illinois College of Law and his BS in Accounting from Indiana University. He is also a Certified Public Accountant and a member of the Illinois and Federal Bar. At present, he is the CFO and General Counsel of New Vernon Capital, LLC. Prior to joining New Vernon Capital, LLC, Mr. Rubin co-managed an investment partnership and served as CFO and General Counsel for Aerotec, LLC (a private-equity funded engineering services company). Prior to joining Aerotec, Mr. Rubin was Vice President at Ascent Financial, LLC, a Chicago-based private equity firm, where he was responsible for sourcing and evaluating investment opportunities as well as managing several of the fund's portfolio companies. Mr. Rubin also practiced law for three years with Chicago-based Altheimer & Gray focusing on securities and corporate law matters and prior to that, worked as a CPA with Arthur Andersen & Co. Except for sitting fees and actual expenses that may be incurred by him, there is no other remuneration payable to him.

Borrowing Powers of Directors

At the EGM held on January 28, 2006, the shareholders have given their consent to the Board of Directors pursuant to Section 293 (1)(d) of the Act, for borrowing from time to time for the purpose of our Company's business, any sum or sums of money as we may deem proper notwithstanding that the monies to be so borrowed together with the monies already borrowed by our Company, if any, (apart from temporary loans obtained from the bankers of our Company in the ordinary course of business) shall not exceed in the aggregate at any one time Rs. 4000 Million irrespective of the fact that such aggregate amount of borrowing outstanding at any one time 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.

Compensation of our Directors

The terms of appointment of the Chairman and Managing Director were revised and approved at the Board meeting held on April 20, 2005. Subsequently, an agreement was entered into for this purpose. The terms of the said agreement are as follows:

- Parties: Our Company and our Promoter
- Date: December 24, 2005.
- General Nature: Pursuant to the provisions of Article 39 of the AoA of our Company, our Board of Directors has appointed Mr. Shashi Kiran Shetty as the MD of our Company with effect from April 1, 2005 for a period of five years, vide a resolution passed at our meeting held on April 20, 2005.
- Period of appointment: Five years with retrospective effect from April 1, 2005.
- Remuneration: -
- Salary: Rs. 500,000/- (Rupees Five Hundred thousand only) per month with a power to the Board to increase the salary payable to our Chairman and Managing Director up to a maximum limit of Rs. 2,500,000/- (Rupees Two Million Five hundred thousand Only) per month, from time to time.
- Commission: Commission shall be payable to Mr. Shashi Kiran Shetty based on the net profits of our Company in accordance with the provisions of the Act.
- Perquisites: These include house rent allowance, provident fund, gratuity, leave travel allowance, contribution to provident fund, personal accident insurance, contribution towards pension/ superannuation fund, medical reimbursement allowance, chauffer driven car for office and personal use and telephone reimbursement. The Chairman and MD shall also be provided with club memberships and corporate credit cards.

The remuneration payable to Mrs. Arathi Shetty has been approved by a resolution passed at the Board meeting held on April 20, 2005. As per the said resolution, she is paid a remuneration of Rs. 1,200,000 for the Financial Year 2005-2006. In addition to the above, she is also entitled to commission, perquisites and other benefits, as may be deemed fit by the Board, from time to time.

Board Composition:

There are 6 Directors on our Board including 3 independent Directors. Our Board of Directors comprises of:

Name	Designation
Mr. Shashi Kiran Shetty	Chairman & Managing Director
Mrs. Arathi Shetty	Executive Director
Mr. Kaiwan Kalyaniwalla	Independent Director
Mr. Keki Elavia	Independent Director
Mr. Satish Gupta	Independent Director
Mr. Mark Rubin	Nominee Director

Corporate Governance

We have complied with the requirements of the applicable regulations, including Clause 49 of the Listing Agreement to be entered with Stock Exchanges and the SEBI Guidelines, in respect of Corporate Governance, especially with respect to broad-basing our Board of Directors and setting up of the necessary committees as set out below.

Accordingly, we have constituted the following committees of our Board:

- Audit Committee
- Compensation / Remuneration Committee

- Share Transfer / Investors' Grievance Committee

Audit Committee

The Audit Committee was constituted on January 14, 2006 as prescribed under Section 292A of the Companies Act read with Clause 49 of the Listing Agreement. The members are:

Name	Category
Mr. Keki Elavia	Chairman
Mr. Kaiwan Kalyaniwalla	Member
Mr. Satish Gupta	Member

The role / powers of our Audit Committee are broadly as under:

Powers:

a) To investigate any activity within its terms of reference.

b) To seek information from any employee.

c) To obtain outside legal or other professional advice.

d) To secure attendance of outsiders with relevant expertise, if the Committee considers necessary.

Role of the Committee:

- Overview of our Company's financial reporting process and the disclosure of our financial information to ensure that the financial statements are correct, sufficient and credible.
- Recommending to the Board, the appointment and reappointment and if required, the replacement and removal of the statutory auditors and the fixation of audit fees.
- Approval of payment to statutory auditors for any other services rendered by the statutory auditors.
- 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 Directors Responsibility Statement to be included in the Board's report in terms of clause (2AA) of Section 217 of the Act;
    - Changes, if any, in the 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 statement arising out of audit findings;
    - Compliance with listing and other legal requirements relating to financial statements;
    - Disclosure of any related party transactions; and
    - Qualifications in the draft audit report.
- Reviewing with the management, the quarterly financial statements before submission to the Board for approval.
- Reviewing with the management performance of statutory and internal auditors and adequacy of the internal control systems.
- Reviewing the adequacy of the internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure, coverage and frequency of internal audit.
- Discussion with internal auditors of any significant findings and follow-up thereon.
- Reviewing the findings of any internal investigations by the internal auditors into the 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.

- Discussion with statutory auditors before the audit commences about the nature and scope of audit as well as post audit discussion to ascertain any area of concern.
- To look into the reasons for substantial defaults in payments to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors.
- To review the functioning of the whistle blower mechanism in case the same is exisiting.
- To monitor the utilization of the Issue proceeds.
- Carrying out any other function as is mentioned in the term of reference of the audit committee.

Review of information by the Audit Committee:

- Management discussion and analysis of the financial conditions and results of operations.
- Statements of significant related party transactions (as defined by the Audit Committee) submitted by the management
- Management letters / letters of internal control weaknesses issued by the Statutory Auditors
- Internal Audit reports relating to internal control weaknesses
- The appointment, removal and terms of remuneration of the chief internal auditor shall be subject to review by the audit Committee.

Compensation / Remuneration Committee

The Compensation / Remuneration Committee was formed on January 14, 2006 and the members are:

Name	Category
Mr. Kaiwan Kalyaniwalla	Chairman
Mr. Shashi Kiran Shetty	Member
Mr. Satish Gupta	Member

Terms of Reference of our Compensation / Remuneration Committee:

Our Compensation / Remuneration Committee has been authorised to determine, on behalf of our Board and Shareholders with agreed terms of reference, the company's policy on the specific remuneration packages for the Executive Directors, including pension rights and any other compensation payment. Our Compensation Committee is also entrusted with the responsibility to administer and monitor ESOP Shemes of our Company.

Share Transfer / Investors' Grievance Committee

The Share Transfer / Investors' Grievance Committee was formed on January 14, 2006 and the members are:

Name	Category
Mr. Kaiwan Kalyaniwalla	Chairman
Mr. Shashi Kiran Shetty	Member

Terms of reference of our Share Transfer / Investors' Grievance Committee are as below:

Our Share Transfer / Investors' Grievance Committee is empowered to approve share transfers / transmissions, issue of duplicate share certificates, etc. and to redress the grievances of the shareholders / investors relating to transfer / transmission of shares, non-receipt of balance sheet, non-receipt of share certificates, dividend warrants, refund orders, etc.

Shareholding of our Directors in the Company

Sr. No.	Name	No. of shares	% of pre issue capital
1	Mr. Shashi Kiran Shetty	14,489,000	79.71%
2	Mrs. Arathi Shetty	734,850	4.04%
3	Mr. Satish Gupta	5,625	0.03%

Interest of Directors

Except as stated in "Related Party Transactions" on page 142 of the Red Herring Prospectus, and to the extent of their shareholding in our Company, the Directors do not have any other interest in our business. Our Directors are interested to the extent of shares held / allotted to them as well as fees, if any, payable to them for attending meetings of the Board or a committees thereof as well as to the extent of other remuneration and reimbursement of expenses payable to them under the AoA. Except to the extent of their compensation as mentioned on page 108 of the Red Herring Prospectus, and their shareholding or shareholding of companies they represent, the Directors, including our Promoter who is also the Chairman and MD, do not have any interest in our Company.

All Directors may be deemed to be interested in the contracts, agreements/arrangements entered into or to be entered into by our Company with any company in which they hold directorships or any partnership firm in which they are partners as declared in their respective declarations.

Our Company has entered into a long term lease deed, dated April 1, 2006, with Mr. Shashi Kiran Shetty and Mrs. Arathi Shetty (lessors) in respect of our CFS land, admeasuring 8.317 acres, located at Koproli, Uran Taluka, Raigad District. As per the said lease deed, our Company has paid a one-time lease premium of Rs. 124,755,000 to the lessors for lease of the above land for a period of thirty years.

Our Company has entered into a leave and licence agreement dated April 1, 2006 with Mr. Shashi Kiran Shetty and Mrs. Arathi Shetty (licensors) for land admeasuring approximately 11.429 acres, situated near to the abovementioned CFS for a period of sixty months. Further our Company has an option to extend the said leave and licence for a longer term by way of a lease, Our Company has paid an interest free refundable deposit of Rs. 85,717,500/- and in addition a monthly licence compensation of Rs. 1,500,000/- is payable to the licensors.

Except as mentioned on page 142 of the Red Herring Prospectus, our Company has not entered into any contracts, agreements, or arrangements during the preceding two years from the date of the Red Herring Prospectus in which the Directors are interested directly or indirectly and no payments have been made to them in respect of these contracts, agreements or arrangements or are proposed to be made to them.

Qualification shares

As per our AoA, a Director need not hold any shares of our Company to qualify for the office of a Director of our Company

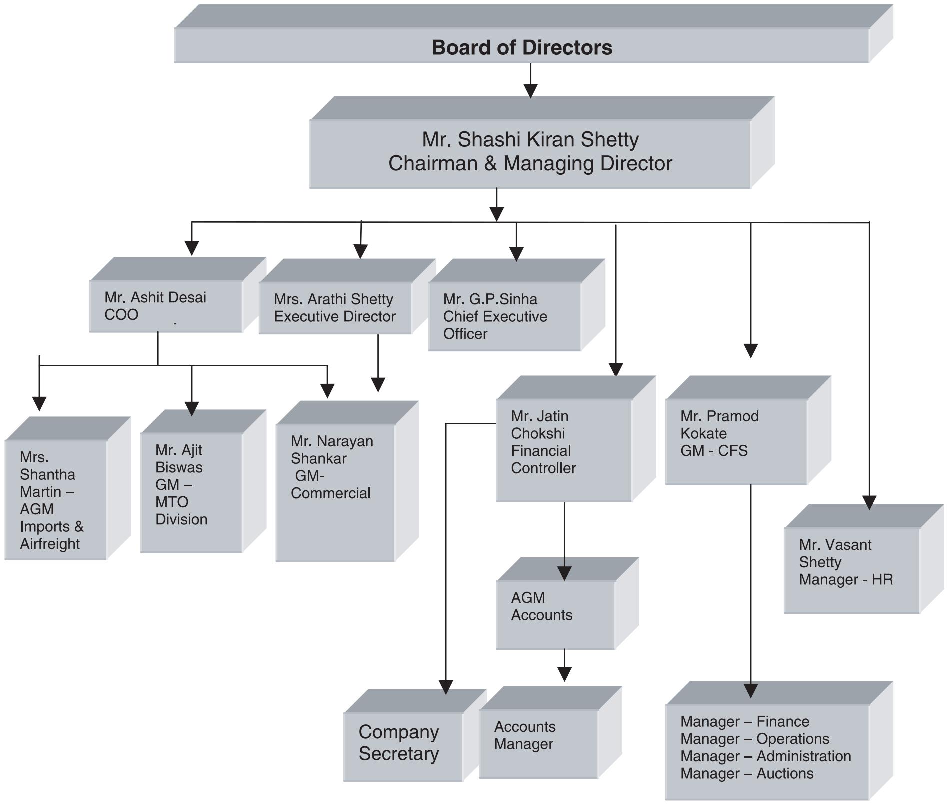
Changes in our Board of Directors

The changes during the last 3 years are as below:

Name	Date of Appointment	Date of Cessation	Reason
Mr. M. P. Bansal	June 28, 1999	August 18, 2005	Resigned
Mr. Kaiwan Kalyaniwalla	June 30, 2005	N/A	Appointed as an additional director
Mr. Keki Elavia	January 14, 2006	N/A	Appointed as an additional director
Mr. Satish Gupta	January 14, 2006	N/A	Appointed as an additional director
Mr. Mark Rubin	January 14, 2006	N/A	Appointed as an additional director

MANAGEMENT ORGANIZATION STRUCTURE

Our management organization structure is given in the following diagram: -



Key Management Personnel

Sr. No.	Name	Designation	Qualification	Date of joining
1	Mr. Ashit Desai	Chief Operating Officer	BE (Mech. Engg), ME (Prod. Mgt), MBA (IIM Ahmedabad)	June 21, 2005
2	Mr. G. P. Sinha	Chief Executive Officer	B. Com (Honours)	April 17, 2006
3	Mr. Jatin Chokshi	Financial Controller	B. Com, CA, CS.	March 1, 2001
4	Mr. Pramod Kokate	General Manager – CFS	B. Sc.	June 23, 2003
5	Mr. Narayan Shankar	General Manager – Commercial	B. Sc, MBA, MICS (London), IATA/FIATA, IATA-DGR.	July 4, 2005
6	Mr. Ajit Biswas	General Manager – MTO	B. Sc.	October 15, 1998
7	Mrs. Shantha Martin D'souza	Assistant General Manager – Imports and Airfreight	B. Sc, MBA, PGD-Sys Dev.	March 1, 2002
8	Mr. Asif Mujawar	Assistant General Manager – Sales	B. Com.	September 1, 1993
9	Mr. Prabhakar Maniyan	Assistant General Manager – Sales	B. Com, Diploma in Intl. Mktg. & Export Mgmt.	March 13, 1995
10	Mr. Naveen Prakash	Regional Manager – Southern Region	B. Com.	March 1, 2000
11	Mr. Jiss Mathew	Regional Manager – East India and Nepal	B.Com, MBA	August 1, 1996
12	Mr. Shibu Paul	Senior Sales Manager	B. Com.	December 9, 2003
13	Mr. P.K. Raju	Branch Manager	B.E.	June 1, 1998
14	Ms. Sushma Debanath	Deputy Manager – Marketing	B.Com, MBA	November 22, 2000
15	Mr. Anthony Gomez	Senior Operations Manager	B. Sc., Diploma in NMIMS, NIIT.	August 2, 2004
16	Mr. Kuldeep Sharma	Sr. Manager – Exports	BA, DEIM.	November 5, 2000
17	Mr. Manuraj Gupta	Business Development Manager	B. Com, CA.	November 15, 1999
18	Mr. Tapash Choudhry	Branch Manager	B. Com, MBA.	April 1, 2004
19	Mrs. Rajshree Bhatt	Branch Manager	B. Sc, MIB.	July 18, 2003
20	Mr. Pawan Popli	Asst. Manager Marketing	B. Com.	February 1, 2001

The persons whose names appear as KMP are on the rolls of our Company as Employees. Employees of our Subsidiaries have not been included in the above list. There is no arrangement or understanding with major shareholders, customers, suppliers or others pursuant to which any person was selected as a member of senior management. None of the KMP has any relationship with our Promoters or our Directors.

The details of our KMP are as follows:

1. **Mr. Ashit Desai,** 46 years, Chief Operating Officer, is an engineer and holds a Masters of Business Administration ("MBA") degree from Indian Institute of Management- Ahmedabad and has about twenty years of work experience in various capacities. Prior to joining our Company, he had worked as a Chief Operating Officer with S2M Global LL C based in Dubai, UAE and Mexico for four years, managing the company's global business. Prior to joining S2M Global LL C, he had worked with Arvind Mills Ltd, Enterprise Division India, as a Chief Executive Officer looking after the development of business plans, organisation of project finances and strategic alliances. He has also worked with Nimbus Communications Ltd, India as a Senior Vice President, DCW Home Products Ltd, India as a Vice President and with Core Healthcare Ltd, India as a Vice President. At our Company he is in charge of the MTO business, the CFS projects, strategic planning and corporate affairs. His cost to the Company plus performance bonus and other benefits for the FY 2005-2006 is Rs. 3,058,000/- per annum.

2. **Mr. G. P. Sinha,** 46 years, Chief Executive Officer – Infrastructure Division and Global Change Management, is a Commerce graduate (Honours) from the University of Calcutta. He has a total work experience of 18 years in the shipping and logistics industry. Before joining Allcargo Global Logistics Limited, Mr. Sinha was designated as Director Sales – South Asia, for Maersk Line and Maersk Logistics. Mr. Sinha was employed with P&O Nedlloyd, India for 16 years. His cost to the Company plus performance bonus and other benefits for the FY 2006-2007 is Rs. 5,052,600 per annum.

3. **Mr. Jatin Chokshi,** 47 years, Financial Controller, is a commerce graduate, chartered accountant and a company secretary and a member of the Institute of Chartered Accountants of India. He has vast experience in the field of finance and accounts for the last twenty-three years. Initially he worked at J. M. Baxi & Co. as a senior executive for a period of thirteen years. Thereafter, he moved on to Real Value Appliances Ltd. as General Manager, Accounts. He has also served as Vice President (Finance and Accounts) with BASF, a German MNC, looking after accounts, audit, the setting up of systems for procurement, sales and credit policy, etc. His transition to our Company facilitated the integration of our financial activities. His cost to the Company plus performance bonus and other benefits for the FY 2005-2006 was Rs. 1,465,000/- per annum.

4. **Mr. Pramod Kokate,** 47 years, General Manager – CFS, is a science graduate and has a work experience of twenty-five years in the shipping industry. He started his career with Parekh Marine Agencies Private Ltd. (agents for Maritime Transport Overseas, Germany) and Bhoja Lines Private Ltd, Karachi, as a shipping assistant where he acquired knowledge of the operational procedures of break-bulk and containerised cargo handling. He also obtained experience in shipping documentation, claims, shipping tax etc. Thereafter, he moved to Madhav Lal and Company Private Ltd. as an operations executive, looking after the handling of containers, tanker traffic and vessel operations. Thereafter, he moved to James Mackintosh and Company Private Ltd. to work as a shipping executive. He has also worked with Forbes Gokak Ltd. PATVOLK (Patel Volkart) Division for four years as an executive before moving to Maersk India Private Limited, where he worked as a profit-center head and regional manager of operations looking after all CFS related matters, for a period of thirteen years. He heads the CFS operations of our Company and is responsible for the overall matters related to the CFS operations. His cost to the Company plus performance bonus and other benefits for the FY 2005-2006 was Rs. 2,213,000/- per annum.

5. **Mr. Narayan Shankar,** 35 years, General Manager – Commercial, is a science graduate, a MBA, a Member of Institute of Chartered Shipbrokers, London, is a Diploma Holder of International Air Transport Association (IATA) and Forwarders International Air Transport Association (FIATA) and has a Diploma under the IATA - Dangerous Goods Regulation (DGR). He has about twelve years of work experience in the liner shipping industry. His last assignment was as General Manager, Commercial, with IAL Container Line (India) Limited where he was looking after marketing and sales in IAL for around nine years. He has worked as Marketing Manager with Al Rais Shipping, Dubai looking after their marketing of Global Freight Forwarding activities. He has also worked as a marketing executive with Transworld Shipping Services Private Ltd.

In our Company, he is responsible for over-seeing documentation and customer support functions, sales, desk operations claims, carriers-own-container division, development of branches and franchisees, and the information technology systems of our Company. He also looks after Operations and Sales and the branch heads report to him. He is also responsible for the development of franchisees and Information Technology Systems of our Company. His cost to the Company plus performance bonus and other benefits for the FY 2005-2006 is Rs. 2,240,000/- per annum.

6. **Mr. Ajit Biswas,** 32 years, General Manager – MTO, is a science graduate, having work experience of over twelve years in the shipping industry. Having started his career in the travel and tourism industry, he subsequently moved into the liner shipping industry. He initially joined the Transworld Group of Companies where he acquired experience in various aspects of containerized and break bulk shipping in the field of operations and documentation. Thereafter, he went on to join NOL India Private Ltd. (a subsidiary of Neptune Orient Lines, Singapore) as Senior Executive, Operations and Sales, managing its containerized operations in the ports of Kolkata and Haldia and actively participating in export and import sales.

After spending five years in the liner shipping industry he moved into the Freight Forwarding industry initially with Freight Systems (India) Private Ltd. He was instrumental in the establishment of its Eastern Divisions (which included Kolkata and Nepal). He joined our Company in 1998 and successfully set up our Company's branch offices in the Eastern Region of Kolkata as the Regional Office overseeing operations in Nepal.

Having developed the Eastern Region, he moved to our Northern Region to manage, head and further develop, the Northern Region office at New Delhi including its satellite stations in the states of Rajasthan, Uttar Pradesh and Punjab. On developing these regions in a short span of two years, he has since moved to our corporate office in Mumbai as General Manager, MTO, and is responsible for the development of our business in the Western Region and the rest of India. His cost to the Company plus performance bonus and other benefits for the FY 2005-2006 was Rs.1,635,000/- per annum.

7. **Mrs. Shantha Martin D'souza,** 32 years, Assistant General Manager – Imports and Airfreight, is a science graduate and a MBA. She has a total work experience of eleven years. Prior to joining our Company she was the branch manager for Accor Corporate Services, a French MNC, at Bangalore looking after its operations in Karnataka and Kerala. She was responsible for corporate sales, marketing and development of networks of Accor Corporate Services. She also worked as the National Accounts Manager for Reed Elsevier Group Plc a UK based firm.

At present, she is heading the imports for our Company all over India including sales and operations, direct marketing and airfreight sales. Her cost to the Company plus performance bonus and other benefits for the FY 2005-2006 was Rs. 1,008,000/- per annum.

8. **Mr. Asif Mujawar,** 33 years, Assistant General Manager – Sales, is a commerce graduate and has done his Masters in Computer Science. He has a total work experience of twelve years. He initially worked with Parekh Marine Agencies Private Ltd. (agents in India for Cho Yang Line) and International Container Feeder Services (ICFS) serving the India-Gulf trade lane, where he was in charge of slot bookings which involved interacting with major shipping lines and NVOCC's. Mr. Mujawar has been working with our Company for the last ten years. At present he is working in the capacity of Assistant General Manager and looks after our Company's LCL consolidation business. He has a good standing in the shipping and forwarding community in Mumbai. His cost to the Company plus performance bonus and other benefits for the FY 2005-2006 was Rs.1,126,000/- per annum.

9. **Mr. Prabhakar Maniyan,** 38 years, Assistant General Manager – Sales, is a Commerce graduate and also a diploma holder in international marketing & export management. He has a total work experience of seventeen years. Prior to joining our Company, he worked with R. Rajan & Co., a medium sized custom house agent, as a manager, looking after sales and marketing, for a period of five years. Mr. Maniyan has been employed with our Company for the last twelve years, as a Sales and Customer Service Manager. At present he looks after our LCL sales for operations and services in the Europe Sector. His cost to the Company plus performance bonus and other benefits for the FY 2005-2006 was Rs. 910,000/- per annum.

10. **Mr. Naveen Prakash,** 31 years, Regional Manager, is a commerce graduate and has a total work experience of 10 years. He started his career with Freight Systems India Private Ltd. as a sales executive, looking after its sales at Chennai. Thereafter he moved to AGIL Freight India Private Ltd. to work as a sales manager and was responsible for its sales in Chennai. He is based in Chennai and as the Regional Manager – Southern Region of our Company, is heading and supervising our branches located in Tuticorin, Hyderabad, Bangalore and franchisees located at Tirupur, Karur, Salem. His cost to the Company plus performance bonus and other benefits for the FY 2005-2006 was Rs. 742,000/- per annum.

11. **Mr. Jiss Mathew,** 33 years, Regional Manager, East India and Nepal, holds a MBA degree from SIBER School of Management, Shivaji University, Kolhapur and has work experience of ten years. He joined our Company as a management trainee and went on to handle the sale functions of our Company. Having gained a foothold in our Company, he handled sales functions for the Australia and New Zealand sector. He was instrumental in launching direct LCL groupage to Australia and New Zealand from Mumbai. He also handled the Africa trade lane where he launched a direct service to Cape Town. As the head of department of Sales for the Australia and New Zealand sector at Mumbai, Mr. Mathew led a team of trainees as well as other team members to increase the cargo volumes of our Company. Presently, he is the incharge of Eastern Region, which includes Kolkata, Nepal and Jamshedpur. His cost to the Company plus performance bonus and other benefits for the FY 2005-2006 was Rs. 824,000/- per annum.

12. **Mr. Shibu Paul,** 33 years, Senior Manager, Sales, holds a Bachelor of Commerce degree. He has total work experience of thirteen years. He started his career with RJ Gandhi and Sons, freight brokers as an executive and thereafter moved on to the liner industry joining Seabridge Maritime Agencies Private Limited. He also worked with CMT (Bombay) Private Limited, a JM Baxi Group company, LCL Agencies Private Limited and Acquarius Logistics Private Limited prior to joining our Company.

He has varied experience, both in the liner industry and NVOCC/ consolidation industry. As a Senior Manager- Sales, he is in charge of our overall FCL sales. His cost to the Company plus performance bonus and other benefits for the FY 2005-2006 was Rs. 863,000/- per annum.

13. **Mr. P. K. Raju,** 56 years, Branch Manager, is an engineer and has work experience of thirty two years. Prior to joining our Company he worked with Giovanola Binny Ltd. an engineering company for eight years and subsequently as project manager with Natvar Parikh Industries Ltd. (NPIL) for eighteen years where he also helped in the establishment of the NVOCC division for NPIL in Cochin. Subsequently, he headed the Forwarding Division for NPIL in Cochin. At present he is our Company's Branch Manager at Cochin. His cost to the Company plus performance bonus and other benefits for the FY 2005 -2006 was Rs. 737,000/- per annum.

14. **Ms. Sushma Debanath,** 31 years, Deputy Manager – Marketing, is a MBA and has a total work experience of ten years in the shipping industry. She began her career in the customer service department at Festo Controls Ltd. to cater to the needs of walk-in customers. She has also worked as a customer support executive at Clock Work Cargo Express Private Ltd. which is a division of Patel Roadways. Thereafter she joined Freight Systems India Private Limited as a customer service executive. At our Company she began her career in Customer Service for both exports and imports departments, subsequently moving on to marketing – imports. She has been with our Company for the last five years and is presently heading our branch at Bangalore. Her cost to the Company plus performance bonus and other benefits for the FY 2005-2006 was Rs. 360,000/- per annum.

15. **Mr. Antony Gomez,** 45 years, Senior Operations Manager, is a science graduate, and holds a diploma in Marketing Management from NMIMS and a Computer Applications Diploma from NIIT. He has a total work experience of twenty four years in the shipping industry. Having started his career with Ardeshir B. Cursetjee and Sons (ABC and Sons Group) Stevedores, he gained a great deal of insight into liner shipping, port and custom related procedures. He has worked with companies like Merzario Shipping Agencies Private Ltd. (agents in India for Merzario Maritime), Killick Nixon Ltd. (agents in India for Ellerman Line Ltd. United Kingdom), POL (I) Agencies Private Ltd. (agents for Polish Ocean Lines) and Barwil Forbes Shipping Services Private Ltd.

He has substantial experience in handling tank containers which require specialized skills with regard to loading / unloading and stowing. He also has experience in handling passenger vessels and crew management.

At present he is heading our Company's Operations Department and is stationed at the CFS of CONCOR, DRT. His cost to the Company plus performance bonus and other benefits for the FY 2005-2006 was Rs. 654,000/- per annum.

16. **Mr. Kuldeep Sharma,** 31 years, Senior Manager – Exports, is an arts graduate and holds a diploma in import-export management. He has ten years work experience in FCL freight forwarding, LCL consolidation business. Since 1995 he worked as a marketing executive with companies like Sitara Shipping, Allcargo Movers (North) Private Ltd presently known as Alltrans Port Management Private Limited and EMU Lines Private Limited.

At present he heads the export division of our Company and is responsible for activities in operations, documentation, customers support desk and sales department. His cost to the Company plus performance bonus and other benefits for the FY 2005-2006 was Rs. 625,000/- per annum.

17. **Mr. Manuraj Gupta,** 30 years, Business Development Manager, is a commerce graduate and a Chartered Accountant and has a total work experience of eight years. He has earlier worked as an accounts manager with BT Technet Ltd. Having acquired substantial experience in the trade, he joined our Company and went on to head our import sales, documentation and export documentation activities. He also looks after our business development activities in Northern Region. His cost to the Company plus performance bonus and other benefits for the FY 2005-2006 was Rs. 658,000/- per annum.

18. **Mr. Tapash Choudhury,** 35 years, Branch Manager, is a Commerce graduate and a MBA and has a total work experience of nine years. He started his career at APL India Private Ltd. (agent of American President Lines) as their sales and marketing executive at Kanpur, where he worked for two years. He then moved to Freight Systems India Private Ltd. to work as their branch manager at Kanpur for four years. As the Branch Manager of our Kanpur Branch, he is responsible for sales, operations and other functions of our branch. He also has a sound knowledge of the market conditions at Kanpur and commands a good rapport in the shipping and exporting community there. His cost to the Company plus performance bonus and other benefits for the FY 2005-2006 was Rs. 420,000/- per annum.

19. **Mrs. Rajshree Bhatt,** 28 years, Branch Manager, is a Science graduate and has done her Masters in International Business and has a work experience of five years. She started her career with Kutch Shipping Agencies, Indore in the year 2000 as a marketing executive, handling its marketing activities and business development. In 2001, she joined Accord Freight Lines (India) Pvt Ltd, Jaipur as a branch coordinator, where she successfully established a new branch office and introduced the company to the market. She has been working with our Company since 2003 as branch manager, looking after its marketing activities in Jaipur and Jodhpur. Her cost to the Company plus performance bonus and other benefits for the FY 2005-2006 was Rs. 297,000/- per annum.

20. **Mr. Pawan Popli,** 28 years, Assistant Manager – Marketing, is a commerce graduate and has been working with our Company since three years as an assistant manager – marketing. He has a substantial knowledge of the market conditions at Moradabad and he looks after our marketing activities there. His cost to the Company plus performance bonus and other benefits for the FY 2005-2006 was Rs. 240,000/- per annum.

Shareholding of our KMP in our Company

Except as stated below, currently none of our KMP holds any Equity Shares in our Company:

Name of KMP	No. of shares held
Mr. Jatin Chokshi	1,750

Bonus or Profit Sharing Plan for the KMP

We pay bonus subject to and in accordance with the provisions of the Payment of Bonus Act, 1972 to our KMP. Over and above the minimum bonus, which forms a part of the cost to our Company, Employees of our Company are entitled to a performance bonus. This bonus is purely based on the efforts and performance of the individual Employee. Our Company follows a scientific method for evaluating performance using the Management By Results ("MBR") tool.

The MBR tool works around the job profile of each individual Employee, converting the detailed job profile into broad based goals in the order of the importance of tasks assigned to him / her in his / her area of function.

Each and every goal is given a weightage and the sum total of the weight of the goals is 100. Depending on the results to be achieved the goals are rated within themselves and achievement is measured on a 1 – 10 scale.

The performance appraisal is done on a periodic basis wherein the score attained is arrived at and is used as a base for the performance bonus.

Changes in our KMP during the last three years

Name of KMP	Position held	Date of appointment (as applicable)	Date of change	Reason
Mr. Nityam Khosla	Vice President	-	July 18, 2005	Resigned
Mr. Vivek Kele	General Manager	-	July 18, 2005	Resigned
Mr. Ashit S Desai	Chief Operating Officer	June 21, 2005	-	Appointed
Mr. Narayan Shankar	General Manager – Commercial	July 4, 2005	-	Appointed
Mr. Antony Gomez	Senior Operations Manager	August 2, 2004	-	Appointed
Mr. Rana Chakraborty	Branch Manager	-	January 14, 2006	Resigned
Capt. Rajesh P V	Assistant General Manager	-	September 30, 2003	Resigned
Mr. M Y Ganesh	Regional Manager	-	October 21, 2003	Resigned

Name of KMP	Position held	Date of appointment (as applicable)	Date of change	Reason
Capt. Anil Ratra	Regional Manager	-	October 15, 2003	Resigned
Mr. Shibu Paul	Senior Manager – Sales	December 9, 2003	-	Appointed
Mr. G. P. Sinha	Chief Execuive Officer – Infrastructure Division and Global Change Management	April 17, 2006	-	Appointed
Ms. Rajashree Bhatt	Branch Manager	July 18, 2003	-	Promoted from Assistant Manager to Deputy Manager
Mrs. Shantha Martin D'souza	Assistant General Manager Imports	March 1, 2002	-	Promoted from Corporate Manager to Assistant General Manager
Mr. Naveen Prakash	Regional Manager – Southern Region	March 1, 2000	-	Promoted from Branch Manager to Regional Manager
Ms. Sushma Debanath	Deputy Manager – Marketing	November 22, 2000	-	Promoted from Assistant Manager to Deputy Manager Marketing
Mr. Pawan Popli	Asst. Manager – Marketing	February 1, 2001	-	Promoted from Executive to Assistant Manager
Mr. Ajit Biswas	General Manager – MTO	October 15, 1998	-	Promoted from Regional Manager to General Manager – MTO
Mr. Jiss Mathew	Regional Manager – East India and Nepal	August 1, 1996	-	Promoted from Sales Manager to Branch Manager

Employees Stock Option Scheme

For details pertaining to our Company's Employees Stock Option Scheme, please refer to page 29 of the Red Herring Prospectus.

Payment of Benefit to Employees of our Company:

- Contribution to ESIC for the employees covered under ESIC
- Personal Accident Policy for non-ESIC covered employees
- Mediclaim Policy for sub-staff
- Interest subsidy on Housing Loan availed
- Free health check-up by visiting Doctor Fortnightly
- All eligible employees are covered under Workmen Compensation Policy
- All employees are covered under Employees Provident Fund and Miscellaneous Provisions Act, 1952.
- Provision for free residential and canteen facilities to staff working at sites.
- Mediclaim insurance to employees, including their Family members.
- In an unfortunate event if an employee passes away while in service, for whatever reasons, as per company's policy a minimum of Rs.25,000/- is paid to legal heir of the deceased employee.
- Subsidised Meal and Snack facility.

Keyman Insurance Policy

Our Company has in place a keyman insurance policy with the Life Insurance Corporation of India (Jeevan Shree-I) in favour of Mr. Jatin J. Chokshi, one of our KMP. The date of commencement is April 1, 2004. The sum assured under the policy is Rs. 1,000,000/- and the premium is payable on an annual basis. The date of maturity of the policy is April 1, 2014.

OUR PROMOTER AND PROMOTER GROUP COMPANIES

Our Promoter, 48 years, holds a Bachelor of Commerce degree. He started his career in the logistics industry in 1978 with Intermodal Transport and Trading Systems Private Limited, Mumbai. Subsequently, he moved to Forbes Gokak, a TATA Group Company where he gained experience in port operations. In 1982 he set up Transindia Freight Services, a transportation company catering to liner shipping services. Subsequently, he formed Transindia Freight Services Private Limited in the year 1995 which catered to the Liner Shipping Industry and went on to provide container and project related transportation services to various exporters and importers. His experience in these firms were in the area of complete door-to-door solutions.

Having gained expertise, he commenced freight forwarding and consolidation activities, catering to exporters by working closely with various agents worldwide, for ensuring handling and delivery of cargo at its destination in an efficient manner. He was instrumental in our Company being appointed as general agents in India for ASIA Lines Ltd., a Mauritius based NVOCC.

Our Promoter joined hands with Ecu Line NV in 1995 and set up offices and franchisees across the country, thereby expanding the MTO business across the country. With the Government having opened up the CFS activities to the private sector, our Promoter's foresight led him to set up the CFS activity in the year 2003.

He has served as Ex. Trustee of Mumbai Port Trust and is presently the Vice Chairman of the Association of Multimodal Transport Operators of India (AMTOI). His voter ID number is MT/08/036/196033 and his driving licence number is 88/37545

We confirm that the PAN, bank account number and passport number of our Promoter have been submitted to the BSE and NSE at the time of filing of this Red Herring Prospectus with them.

Common Pursuits

There are no common pursuits between our Promoter and our Company.

Particulars of the nature and interest of Promoter

Our Promoter is a significant majority shareholder of our Company, holding 79.71% of our pre-Issue Equity Share capital. Our Promoter may therefore be deemed to be interested to the extent of dividend, if any, that may be declared by our Company.

Our Company has entered into a long term lease deed, dated April 1, 2006, with Mr. Shashi Kiran Shetty and Mrs. Arathi Shetty (lessors) in respect of our CFS land, admeasuring 8.317 acres, located at Koproli, Uran Taluka, Raigad District. As per the said lease deed, our Company has paid a one-time lease premium of Rs. 124,755,000 to the lessors for lease of the above land for a period of thirty years.

Our Company has entered into a leave and licence agreement dated April 1, 2006 with Mr. Shashi Kiran Shetty and Mrs. Arathi Shetty (licensors) for land admeasuring approximately 11.429 acres, situated near to the abovementioned CFS for a period of sixty months. Further our Company has an option to extend the said leave and licence for a longer term by way of a lease, Our Company has paid an interest free refundable deposit of Rs. 85,717,500/- and in addition a monthly licence compensation of Rs. 1,500,000/- is payable to the licensors.

Apart from above and as stated in the Related Party Transaction appearing on page 142 of this Red Herring Prospectus our Promoter has no interest in our Company.

Payment or Benefits to Promoter

Other than the remuneration, commission and perquisites payable to our Promoter, as disclosed on page 109 of the Red Herring Prospectus, he has not been paid any other benefits or emoluments.

Our Promoter Group Companies

1. Transindia Freight Services Private Ltd. (TFSPL):

TFSPL was incorporated on December 28, 1995 to carry on the business as international freight forwarder, transport contractor, multimodal transport operator, shipping agent and owns various transport equipments. At present TFSPL is engaged in the business of transportation of ISO containers by road to and fro factories / warehouse of shippers, transportation of empty / full containers to CFS / Ports and also handling of ODC, project cargo and base management of oil drilling companies in India. Our Company leases out certain container handling equipment to TFSPL and also hires vehicles and equipment from TFSPL on a need basis and vice-versa.

Shareholding Pattern:

The shareholding pattern of TFSPL as on March 31, 2006 is as follows:

Sr. No.	Name of the shareholder	No. of shares	% of holding
1	Mr. Shashi Kiran Shetty	402,700	99.19%
2	Mrs. Arathi Shetty	3,300	0.81%
	Total	**406,000**	**100.00%**

Board of Directors:

The board of directors of TFSPL comprises of:

Name	Designation
Mr. Shashi Kiran Shetty	Chairman and Managing Director
Mrs. Arathi Shetty	Director
Mr. Umeshkumar Shetty	Director
Mr. Adarsh Hegde	Director

Financial Performance:

The brief audited financial details of TFSPL for the last 3 years are as under:

(Rs. 000)

Particulars	March 31, 2005	March 31, 2004	March 31, 2003
Operating Income	341,208	225,259	216,250
Other Income	16,073	6,031	6,436
Total income	**357,281**	**231,290**	**222,686**
Profit after tax	27,747	8,857	10,769
Equity share capital (FV Rs. 10/-)	4,060	4,060	4,060
Reserves (excluding revaluation reserve)	90,753	62,755	53,898
Networth (excluding revaluation reserve)	94,809	66,808	57,947
Earning per share (Rs.)	68.34	21.82	26.53
Net asset value per share (Rs.)	233.52	164.55	142.73

2. TransNepal Freight Services Private Ltd. (TNFSPL):

TNFSPL is incorporated in Nepal with a view to manage and operate two ICDs at Biratnagar and Bhairahawa. TNFSPL has taken these ICDs on lease from Nepal Intermodal Transport Development Board (a Government of Nepal Enterprise) for a period of ten years commencing from March 20, 2002. The prime objective of developing these ICDs is to take advantage of Nepal's growing international trade as well as to encourage speedy containerised cargo movement to and from the country.

Shareholding Pattern:

The shareholding pattern of TNFSPL as on March 31, 2006 is as follows:

Sr. No.	Name of the shareholder	No. of shares	% of holding
1	Transindia Freight Services Private Ltd.	21,800	50.00%
2	Mr. Bhim Raj Joshi	7,267	16.67%
3	Mr. Mukesh Kumar Rathi	7,267	16.67%
4	Mr. Satya Narayan Rathi	7,267	16.66%
	Total	**43,601**	**100.00%**

Board of Directors:

The board of directors of TNFSPL comprises of:

Name	Designation
Mr. Shashi Kiran Shetty	Chairman
Mr. Mukesh Kumar Rathi	Managing Director
Mr. Satya Narayan Rathi	Director
Mr. Bhimraj Joshi	Director

Financial Performance:

The brief audited financial details of TNFSPL for the last 3 years is as under:

(Rs. 000)

Particulars	July 15, 2005	July 15, 2004	July 15, 2003
Operating Income	21,734	20,183	21,212
Other Income	442	-	-
Total Income	**22,176**	**20,183**	**21,212**
Profit after Tax	1,024	393	1,016
Equity Share Capital	2,740	2,790	2,791
Reserves (excl. Revaluation Reserve)	2,461	1,531	1,136
Networth (excl. Revaluation Reserve)	5,181	4,280	3,867
Earnings per share (Rs.)	23.50	9.01	23.30
Net Asset Value per Share (Rs.)	118.83	98.16	88.69

3. Jupiter Machines Private Ltd. (JMPL):

JMPL was incorporated on July 21, 1983 in Mumbai to carry on the business of mechanists, fitters, founders, tube makers, metallurgists, saddlers, galvanisers, enamellers, electro-platters and packing case makers.

At present JMPL owns commercial premises in Fort, Mumbai and derives its income from rent and lease charges. JMPL is also actively involved in trading in shares and stocks and lending short term funds in the nature of inter corporate deposits to our Promoter Group companies. JMPL has two subsidiaries, Allnet Infotech Private Ltd and Sealand Cranes Private Ltd.

Shareholding Pattern:

The shareholding pattern of JMPL as on March 31, 2006 is as follows:

Sr. No.	Name of the shareholder	No. of shares	% of holding
1	Mr. Shashi Kiran Shetty	6,980	69.80%
2	Mr. Shashi Kiran Shetty (HUF)	2,020	20.20%
3	Mrs. Arathi Shetty	1,000	10.00%
	Total	**10,000**	**100.00%**

Board of Directors:

The board of directors of JMPL comprises of:

Name	Designation
Mr. Shashi Kiran Shetty	Director
Mrs. Arathi Shetty	Director

Financial Performance:

The brief audited financial details of JMPL for the last 3 years is as under:

(Rs. ,000)

Particulars	March 31, 2005	March 31, 2004	March 31, 2003
Operating Income	22,901	16,698	47,872
Other Income	9,043	10,025	8,081
Total income	**31,944**	**26,723**	**55,953**
Profit after tax	4,638	4,864	3,808
Equity share capital (FV Rs. 100/-)	1,000	1,000	1,000
Reserves (excluding revaluation reserve)	23,822	19,184	14,321
Networth (excluding revaluation reserve)	24,820	20,181	15,315
Earning per share (Rs.)	463.81	486.36	380.79
Net asset value per share (Rs.)	2,482.05	2,018.07	1,531.54

4. Sealand Cranes Private Ltd. (SCPL):

SCPL was incorporated on November 29, 1988 to carry on the business of clearing and forwarding agents, charterers, tour agents, freight contractors and to own huge equipments such as heavy cranes, forklifts and earth moving equipments. Presently SCPL owns commercial premises in Diamond Square, Kalina and earns its income from the leasing of its commercial property to our Company.

SCPL is a wholly owned subsidiary of JMPL.

Shareholding Pattern:

The shareholding pattern of SCPL as on March 31, 2006 is as follows:

Sr. No.	Name of the shareholder	No. of shares	% of holding
1	Jupiter Machines Private Ltd.	998	99.80%
2	Jupiter Machines Private Ltd. jointly with Mr. Shashi Kiran Shetty	1	0.10%
3	Jupiter Machines Private Ltd. jointly with Mrs. Arathi Shetty	1	0.10%
	Total	**1,000**	**100.00%**

Board of Directors:

The board of directors of SCPL comprises of:

Name	Designation
Mr. Shashi Kiran Shetty	Director
Mrs. Arathi Shetty	Director

Financial Performance:

The brief audited financial details of SCPL for the last 3 years are as under:

(Rs. ,000)

Particulars	March 31, 2005	March 31, 2004	March 31, 2003
Operating Income	-	-	-
Other Income	4,469	4,513	1,700
Total income	**4,469**	**4,513**	**1,700**
Profit after tax	1,614	1,953	601
Equity share capital (FV Rs.100/-)	100	100	100
Reserves (excluding revaluation reserve)	5,613	3,999	2,045
Networth (excluding revaluation reserve)	5,713	4,099	2,145
Earning per share (Rs.)	1,613.71	1,953.38	601.07
Net asset value per share (Rs.)	5,712.52	4,098.81	2,145.45

5. Allnet Infotech Private Ltd. (AIPL):

AIPL was incorporated on March 7, 2001 to carry on the business of IT, Software development, Data processing and to set up an agency for hire, sale, maintenance and installation of computers and software. Presently AIPL is engaged in the business of leasing of commercial property. AIPL owns premises in Diamond Square, Kalina, which it has leased to our Company. AIPL is a wholly owned subsidiary of JMPL.

Shareholding Pattern:

The shareholding pattern of AIPL as on March 31, 2006 is as follows:

Sr. No.	Name of the shareholder	No. of shares	% of holding
1	Jupiter Machines Private Ltd.	9,998	99.98%
2	Jupiter Machines Private Ltd. jointly with Mr. Shashi Kiran Shetty	1	0.01%
3	Jupiter Machines Private Ltd. jointly with Mrs. Arathi Shetty	1	0.01%
	Total	**10,000**	**100.00%**

Board of Directors:

The board of directors of AIPL comprises of:

Name	Designation
Mr. Shashi Kiran Shetty	Director
Mrs. Arathi Shetty	Director

Financial Performance:

The brief audited financial details of AIPL for the last 3 years is as under:

(Rs. ,000)

Particulars	March 31, 2005	March 31, 2004	March 31, 2003
Operating Income	-	-	-
Other Income	3,914	3,919	633
Total income	**3,914**	**3,919**	**633**
Profit after tax	1,683	1,658	74
Equity share capital (FV Rs.10/-)	100	100	100
Reserves (excluding revaluation reserve)	3,446	1,764	106
Networth (excluding revaluation reserve)	3,510	1,792	98
Earning per share (Rs.)	168.26	165.79	7.40
Net asset value per share (Rs.)	351.04	179.18	9.80

6. Transindia Freight Private Ltd. (TFPL):

TFPL was incorporated on September 27, 1996 to carry on the business as international freight forwarder, multimodal transport operator, commission agent and to own a fleet of transport equipments. Presently TFPL has premises in Pali Hill, Bandra and it has leased the same to our Company and earns rental income on the same.

Shareholding Pattern:

The shareholding pattern of TFPL as on March 31, 2006 is as follows:

Sr. No.	Name of the shareholder	No. of shares	% of holding
1	Mr. Shashi Kiran Shetty	39,800	79.60%
2	Mrs. Arathi Shetty	10,200	20.40%
	Total	**50,000**	**100.00%**

Board of Directors:

The board of directors of TFPL comprises of:

Name	Designation
Mr. Shashi Kiran Shetty	Director
Mrs. Arathi Shetty	Director

Financial Performance:

The brief audited financial details of TFPL for the last 3 years are as under:

(Rs. ,000)

Particulars	March 31, 2005	March 31, 2004	March 31, 2003
Operating Income	-	-	-
Other Income	1,045	885	300
Total income	**1,045**	**885**	**300**
Profit after tax	485	359	463
Equity share capital (FV Rs.10/-)	500	500	500
Reserves (excluding revaluation reserve)	858	374	18
Networth (excluding revaluation reserve)	1,352	865	507
Earning per share (Rs.)	9.69	7.19	9.27
Net asset value per share (Rs.)	27.03	17.30	10.15

Note :

1. PAT for the year 2002-03 includes a sum of Rs. 466,464/-, being write back value of assets.
2. During the year 2002-03 the company has changed method of depreciation from Written Down Value method to Straight Line Method. Hence, the net loss for the company is lower by Rs. 207,178/-.

7. Allcargo Movers (Bombay) Private Ltd. (AMPL):

AMPL was incorporated on August 6, 1996 to carry on the business of international freight forwarding, multimodal transport operator, clearing and shipping agents and owning a fleet of equipments. AMPL has premises in Pali Hill, Bandra, Mumbai and it has leased the same to our Company, and earns a rental income on the same.

Shareholding Pattern:

The shareholding pattern of AMPL as on March 31, 2006 is as follows:

Sr. No.	Name of the shareholder	No. of shares	% of holding
1	Mr. Shashi Kiran Shetty	3,900	78.00%
2	Mrs. Arathi Shetty	1,100	22.00%
	Total	**5,000**	**100.00%**

Board of Directors:

The Board of AMPL comprises of:

Name	Designation
Mr. Shashi Kiran Shetty	Director
Mrs. Arathi Shetty	Director

Financial Performance:

The brief audited financial details of AMPL for the last 3 years are as under:

(Rs. ,000)

Particulars	March 31, 2005	March 31, 2004	March 31, 2003
Operating Income	-	-	-
Other Income	1,273	1,281	300
Total income	**1,273**	**1,281**	**300**
Profit after tax	622	594	499
Equity share capital (FV Rs.100/-)	500	500	500
Reserves (excluding revaluation reserve)	1,194	573	(18)
Networth (excluding revaluation reserve)	1,681	1,056	461
Earning per share (Rs.)	124.34	118.78	99.89
Net asset value per share (Rs.)	336.26	211.11	92.14

Notes:

1. The PAT for the year ended March 31, 2003 includes Rs. 512,744/- being write back in the value of assets due to change in the method of depreciation followed by the company.
2. During the year 2002-03, the company has changed the method of depreciation from Written Down Value method to Straight Line Method and hence the net loss for the company is lower by Rs. 227,733/-.

8. Allcargo Shipping Services Private Ltd.: (ASSPL)

ASSPL was incorporated on February 11, 1991 in the name of Honest Distributors Private Ltd. to carry on the business of trading in brewer and maltsters. On July 22, 1997, its name was changed to ASSPL.

At present ASSPL has tenancy rights in property at Ballard Estate, Mumbai and has given these premises on Leave and License basis to our Company on rental basis.

Shareholding Pattern:

The shareholding pattern of ASSPL as on March 31, 2006 is as follows:

Sr. No.	Name of the shareholder	No. of shares	% of holding
1	Mr. Shashi Kiran Shetty	1,500	3.75%
2	Mrs. Arathi Shetty	19,500	48.75%
3	N. R. Holdings Private Ltd.	19,000	47.50%
	Total	**40,000**	**100.00%**

Board of Directors:

The Board of ASSPL comprises of:

Name	Designation
Mr. Shashi Kiran Shetty	Director
Mrs. Arathi Shetty	Director

Financial Performance:

The brief audited financial details of ASSPL for the last 3 years is as under:

(Rs. ,000)

Particulars	March 31, 2005	March 31, 2004	March 31, 2003
Operating Income	-	-	-
Other Income	560	792	960
Total income	**560**	**792**	**960**
Profit after tax	204	310	129
Equity share capital (FV Rs. 10/-)	400	400	400
Reserves (excluding revaluation reserve)	519	316	6
Networth (excluding revaluation reserve)	919	716	406
Earning per share (Rs.)	5.10	7.76	3.24
Net asset value per share (Rs.)	22.98	17.90	10.14

9. Avadh Marketing Private Ltd.: (Avadh)

Avadh was incorporated on February 8, 1991 to carry on the business of brewers, maltsters, wine and spirit merchants and importers.

At present Avadh has tenency rights in property at Ballard Estate and has given these premises on Leave and License basis to our Company on rental basis.

Shareholding Pattern:

The shareholding pattern of Avadh as on March 31, 2006 is as follows:

Sr. No.	Name of the shareholder	No. of shares	% of holding
1	Mr. Shashi Kiran Shetty	3,100	1.55%
2	Mrs. Arathi Shetty	800	0.40%
3	Allcargo Shipping Services Private Ltd.	98,100	49.05%
4	N. R. Holdings Private Ltd.	98,000	49.00%
	Total	**2,00,000**	**100.00%**

Board of Directors:

The Board of Avadh comprises of:

Name	Designation
Mr. Shashi Kiran Shetty	Director
Mrs. Arathi Shetty	Director

Financial Performance:

The brief audited financial details of Avadh for the last 3 years are as under:

(Rs. ,000)

Particulars	March 31, 2005	March 31, 2004	March 31, 2003
Operating Income	-	-	-
Other Income	584	802	960
Total income	**584**	**802**	**960**
Profit after tax	307	390	96
Equity share capital (FV Rs.10/-)	2,000	2,000	2,000
Reserves (excluding revaluation reserve)	663	356	(34)
Networth (excluding revaluation reserve)	2,663	2,356	1,966
Earning per share (Rs.)	1.53	1.95	0.48
Net asset value per share (Rs.)	13.31	11.78	9.83

10. Contech Estate Private Ltd.: (CEPL)

CEPL was incorporated on August 16, 2004 to carry on the business as builders, contractors and real estate developers.

CEPL has business premises in Delhi and presently the same has been leased to our Company's branch at Delhi.

Shareholding Pattern:

The shareholding pattern of CEPL as on March 31, 2006 is as follows:

Sr. No.	Name of the shareholder	No. of shares	% of holding
1	Mr. Shashi Kiran Shetty	5,000	50.00%
2	Mrs. Arathi Shetty	5,000	50.00%
	Total	**10,000**	**100.00%**

Board of Directors:

The Board of CEPL comprises of:

Name	Designation
Mr. Shashi Kiran Shetty	Director
Mr. Arathi Shetty	Director

Financial Performance:

The brief audited financial details of CEPL for the last year is as under:

(Rs. ,000)

Particulars	March 31, 2005
Operating Income	63
Other Income	-
Total income	**63**
Profit after tax	(470)
Equity share capital (FV Rs. 10/-)	100
Reserves (excluding revaluation reserve)	(470)
Networth (excluding revaluation reserve)	(394)
Earning per share (Rs.)	(47.01)
Net asset value per share (Rs.)	(39.38)

Note: Since CEPL was incorporated in the financial year 2004–2005, previous years financial data is not there.

11. N. R. Holdings Private Ltd.: (NRHPL)

NRHPL was incorporated in Calcutta on September 13, 1993 to carry on the business of an investment company, real estate development, and corporate consultancy.

At present NRHPL has tenency rights in property at Ballard Estate, Mumbai and leases out this commercial premise together with/without business infrastructure to enterprises for a monthly service charge.

Shareholding Pattern:

The shareholding pattern of NRHPL as on March 31, 2006 is as follows:

Sr. No.	Name of the shareholder	No. of shares	% of holding
1	Mr. Shashi Kiran Shetty	1,000	45.45%
2	Mrs. Arathi Shetty	1,200	54.55%
	Total	**2,200**	**100.00%**

Board of Directors:

The Board of NRHPL comprises of:

Name	Designation
Mr. Shashi Kiran Shetty	Director
Mrs. Arathi Shetty	Director

Financial Performance:

The brief audited financial details of the company for the last 3 years is as under:

(Rs. ,000)

Particulars	March 31, 2005	March 31, 2004	March 31, 2003
Operating Income	-	-	-
Other Income	393	737	1,045
Total income	**393**	**737**	**1,045**
Profit after tax	215	346	198
Equity share capital (FV Rs. 10/-)	22	22	22
Reserves (excluding revaluation reserve)	791	577	231
Networth (excluding revaluation reserve)	813	599	253
Earning per share (Rs.)	97.61	157.26	89.81
Net asset value per share (Rs.)	369.71	272.10	114.84

12. Prominent Estate Holdings Private Ltd.: (PEHPL)

PEHPL was incorporated on February 8, 2001 to carry on the business of development of real estate and leasing out property/ premises. PEHPL has not yet commenced its proposed business of property development.

Shareholding Pattern:

The shareholding pattern of PEHPL as on March 31, 2006 is as follows:

Sr. No.	Name of the shareholder	No. of shares	% of holding
1	Mr. Shashi Kiran Shetty	500	50.00%
2	Mrs. Arathi Shetty	500	50.00%
	Total	**1,000**	**100.00%**

Board of Directors:

The Board of PEHPL comprises of:

Name	Designation
Mr. Shashi Kiran Shetty	Director
Mrs. Arathi Shetty	Director

Financial Performance:

The brief audited financial details of PEHPL for the last 3 years are as under:

(Rs. '000)

Particulars	March 31, 2005	March 31, 2004	March 31, 2003
Total income	NIL	NIL	NIL
Profit after tax	NIL	NIL	NIL
Equity share capital (FV Rs.100/-)	100	100	100
Reserves (excluding revaluation reserve)	NIL	NIL	NIL
Networth (excluding revaluation reserve)	99	98	96
Earning per share (Rs.)	NIL	NIL	NIL
Net asset value per share (Rs.)	98.78	97.55	96.33

13. Alltrans Port Management Private Ltd. (Alltrans):

Alltrans was incorporated on May 24, 1995 under the name of Allcargo Movers (North) Private Ltd., to carry on the business of ship and air agents, custom clearing agents, surveyors, freight forwarders and tour and travel agent.

The name of Allcargo Movers (North) Private Ltd. was later changed to Alltrans with effect from Aug 11, 2003. Alltrans was earlier into freight forwarding and NVOCC business prior to our Company setting up their own branch in Delhi. Currently Alltrans is not doing any business.

Shareholding Pattern:

The shareholding pattern of Alltrans as on March 31, 2006 is as follows:

Sr. No.	Name of the shareholder	No. of shares	% of holding
1	Mr. Shashi Kiran Shetty	4,850	48.50%
2	Mrs. Arathi Shetty	4,850	48.50%
3	Allcargo Global Logistics Ltd.	100	1.00%
4	Sealand Holdings Private Ltd.	200	2.00%
	Total	**10,000**	**100.00%**

Board of Directors:

The Board of Alltrans comprises of:

Name	Designation
Mr. Shashi Kiran Shetty	Director
Mrs. Arathi Shetty	Director

Financial Performance:

The brief audited financial details of Alltrans for the last 3 years are as under:

(Rs. '000)

Particulars	March 31, 2005	March 31, 2004	March 31, 2003
Total income	NIL	NIL	NIL
Profit after tax	(21)	(10)	(12)
Equity share capital (FV Rs. 10/-)	100	100	100
Reserves (excluding revaluation reserve)	(58)	(37)	(27)
Networth (excluding revaluation reserve)	42	62	70
Earning per share (Rs.)	(2.11)	(0.98)	(1.17)
Net asset value per share (Rs.)	4.21	6.18	7.01

14. Alltrans Logistics Private Ltd. (Alltrans Logistics):

Alltrans Logistics was incorporated on May 9, 1996, in the name of Transindia–Marcom Agencies Private Ltd. and its name was changed to Alltrans Logistics from September 11, 2000, to carry on the business of international freight forwarding, transport contractors, shipping agents, air freight and commission agents. At present Alltrans Logistics is not carrying on any business.

Shareholding Pattern:

The shareholding pattern of Alltrans Logistics as on March 31, 2006 is as follows:

Sr. No.	Name of the shareholder	No. of shares	% of holding
1	Mr. Shashi Kiran Shetty	9,900	99.00%
2	Mr. Adarsh Hegde	50	0.50%
3	Mr. Umesh Shetty	50	0.50%
	Total	**10,000**	**100.00%**

Board of Directors:

The Board of Alltrans Logistics comprises of:

Name	Designation
Mr. Shashi Kiran Shetty	Managing Director
Mr. Adarsh Hegde	Director
Mr. Umesh Shetty	Director
Mr. Ram Vasant Kotak	Director

Financial Performance:

The brief audited financial details of the company for the last 3 years are as under:

(Rs. '000)

Particulars	March 31, 2005	March 31, 2004	March 31, 2003
Operating Income	-	-	5,214
Other Income	-	-	-
Total income	**NIL**	**NIL**	**5,214**
Profit after tax	(99)	(856)	(531)
Equity share capital (FV Rs.10/-)	100	100	100
Reserves (excluding revaluation reserve)	(653)	(554)	302
Networth (excluding revaluation reserve)	(555)	(458)	395
Earning per share (Rs.)	(9.92)	(85.61)	(53.10)
Net asset value per share (Rs.)	(55.55)	(45.85)	39.53

15. SKS Netgate Private Ltd.: (Netgate)

Netgate was incorporated on September 21, 2005 for setting up of IT parks, educational or vocational institutions, industrial parks multiplexes and infrastructure projects. It has been formed with a view to set up a software technology park at Mangalore.

Shareholding Pattern:

The shareholding pattern of Netgate as on March 31, 2006 is as follows:

Sr. No.	Name of the shareholder	No. of shares	% of holding
1	Mr. Shashi Kiran Shetty	7,000	70.00%
2	Mr. Sanath K. Shetty	2,500	25.00%
3	Mrs. Arathi Shetty	500	5.00%
	Total	**10,000**	**100.00%**

Board of Directors:

The Board of Netgate comprises of:

Name	Designation
Mr. Shashi Kiran Shetty	Director
Mr. Sanath K. Shetty	Director
Mrs. Arathi Shetty	Director

Financial Performance:

Since Netgate has been incorporated in the current financial year, no audited financial data is available for the same. The current equity capital and net worth of Netgate is Rs. one Lakh.

16. Energy Health Spas Private Ltd. (Energy Spas):

Energy Spas was incorporated on September 20, 2005 to run health clubs, physiotherapy centers, beauty parlours, yoga centers, massage parlours, swimming pools, gymnasiums and to conduct seminars and training programs. Energy Spas has been set up with a view to set up gymnasiums and health club facilities in Mangalore and is yet to commence its operations.

Shareholding Pattern:

The shareholding pattern of Energy Spas as on March 31, 2006 is as follows:

Sr. No.	Name of the shareholder	No. of shares	% of holding
1	Mr. Shashi Kiran Shetty	7,000	70.00%
2	Mr. Sanath K. Shetty	2,500	25.00%
3	Mrs. Arathi Shetty	500	5.00%
	Total	**10,000**	**100.00%**

Board of Directors:

The Board of Energy Spas comprises of:

Name	Designation
Mr. Shashi Kiran Shetty	Director
Mr. Sanath K. Shetty	Director
Mrs. Arathi Shetty	Director

Financial Performance:

Since Energy Spas has been incorporated in the current financial year, no audited financial data is available for the same. The current equity capital and net worth of Energy Spas is Rs. one Lakh.

17. Avash Builders Private Ltd. (Avash):

Avash was incorporated on September 21, 2005 to carry on the business as builders and contractors. Avash has been incorporated with a view to enter into construction business and set up residential premises / buildings in Mangalore.

Shareholding Pattern:

The shareholding pattern of Avash as on March 31, 2006 is as follows:

Sr. No.	Name of the shareholder	No. of shares	% of holding
1	Mr. Shashi Kiran Shetty	7,000	70.00%
2	Mr. Sanath K. Shetty	2,500	25.00%
3	Mrs. Arathi Shetty	500	5.00%
	Total	**10,000**	**100.00%**

Board of Directors:

The Board of Avash comprises of:

Name	Designation
Mr. Shashi Kiran Shetty	Director
Mr. Sanath K. Shetty	Director
Mrs. Arathi Shetty	Director

Financial Performance:

Since Avash has been incorporated in the current financial year, no audited financial data is available for the same. The current equity capital and net worth of Avash is Rs. one Lakh.

18. Sealand Holdings Private Ltd. (Sealand Holdings):

Sealand Holdings was incorporated on August 14, 1996 to carry on the business as an investment company. At present Sealand Holdings is in the business of corporate funding and investments and gives unsecured loans to companies within the group on short / long-term basis.

Shareholding Pattern:

The shareholding pattern of Sealand Holdings as on March 31, 2006 is as follows:

Sr. No.	Name of the shareholder	No. of shares	% of holding
1	Mrs. Priya Hegde	66	33.00%
2	Mrs. Hita Shetty	100	50.00%
3	Other Individuals	34	17.00%
	Total	**200**	**100.00%**

Board of Directors:

The Board of Sealand Holdings comprises of:

Name	Designation
Mrs. Priya Hegde	Director
Mrs. Hita Shetty	Director
Mr. Pradeep K. Alva	Director

Financial Performance:

The brief audited financial details of the company for the last 3 years are as under:

(Rs. ‘000)

Particulars	March 31, 2005	March 31, 2004	March 31, 2003
Operating Income	674	1,202	1,268
Other Income	-	421	275
Total income	**674**	**1,623**	**1,543**
Profit after tax	317	(30)	(564)
Equity share capital (FV Rs. 100/-)	20	20	20
Reserves (excluding revaluation reserve)	280	(37)	(7)
Networth (excluding revaluation reserve)	297	(22)	5
Earning per share (Rs.)	1,582.96	(149.20)	(2,822.05)
Net asset value per share (Rs.)	1,486.26	(109.87)	26.16

19. Logical Hotels Private Ltd. (Logical):

Logical was incorporated on November 10, 1998 to carry on the hotel business, and was taken over by the new management on September 1, 2002. Logical was originally a proprietary concern conducting the business under the name of "Sambram Bar and Restaurant" and was sold to Logical in 1998. Logical carried on with the hotel business for some time and thereafter also rented out the premises for some time to entertainment plaza. After that in December 2003, Logical commenced hotel business under the name of "Leaf, The Veg. Café" and continued it till May 2005. At present the restaurant is leased out to Palms Food Court.

Shareholding Pattern:

The shareholding pattern of Logical as on March 31, 2006 is as follows:

Sr. No.	Name of the shareholder	No. of shares	% of holding
1	Mr. Shashi Kiran Shetty	500	0.05%
2	Mrs. Arathi Shetty	500	0.05%
3	Mrs. Priya Hegde	249,750	24.98%
4	Mrs. Asha Shetty	249,750	24.97%
5	Mrs. Susheela J. Shetty	249,750	24.98%
6	Mr. Umesh Shetty	249,750	24.97%
	Total	**1,000,000**	**100.00%**

Board of Directors:

The Board of Logical comprises of:

Name	Designation
Mrs. Hita Shetty	Director
Mrs. Priya Hegde	Director
Mr. Suresh Shetty	Director
Mrs. Asha Shetty	Director

Financial Performance:

The brief audited financial details of Logical for the last 3 years are as under:

(Rs. '000)

Particulars	March 31, 2005	March 31, 2004	March 31, 2003
Operating Income	2,888	1,130	-
Other Income	-	-	400
Total income	**2,888**	**1,130**	**400**
Profit after tax	(1,594)	(889)	(428)
Equity share capital (FV Rs. 10/-)	10,000	10,000	4,400
Reserves (excluding revaluation reserve)	(3,996)	(2,402)	(1,486)
Networth (excluding revaluation reserve)	5,911	7,475	2,901
Earning per share (Rs.)	(1.59)	(0.89)	(0.97)
Net asset value per share (Rs.)	5.91	7.47	6.59

Notes: 1 Profit for the year ended March 31, 2003 includes Rs. 159,508/- being excess depreciation charged till last year, as during the year ended March 31, 2003, company has changed the method of depreciation from Straight Line Method to Written Down Value method.

20. Indport Maritime Agencies Private Ltd. (Indport):

Indport was incorporated on May 2, 1997 to carry on the business as Custom House Agents, clearing and forwarding agents, shipping agents, multimodal transport operator and freight contractors. Indport is in the business of handling Indian Standard Organisation containers in Mumbai Port Trust and in BrihanMumbai Municipal Corporation (BMC) limits. Currently Indport is not carrying on any business.

Shareholding Pattern:

The shareholding pattern of Indport as on March 31, 2006 is as follows:

Sr. No.	Name of the shareholder	No. of shares	% of holding
1	Mr. Umesh Shetty	100	50.00%
2	Mrs. Bhavani S. Shetty	100	50.00%
	Total	**200**	**100.00%**

Board of Directors:

The board of Indport comprises of:

Name	Designation
Mr. Umesh Shetty	Director
Mr. Prabhakar Shetty	Director

Financial Performance:

The brief audited financial details of Indport for the last 3 years are as under:

(Rs. '000)

Particulars	March 31, 2005	March 31, 2004	March 31, 2003
Operating Income	-	60	46,366
Other Income	5	106	62
Total income	**5**	**166**	**46,428**
Profit after tax	(266)	(289)	430
Equity share capital (FV Rs. 100/-)	20	20	20
Reserves (excluding revaluation reserve)	3	269	559
Networth (excluding revaluation reserve)	23	285	570
Earning per share (Rs.)	(1,330.70)	(1,446.40)	2,151.89
Net asset value per share (Rs.)	116.17	1,424.80	2,849.14

21. ECU International Asia Private Ltd. (ECU Asia):

ECU Asia was incorporated on August 8, 2005 to act as a service bureau to undertake the business of data processing activities for collection, accounting, managing, processing, analyzing, developing and storing information and data and to provide information technology support services, financial control support services, administration support services, human resource support services and support services to any business activities, and to function as a call center by undertaking call center operations, manning calls, replying to customer queries, managing inbound and outbound calls and providing online support services for internet related businesses, processes and activities and to design, develop, maintain, market, buy, import, export, sell, provide, licence, and to implement computer software, hardware, computer systems, program products and services and to undertake all service related activities of Ecu Hold N.V. . ECU Asia has been formed after our Company acquired stake in Ecu Hold NV, with the intention of sourcing business process currently handled at Ecu offices worldwide and thereby acting as a service provider to them as a business process outsourcing office.

Shareholding Pattern:

The shareholding pattern of ECU Asia as on March 31, 2006 is as follows:

Sr. No.	Name of the shareholder	No. of shares	% of holding
1	Ecu Hold NV	52,340	99.99%
2	Mr. Shashi Kiran Shetty	1	0.01%
	Total	**52,341**	**100.00%**

Board of Directors:

The Board of ECU Asia comprises of:

Name	Designation
Mr. Shashi Kiran Shetty	Director
Mr. M. P. Bansal	Director
Mrs. Arathi Shetty	Director

Financial Performance:

Since ECU Asia has been incorporated in the current financial year, no audited financial data is available for the same. The current equity capital and net worth of ECU Asia is Rs. Five lakhs twenty three thousand four hundred and ten.

Our Joint Venture

1. Transworld Logistics and Shipping Services, Inc: (Transworld)

The company was incorporated in the state of New Jersey on April 8, 2002. Subsequently, the company got approval to conduct business also in the name of All Cargo Movers Inc. The company is in the business of moving ocean cargo between the Gulf, the Indian Subcontinent and the United States. The company is a licensed freight forwarder and is also acting as NVOCC for our Company and "Haytrans", two companies organized in India. The company is currently also focusing on moving inland cargo to different locations in the United States, which is a significant part of their business.

The company carries on the activity of Consolidation and Forwarding (both Inward and Outward) under the Transworld and Allcargo – joint banner. The company carries on its activities from New York and has a good network in the USA. The company also does Custom Clearance and other related activities.

Shareholding pattern:

The shareholding pattern of Transworld as on March 31, 2006 is as follows:

Sr. No.	Name of the shareholder	No. of shares	% of holding
1	Allcargo Global Logistics Ltd.	90	45.00%
2	Transworld Holdings Ltd.	61	30.50%
3	Orient Express Lines Ltd.	25	12.50%
4	Balaji Shipping (UK) Ltd.	24	12.00%
	Total	**200**	**100.00%**

Board of Directors:

The board of Transworld comprises of:

Name	Designation
Mr. S. Ramakrishnan	Director
Mr. Mahesh Sivswamy	Director
Mr. Leonard B. Culas	Director
Mr. Shashi Kiran Shetty	Director

Financial Performance:

The brief audited financial details of the company for the last 3 years is as under:

(Rs. '000)

	Dec 31, 2005	Dec 31, 2004	Dec 31, 2003
Operating Income	**303139**	**244845**	**34483**
Other Income	**6**	**9**	**-**
Total income	**303145**	**244854**	**34483**
Profit after tax	3098	1170	(2752)
Equity share capital (FV USD 500)	4379	4413	4765
Reserves (excluding revaluation reserve)	1647	(1382)	(2704)
Networth (excluding revaluation reserve)	4845	1246	(509)
Earning per share (Rs.)	15492	5851	(13760)
Net asset value per share (Rs.)	24226	6229	(2543)

Proprietorship Concern:

1. Transhauling Systems (TS):

TS has its place of business at 5th Floor, Diamond Square, CST Road, Kalina, Santacruz (E), Mumbai. The firm has office premises in Mumbai, which has been given on monthly rental basis to Transindia Freight Services Private Ltd.

Sole Proprietor: - Mr. Shashi Kiran Shetty

Financial Performance:

(Rs. in '000)

Particulars	March 31, 2005	March 31, 2004	March 31, 2003
Sales	90.00	56.25	72.00
Other income	NIL	NIL	NIL
Total income	90.00	56.25	72.00
PBIDT	78.12	41.99	53.92
PBT	78.12	41.99	53.92
Proprietors Capital	(13.11)	(21.23)	(13.25)

2. Mazico Construction (MC):

MC has its place of business at 5th Floor, Diamond Square, CST Road, Kalina, Santa Cruz (E), Mumbai. The firm has office premises in Mumbai which had been given on monthly rental basis to Transindia Freight Services Private Ltd. However, at present the said office premises is vacant.

Sole Proprietor: - Mr. Shashi Kiran Shetty

Financial Performance:

(Rs. in '000)

Particulars	March 31, 2005	March 31, 2004	March 31, 2003
Sales	NIL	120	120
Other income	NIL	NIL	NIL
Total income	NIL	120	120
PBIDT	NIL	120	120
PBT	NIL	120	120
Proprietors Capital	303.54	143.54	273.54

3. Transindia Shipping & Trading Agencies (TSTA):

TSTA has its place of business at 5th Floor, Diamond Square, CST Road, Kalina, Santa Cruz (E), Mumbai. TSTA earns interest on loans granted to Promoter Group Companies.

Sole Proprietor: - Mr. Umesh Shetty

Financial Performance:

(Rs. in '000)

Particulars	March 31, 2005	March 31, 2004	March 31, 2003
Sales	NIL	NIL	NIL
Other income	33.27	33.26	60.11
Total income	**33.27**	**33.26**	**60.11**
PBIDT	18.08	14.71	(107.80)
PBT	8.90	0.81	(160.56)
Proprietors Capital	236.73	233.57	466.17

Hindu Undivided Families:

1. Shashi Kiran Shetty – HUF

The firm has its place of business at 5th Floor, Diamond Square, CST Road, Kalina, Santa Cruz (E), Mumbai. The firm has income by way of interest and capital gains on investments.

Karta:- Mr. Shashi Kiran Shetty

Financial Performance:

(Rs. in '000)

Particulars	March 31, 2005	March 31, 2004	March 31, 2003
Other income	125.58	289.62	229.11
Total income	**125.58**	**289.62**	**229.11**
PBIDT	NIL	NIL	NIL
PBT	NIL	NIL	NIL
Proprietors Capital	2,655.69	2,488.89	2,211.67

Notes to above

For all the Promoter Group Companies/ Our Joint Venture/ Proprietorship Concern and HUF the financial data has been extracted from the respective Annual Report and financial statements.

Common Pursuits

Except as stated in Related Party Transaction appearing on page 142 of this Red Herring Prospectus and as stated below, there are no other common pursuits between our Company and Promoter Group Companies:

Transindia Freight Services Private Ltd. (TFSPL):– TFSPL has a MTO licence issued by Director General of Shipping for carrying on MTO operations. Our Company has entered into an agreement with TFSPL, whereby our Company acts as its exclusive agent and pays a consideration for the usage of their bills of lading and the entire income earned therefrom is booked by us.

Our Company leases out certain container handling equipment to TFSPL and also hires vehicles and equipment from TFSPL on a need basis.

Common Notes

There are no companies with which our Promoter has disassociated himself in the last three years.

None of our Promoter Group companies are presently listed on any stock exchange, or have made any public or rights issues in the preceding three years.

None of our Promoter Group companies are a sick company within the meaning of Sick Industrial Companies (Special Provisions) Act, 1985 or are under winding up or have any BIFR proceedings initiated against them.

None of our Promoter Group companies, except for six companies, have made a loss in the immediately preceding three years or have accumulated losses or negative net worth for the fiscals 2003, 2004 and 2005.

1. Contech Estate Private Ltd.
2. Alltrans Port Management Private Ltd.
3. Alltrans Logistics Private Ltd.
4. Sealand Holdings Private Ltd.
5. Logical Hotels Private Ltd.
6. Indport Maritime Agencies Private Ltd.

None of our Promoter Group companies, except for Contech Estate Private Ltd., Alltrans Logistics Private Ltd. and Sealand Holdings Private Ltd. have a negative net worth for the fiscals 2003, 2004 and 2005.

None of our Promoter Group companies have been struck off as a defunct company by any Registrar of Companies in India.

There are no sales or purchases between our Company and any company in the Promoter Group exceeding 10% of the sales or purchases of our Company.

RELATED PARTY TRANSACTIONS

For details on our related party transactions, please refer to the section titled "Financial Statements" on page 144 of the Red Herring Prospectus.

DIVIDEND POLICY

The declaration and payment of dividends will be recommended by our Board of Directors and approved by our shareholders in their discretion and will depend on a number of factors, including but not limited to our earnings, capital requirements and overall financial condition. An interim dividend of Re. 1/- amounting to Rs. 10,000,000/- has been paid to our shareholders for financial year ending March 31, 2005 and the same was treated as final dividend.

The dividends declared by our Company during the last five years have been presented below:

(Rs. in Million)

	For the Financial Year ended 31st March					Nine months period ended December 31st
	2001	2002	2003	2004	2005	2005
Class of Shares	**Equity Shares**	**Equity Shares**	**Equity Shares**	**Equity Shares**	**Equity Shares**	**Equity Shares**
Equity Shares -						
Face Value (Rs.)	100	100	100	100	10	10
Interim Dividend	Nil	Nil	Nil	Nil	10.00	65.78
Final Dividend	Nil	Nil	Nil	Nil	Nil	Nil

The Board, on March 9, 2006 declared and paid an interim dividend at the rate of 40% i.e. Rs. 4/- per Equity Share amounting to Rs. 72,707,380/- to the shareholders of our Company.

Interim Dividend declared on March 9, 2006 has been provided for on the basis of shares outstanding as on December 31, 2005 and proportionate bonus shares declared on January 14, 2006.

SECTION V: FINANCIAL STATEMENTS

FINANCIAL STATEMENTS (RESTATED), AS PER INDIAN GAAP OF ALLCARGO GLOBAL LOGISTICS LIMITED FOR NINE MONTHS ENDED DECEMBER 31, 2005, THE YEARS ENDED MARCH 31, 2005, MARCH 31, 2004, MARCH 31, 2003, MARCH 31, 2002 AND MARCH 31, 2001

Auditor's report as required by Part II of Schedule II to the Companies Act, 1956

The Board of Directors
Allcargo Global Logistics Limited
(Formerly known as Allcargo Movers (India) Private Limited)
5th Floor, Diamond Square
CST Road, Kalina, Santacruz (East), Mumbai 400 098

Dear Sirs,

We have examined the Financial Information of Allcargo Global Logistics Limited formerly known as Allcargo Movers (India) Private Limited ('the Company') for the last five financial years ended March 31, 2005 and for the nine months ended December 31, 2005 as attached to this report, stamped and initialed by us for identification and as approved by the Board of Directors/ Members of the Company, which has been prepared in accordance with:

Paragraph B (1) of Part – II of Schedule II of the Companies Act, 1956, of India ('the Act') and amendments thereof;

Securities and Exchange Board of India (Disclosure and Investor Protection) Guidelines, 2000 ('the Guidelines') issued by the Securities and Exchange Board of India (SEBI) on January 19, 2000 and the amendments from time to time thereto, to the extent applicable;

The instructions dated March 25, 2006 received from the Company, requesting us to carry out the assignment in connection with the Red Herring Prospectus being issued by the Company for the initial public offering of Equity Shares.

We have examined the attached restated Summary of Assets and Liabilities (Annexure I) of the Company as at March 31, 2001, 2002, 2003, 2004, 2005 and December 31, 2005 and the related Summary of Profit and Loss Account (Annexure II) for each of the years / periods ended on those dates, together referred to as 'Summary Statements' read with adjustments which have been carried out for the purpose of Red Herring Prospectus as set out in Annexure III and Notes to Summary Statements as set out in Annexure V. We have relied on relevant accounts of the company for financial years ended on March 31, 2001 to March 31, 2004 audited and reported by SP. Palaniappan, Chartered Accountant. The accounts of the company for the financial year ended March 31, 2005 and for the nine months ended December 31, 2005 is audited and reported by us.

We have examined the attached restated Summary of Assets and Liabilities (Annexure XXI) of Contech Transport Services Private Limited, a subsidiary of our Company, as at March 31, 2005 and December 31, 2005 and the related Summary of Profit and Loss Account (Annexure XXII) for each of the years/periods ended on those dates together with related Notes to Restated Profit and Loss Account and Restated Assets and Liabilities (Annexure XXIV). We have relied on relevant accounts of the subsidiary for the financial year ended on March 31, 2005 audited and reported by Khimji Kunverji & Co, Chartered Accountants. The accounts of the subsidiary for the nine months ended December 31, 2005 is audited and reported by us.

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

(a) The restated assets and liabilities of the Company as at March 31, 2001, 2002, 2003, 2004, 2005 and December 31, 2005 are as set out in Annexure I to this report after making such adjustments and regrouping as in our opinion are appropriate and more fully described in the notes on adjustments appearing in Annexure III to this report.

(b) The restated profits of the Company for the financial years ended March 31, 2001, 2002, 2003, 2004, and 2005 and nine months period ended December 31, 2005 are as set out in Annexure II to this report. These profits have been arrived at after making such adjustments and regrouping as in our opinion are appropriate and more fully described in the notes on adjustments appearing in Annexure III to this report.

(c) The restated cash flows of the Company for the financial years ended March 31, 2001, 2002, 2003, 2004, and 2005 and nine months period ended December 31, 2005 are as set out in Annexure VI to this report. These cash flows have been arrived at after making such adjustments and regrouping as in our opinion are appropriate and more fully described in the notes on adjustments appearing in Annexure III to this report.

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

1. Prior Period items have been adjusted in these Restated Summary Statements in the years to which they relate (as disclosed in Annexure 3)
2. The accounting policies have been consistently applied by the company and are consistent to those used in previous year;
3. There are no extraordinary items in the period covered by the Restated Summary Statement.

We have examined the following financial information relating to the Company and as approved by the Board of Directors for the purpose of inclusion in the Offer Document:

i. Accounting ratios as appearing in Annexure VII to this report.
ii. Capitalization statement as at December 31, 2005 as appearing in Annexure VIII to this report.
iii. Statement of tax shelters as appearing in Annexure IX to this report.
iv. Statement of Details of Secured loans as appearing in Annexure X to this report
v. Statement of Details of Other Income as appearing in Annexure XI to this report
vi. Statement of Details of Dividend as appearing in Annexure XII to this report
vii. Statement of Details of Unsecured loans as appearing in Annexure XIII to this report
viii. Statement of Details of Debtors as appearing in Annexure XIV to this report
ix. Statement of Details of Loans & Advances as appearing in Annexure XV to this report
x. Statement of Details of investments as appearing in Annexure XVI to this report
xi. Statement of transactions with the related parties as per Annexure XVII
xii. Statement of Contingent Liabilities as appearing in Annexure XVIII to this report.
xiii. Statement of Export Obligations as appearing in Annexure XIX to this report
xiv. Statement of Tax Benefits enclosed as Annexure XX to this report

The restated summary financial statements of the Company's subsidiary Contech Transport Services Private Limited is set out in Annexure XXI, XXII, and XXIII read with significant accounting policies and notes attached in Annexure XXIV to this report. The restated summary, financial statements have been consolidated by the Company's management into the Company's restated summary of financial statements as appearing in annexure XXV, XXVI and XXVII and read with significant accounting policies and notes to consolidation as appearing in annexure XXVIII to this report.

In our opinion the above financial information of the Company, the Company's subsidiary Contech Transport Services Private Limited and the Consolidated group read with significant accounting policies and notes attached to this report, after making adjustments and regrouping as considered appropriate has been prepared in accordance with Part II of Schedule II of the Act and the SEBI Guidelines.

This report is intended solely for your information and for inclusion in the offer document in connection with the specific Public Offer of the Company and is not to be used, referred to or distributed for any other purpose without our prior written consent.

For **Appan & Lokhandwala Associates**

Bhavesh Lokhandwala
Partner (M. No.: 102393)

Mumbai: April 29, 2006

Annexure I: Summary of Assets and Liabilities, As Restated

Rupees in millions

Particulars	As at March 31, 2001	As at March 31, 2002	As at March 31, 2003	As at March 31, 2004	As at March 31, 2005	As at Dec. 31, 2005
FIXED ASSETS						
Gross Block	61.12	118.05	181.26	372.86	518.97	479.09
Less: Depreciation	20.77	48.81	75.64	124.85	201.80	117.07
Net Block	40.35	69.24	105.62	248.01	317.17	362.02
Capital Work In Progress	34.91	4.55	88.08	11.96	17.24	35.25
	75.26	**73.79**	**193.70**	**259.97**	**334.41**	**397.27**
INVESTMENTS	**11.52**	**12.89**	**11.61**	**5.98**	**75.50**	**569.24**
CURRENT ASSETS, LOANS AND ADVANCES						
Sundry Debtors	70.95	69.89	82.83	95.78	181.44	248.08
Cash & Bank Balances	2.76	10.85	14.34	18.38	12.03	172.74
Loans & Advances	54.32	70.07	98.83	131.45	218.60	228.29
	128.03	**150.81**	**196.00**	**245.61**	**412.07**	**649.11**
LIABILITIES AND PROVISIONS						
Secured Loans	43.97	33.98	87.10	105.00	99.20	385.23
Unsecured Loans	-	-	12.22	5.99	-	-
From Others	5.31	-	-	-	-	50.00
Current Liabilities	90.95	86.82	140.70	161.43	256.18	223.72
Provisions	29.71	42.98	51.99	70.71	62.01	158.25
Deferred Tax Liability (Net)	1.69	2.72	5.31	10.01	13.12	10.34
	171.63	**166.50**	**297.32**	**353.14**	**430.51**	**827.54**
NET WORTH	**43.18**	**71.00**	**103.99**	**158.42**	**391.47**	**788.08**
REPRESENTED BY						
Share Capital	1.00	5.00	5.00	5.00	100.00	131.56
Share Application Money Pending Allotment	0.03	0.03	0.03	0.03	0.03	100.00
Reserves & Surplus						
General Reserve	12.50	20.00	50.00	100.00	105.00	174.64
Profit & Loss Account	29.67	45.98	48.97	53.39	187.55	382.78
	43.20	**71.01**	**104.00**	**158.42**	**392.58**	**788.98**
Miscellaneous Expenditure	0.02	0.01	0.01	-	1.11	0.90
NET WORTH	**43.18**	**71.00**	**103.99**	**158.42**	**391.47**	**788.08**

Notes contained in Annexure V forms part of this statement.

Annexure II: Summary of Profit and Loss Account, As Restated

Rupees in millions

Particulars	For the year/period ended					
	March 31, 2001	March 31, 2002	March 31, 2003	March 31, 2004	March 31, 2005	Dec. 31, 2005
INCOME						
Operating Income	1,026.06	1,055.32	1,169.67	1,462.47	2,265.60	1,971.66
Other Income	5.74	19.23	20.10	32.50	56.33	69.55
TOTAL	**1,031.80**	**1,074.55**	**1,189.77**	**1,494.97**	**2,321.93**	**2,041.21**
EXPENDITURE						
Multimodal Transport Operation	895.66	893.10	993.85	1,135.57	1,671.37	1,253.50
Container Freight Station	-	-	-	68.83	100.81	132.10
Employee Cost	31.38	42.32	44.78	51.83	61.14	69.29
Hire and Transport	1.32	7.80	10.76	14.38	17.72	11.23
Administrative and Selling Expenses	39.17	49.60	55.54	81.31	95.53	98.05
Miscellaneous Expenses	0.23	2.03	0.34	2.08	0.51	6.45
Provision for Doubtful Debts	-	0.12	-	-	-	-
Preliminary Expenses Written Off	0.01	0.01	0.01	0.01	0.28	0.21
Financial Charges	2.23	6.11	4.66	10.80	7.67	15.77
Depreciation	11.60	29.06	27.56	52.10	78.38	48.68
TOTAL	**981.60**	**1,030.15**	**1,137.50**	**1,416.91**	**2,033.41**	**1,635.28**
PROFIT BEFORE PRIOR PERIOD ADJUSTMENTS, EXTRAORDINARY ITEMS AND TAX	**50.20**	**44.40**	**52.28**	**78.06**	**288.52**	**405.93**
Add/Less: Taxes related to earlier years	(0.04)	(2.94)	(0.02)	-	(0.42)	-
Less: Prior period items	-	-	-	-	-	0.37
PROFIT BEFORE TAX	**50.16**	**41.46**	**52.26**	**78.06**	**288.10**	**405.56**
Provision for Income Tax	18.33	15.40	16.66	18.90	39.53	36.10
Deferred Tax	-	-	2.59	0.24	(0.27)	(2.78)
Provision for Wealth Tax	-	0.02	0.03	0.03	0.06	-
Provision for Fringe Benefit Tax	-	-	-	-	-	2.37
PROFIT AFTER TAX	**31.83**	**26.04**	**32.98**	**58.89**	**248.78**	**369.87**
ADJUSTMENTS						
Impact of material adjustment for restatement in corresponding years (See Annexure III)	2.93	(1.77)	(0.01)	4.46	3.31	(0.37)
Adjusted Net profit	**28.90**	**27.81**	**32.99**	**54.43**	**245.47**	**370.24**
Balance brought forward from Previous Year	10.77	29.67	45.98	48.96	53.39	187.55
PROFIT AVAILABLE FOR APPROPRIATIONS	**39.67**	**57.48**	**78.97**	**103.39**	**298.86**	**557.79**

Rupees in millions

Particulars	For the year/period ended					
	March 31, 2001	**March 31, 2002**	**March 31, 2003**	**March 31, 2004**	**March 31, 2005**	**Dec. 31, 2005**
APPROPRIATIONS:						
Interim Dividend	-	-	-	-	10.00	65.78
Tax on Interim Dividend	-	-	-	-	1.31	9.23
Transferred to General Reserve	10.00	11.50	30.00	50.00	100.00	100.00
	10.00	11.50	30.00	50.00	111.31	-
BALANCE CARRIED OVER TO BALANCE SHEET	**29.67**	**45.98**	**48.97**	**53.39**	**187.55**	**382.78**

Notes contained in Annexure V is forming part of this statement.

Annexure IIA: PROFIT AND LOSS ACCOUNT AS AT APRIL 1, 2000 (RESTATED)

Rupees in millions

Profit & Loss account as at April 1, 2000 (Audited)	12.77
Prior period expenses	0.01
Deferred tax liability as of March 31, 2000	0.22
Tax adjustments	1.77
Profit & Loss account as at April 1, 2000 (Restated)	10.77

Annexure III: Statement of Impact on profit and loss due to restatements and other material adjustments made to audited financial statements.

(Rupees in millions)

Particulars	Year Ended March 31,					Nine Months Ended December 31,
	2001	**2002**	**2003**	**2004**	**2005**	**2005**
Net Profit after tax as per audited Profit and Loss Account	31.83	26.04	32.98	58.89	248.78	369.87
Adjustment on account of Deferred Tax (See note below)	1.47	1.03	-	4.46	3.38	-
Income tax demands and refunds now adjusted in respective financial years	1.46	(2.81)	(0.01)	0.003	(0.43)	(0.003)
Prior Period Income and Expenses	0.002	0.003	0.003	0.003	0.36	(0.37)
Net Profit after tax as per restated profit and loss account	28.90	27.81	32.99	54.43	245.47	370.24

Notes on adjustments for restated financial statements

Changes in Accounting Policies

Deferred Tax

The Company has adopted Accounting Standard 22 'Accounting for taxes on income' issued by the Institute of Chartered Accountants of India. Accordingly Deferred tax is provided by the company with effect from financial year ending March 31, 2003 onwards including the deferred tax of earlier years. For the purpose of this statement, the deferred tax assets/liabilities has been recognized in the respective years to which they relate.

Prior period Adjustments

In the financial statement for the nine months ended December 31st 2005, the company had recognized/ charged certain amount of expenditures as prior period items. For the purpose of this statement, the said expenses have been appropriately adjusted in the year that it relates to.

The Company had recognised / charged off earlier years' income tax write back / write off in the financial statements for the year ended March 31st 2005, 2003, 2002 and 2001. For the purpose of this statement the earlier years' write backs / write offs have been appropriately adjusted in the year it relates to.

The Company had a search and seizure proceedings during the financial year 2001-02. The company has declared income of Rs 2 crores relating to financial years 1995-96 to financial year 2001-02. However the company has computed and filed a Block return for these financial years showing income of Rs.60 lacs and paid the applicable tax. This tax has been shown appropriately in the respective years.

Annexure IV: Statement of qualifications / observations in the Auditors report

Statement of Qualifications in the Auditors report

Financial Year 2000-01

MANUFACTURING AND OTHER COMPANIES (AUDITOR'S REPORT) ORDER

1) The Company is maintaining proper records showing full particulars of Fixed Assets except at Kolkata branch. As explained to me the Fixed Assets Register at Kolkata branch is under preparation.

Financial Year 2003-04

COMPANIES (AUDITOR'S REPORT) ORDER

1. The company has maintained proper records showing full particulars including quantitative details and situation of fixed assets **except at Kolkata branch**.

Financial Year 2004-05

COMPANIES (AUDITOR'S REPORT) ORDER

1. a. The company has maintained proper records showing full particulars including quantitative details and situation of fixed assets **except at Kolkata branch**.

   b. All the assets have not been physically verified by the management during the year but there is a regular programme of verification **except at Kolkata branch**, which, in our opinion, is reasonable having regard to the size of the company and the nature of its assets. No material discrepancies were noticed on such verification.

Statement of Observations in the Auditors report

Financial Year 2000-01

MANUFACTURING AND OTHER COMPANIES (AUDITOR'S REPORT) ORDER

1) Parties to whom loans or advances in the nature of loans have been given by the Company where stipulation have been made have generally repaid the principal amount as stipulated and have also been generally regular in payment of interest **except in case of employees to whom interest is not charged**.

2) According to the information and explanations purchase of goods and services made in pursuance of contracts or arrangements entered in the register maintained under section 301 of the Companies Act, 1956 in excess of Rs.50,000/- in value for each party thereof have been made at prices which are reasonable having regard to the prevailing market price of such goods and services.

3) According to the information and explanations given to me, no personal expenses have been charged to revenue account **other than those payable under contractual obligations or in accordance with generally accepted business practice.**

Financial Year 2001-02

MANUFACTURING AND OTHER COMPANIES (AUDITOR'S REPORT) ORDER

1) Parties to whom loans or advances in the nature of loans have been given by the company where stipulation have been made have generally repaid the principal amount as stipulated and have also been generally regular in payment of interest except in case of employees to whom interest is not charged.

2) According to the information and explanations purchase of goods and services made in pursuance of contracts or arrangements entered in the register maintained under Section 301 of the Companies Act, 1956 in excess of Rs.50,000/- in value for each party thereof have been made at prices which are reasonable having regard to the prevailing market price of such goods and services.

Financial Year 2002-03

MANUFACTURING AND OTHER COMPANIES (AUDITOR'S REPORT) ORDER

1) Parties to whom loans or advances in the nature of loans have been given by the Company where stipulation have been made have generally repaid the principal amount as stipulated and have also been generally regular in payment of interest **except in case of employees to whom interest is not charged**.

2) According to the information and explanations purchase of goods and services made in pursuance of contracts or arrangements entered in the register maintained under section 301 of the Companies Act, 1956 in excess of Rs.50,000/- in value for each party thereof have been made at prices which are reasonable having regard to the prevailing market price of such goods and services.

3) The Company has generally been regular in depositing the Provident Fund and Employees' State Insurance dues during the year with appropriate **authorities except in case of Kolkata branch there is delay in few cases in deposit of employees' state insurance dues**.

4) According to the information and explanations given to me, no personal expenses have been charged to revenue account, **other than those payable under contractual obligation or in accordance with generally accepted business practice.**

Financial Year 2003-04

COMPANIES (AUDITOR'S REPORT) ORDER

1. a. **All the assets have not been physically verified by the management during the year but there is a regular programme of verification** which, in my opinion, is reasonable having regard to the size of the company and the nature of its assets. No material discrepancies were noticed on such verification.

2. a. According to the information and explanations given to me, I am of the opinion that the transactions that need to be entered into the register maintained under section 301 of the Companies Act, 1956 have been so entered.

   b. In my opinion and according to the information and explanations given to me, the transactions made in pursuance of contracts or arrangements entered in the register maintained under section 301 of the Companies Act, 1956 and exceeding the value of rupees five lakhs in respect of any party during the year have been made at prices which are reasonable having regard to the prevailing market prices at the relevant time.

Financial Year 2004-05

COMPANIES (AUDITOR'S REPORT) ORDER

1. a According to the information and explanations given to us, we are of the opinion that the transactions that need to be entered into the register maintained under section 301 of the Companies Act, 1956 have been so entered.

   b. In our opinion and according to the information and explanations given to us, the transactions made in pursuance of contracts or arrangements entered in the register maintained under section 301 of the Companies Act, 1956 and exceeding the value of rupees five lakhs in respect of any party during the year have been made at prices which are reasonable having regard to the prevailing market prices at the relevant time.

2. a. According to the information and explanations given to us, the company has been regular in depositing undisputed statutory dues and any other statutory dues with the appropriate authorities during the year. **Payment in respect of Income tax & Employees State Insurance has been remitted after a slight delay**.

Nine months ended April 2005 – December 2005

During the interim financial report for the period from April 1, 2005 to December 31, 2005 the company has made preferential allotment of shares of Rs.10/- each to parties covered in the register maintained under section 301 of the Companies Act, 1956. We were informed the shares have been issued at par in view of their expertise in the logistics industry and to have their continuous association with the company

Annexure V

Significant accounting policies and notes to restated financial statements

A. Statement of Significant Accounting Policies

1. Accounting Conventions:

All revenue cost assets and liabilities are accounted for on accrual basis. Multimodal Transport Income and Multimodal Transport expenses are arrived at from voyage accounts after considering all relevant collections and expenses on accrual basis to respective voyages.

2. Revenue Recognition:

Income from operations relating to export containers is accounted on an accrual basis. A CFS yard charge on Import stuffed containers is accounted to the extent of recoverability from carriers of containers. Import cargo handling charges is accounted on the basis of realization.

3. Abandoned Cargo sales:

Revenue and expenses for sale of abandoned cargo are recognized when auction is finalized and necessary approvals from appropriate authorities are obtained.

4. Fixed Assets:

Fixed assets are recorded at cost of acquisition less Accumulated depreciation and they are stated at historical cost.

5. Depreciation:

Depreciation is calculated on written down value at the rate specified in the schedule XIV of the Companies Act, 1956.

Individual items of fixed assets costing Rs.5,000/- or less are fully depreciated in the year of acquisition.

6. Investments:

Investments are stated at cost.

7. **Foreign Currency Transaction:**

Transactions in foreign currency are recorded at prevailing rates. Assets and liabilities in foreign currency are stated at the year-end rates. All exchange gains and losses, except those relating to acquisition of fixed assets, are accounted for in Profit & Loss Account.

8. **Employee's Retirement benefit:**

The company contributes to the Employee's Provident Fund maintained under the Employee's Provident Fund Scheme by the Central Government, which are charged to Profit & Loss Account.

Annual contribution to Gratuity Fund is based on the actuarial valuation as on the Balance Sheet date.

Liability for leave encashment is based on the actuarial valuation as on the Balance Sheet date.

9. **Provisions for Current Tax and Deferred Tax:**

Provision for Current Tax is made on the basis of the estimated taxable income for the current accounting period and in accordance with the provisions as per Income Tax Act, 1961.

Deferred Tax resulting from "timing difference" between book and taxable profit for the year is accounted for using the tax rates and loss that have been enacted or substantially enacted as on the Balance Sheet date. The deferred tax asset is recognized and carried forward only to the extent that there is a reasonable certainty that the assets will be adjusted in future.

10. **Treatment of expenditure during construction period:**

Expenditure during construction period is included under Capital Work in Progress and the same is allocated to the respective fixed assets on completion of its construction.

11. **Provision for doubtful debts and advances:**

Provision for doubtful debts are made by charging to current revenue. The Provision is based on evaluation of individual debtors and advances.

12. **Borrowing Cost:**

Interest and other costs in connection with the borrowing of the funds to the extent related/ attributed to the acquisition/ construction of qualifying fixed assets are capitalised up to the date when such assets are ready for its intended use and other borrowing costs are charged to Profit & Loss Account.

13. **Miscellaneous Expenditure:**

Preliminary expenses are amortised over a period of 5 years.

14. **Impairment of Assets:**

The Company identifies impairable assets at the year-end as per AS-28 issued by the Institute of Chartered Accountants of India for the purpose of arriving at impairment loss on fixed assets and capital work in progress being the difference between the book value and recoverable value of each asset. Impairment loss, if any, is charged against revenue of the year.

B. Notes forming part of Accounts

1. Figures have been rounded off to the nearest rupee.

2. Contingent Liabilities:

Rupees in millions

Particulars	Year Ended March 31,					Nine Months Ended December 31,
	2001	2002	2003	2004	2005	2005
Bank Guarantees Outstanding	0.10	2.89	4.77	24.42	34.36	35.30
Continuity Bond executed in favour of The President of India through the Commissioner of Customs	NIL	NIL	NIL	66.00	66.00	66.00
Guarantees issued to Bankers in respect of Companies under the same management	NIL	NIL	NIL	NIL	20.00	22.50
Block Assessment Income tax Demand under appeal (See note below)	NIL	NIL	NIL	NIL	2.47	2.47
Customs duty payable on import of equipment under EPCG scheme (See note below)	NIL	NIL	NIL	21.90	24.68	28.25

Income Tax Authorities have raised a demand of Rs. 2.47 millions pertaining to Block Assessment. However the company has preferred an appeal against the said demand, which the company is confident of succeeding in the appeal. Hence no provision has been made for the same.

Custom duty on import of equipment under EPCG scheme becomes payable if the company is not able to fulfill its export obligations. Since the company is confident of fulfilling its export obligation within a period of eight years from the date of respective imports, the same is not being provided.

3. Value of Imports on CIF Basis

Year / period ending	(Rs. in million)
March 2001	15.06
March 2002	Nil
March 2003	Nil
March 2004	13.68
March 2005	56.02
December 2005	Nil

4. Confirmations of balances have not been received for loans and advances, debtors and creditors.

5. The maximum amount outstanding at any time during the year from Companies under the same management within the meaning of Sub-section (IB) of Section 370 is as follows.

(Rs. in millions)

	Year / period ending					
	March 2001	**March 2002**	**March 2003**	**March 2004**	**March 2005**	**December 2005**
Avadh Marketing Pvt. Ltd.	0.89	0.77	0.80	NIL	NIL	NIL
Allcargo Shipping Services Pvt. Ltd.	0.93	0.75	0.82	NIL	NIL	NIL
N.R. Holdings Pvt. Ltd.	0.79	0.67	0.71	NIL	NIL	NIL
Transindia Freight Pvt. Ltd.	2.10	1.94	1.65	NIL	NIL	NIL
Allcargo Movers Bombay Pvt. Ltd.	2.89	2.72	2.38	NIL	NIL	NIL
Transindia Freight Services Pvt. Ltd.	16.86	NIL	18.29	NIL	12.09	76.89
Alltrans Port Management Pvt.Ltd. (formerly known as Allcargo Movers (North) Pvt. Ltd.)	NIL	0.02	NIL	0.02	0.02	0.02
Prominent Estate Holdings Pvt. Ltd.	NIL	NIL	1.01	1.01	3.51	3.51
Allnet Infotech Pvt. Ltd.	NIL	NIL	0.29	NIL	NIL	NIL
Ecu International (Asia) Pvt. Ltd.	NIL	NIL	NIL	NIL	NIL	0.55
Contech Transport Services Pvt. Ltd.	NIL	NIL	NIL	NIL	0.02	2.16

6. In the opinion of the management and to the best of our knowledge and belief, the value on realisation of loans and advances and other current assets in the ordinary course of business will not be less than the amount at which they are stated in the Balance Sheet.

7. Segment Reporting

The company's business activities till the financial year ending March 31, 2003 falls within a single segment viz; 'Multimodal Transport Operator' the disclosure requirements under AS 17 – Segment reporting issued by ICAI is not applicable for the financial years upto March 31, 2003.

Information about Business Segments (Information provided in respect of revenue Items for the year ended March 31, 2004 and March 31, 2005 and for the period ended December 31, 2005 in respect of assets / liabilities as at the respective year ends and at the end of the period) is given below:

Rs. in millions

	Multimodal Transport Operators			**Container Freight Station**			**Total**		
Particulars	**Period Ended Dec. 31 2005**	**Year Ended Mar. 31 2005**	**Year Ended Mar. 31 2004**	**Period Ended Dec. 31 2005**	**Year Ended Mar. 31 2005**	**Year Ended Mar. 31 2004**	**Period Ended Dec. 31 2005**	**Year Ended Mar. 31 2005**	**Year Ended Mar. 31 2004**
Revenue									
External	1541.03	1996.14	1367.01	500.18	325.79	127.96	2041.21	2321.93	1494.97
Total Revenue	1541.03	1996.14	1367.01	500.18	325.79	127.96	2041.21	2321.93	1494.97
Result									
Segment Result	89.01	109.39	58.84	328.01	184.56	29.63	417.02	293.95	88.47
Operating Profit (PBIT)	89.01	109.39	58.84	328.01	184.56	29.63	417.02	293.95	88.47
Interest Expense	(13.58)	(5.81)	(6.22)	(1.83)	(1.86)	(4.58)	(15.41)	(7.67)	(10.80)
Interest Income	4.24	1.34	0.38	0.08	0.12	Nil	4.32	1.46	0.38
Profit Before Tax	**79.68**	**104.93**	**53.00**	**326.26**	**182.81**	**25.06**	**405.93**	**287.74**	**78.06**
Provision									
For Current Tax	8.65	38.94	18.94	27.45	0.23	NIL	36.10	39.59	18.94
For Deferred Tax	(2.85)	(0.27)	0.24	0.08	3.38	4.46	(2.78)	3.11	4.69
For Fringe Benefit Tax	2.08	Nil	Nil	0.29	Nil	Nil	2.37	Nil	Nil
Profit After Tax	71.80	66.26	33.83	298.44	179.21	20.60	370.24	245.47	54.43
Carrying amount of Segment Assets	1284.48	634.37	363.66	332.05	188.72	147.90	1616.53	752.54	511.56
Total Assets	1284.48	634.37	363.66	332.05	188.72	147.90	1616.53	752.54	511.56
Carrying amount of Segment Liabilities	630.64	380.11	277.15	121.90	50.40	75.98	827.54	430.51	353.14
Total Liabilities	630.64	380.11	277.15	121.90	50.40	75.98	827.54	430.51	353.14
Costs incurred to acquire Segment Fixed assets during the year	22.78	122.03	47.61	135.73	26.24	150.02	158.51	148.27	197.62
Depreciation	37.41	62.03	40.73	11.27	16.35	11.37	48.68	78.38	52.10

Secondary Segment – Geographical

The Company's operating facilities are located in India

Rs. in million

	Dec' 05	Mar ' 05	Mar ' 04
Domestic Revenues	2041.21	2321.93	1494.97

8. RELATED PARTY DISCLOSURES

Related party Disclosures as required by AS 18 of the Institute of Chartered Accountants of India is as follows:

A) Relationships:

1)	Subsidiary company	:	Contech Transport Services Pvt. Ltd. (wef March 31, 2005)
2)	Associate company	:	Nil
3)	Joint Venture	:	M/s. Transworld Logistics & Shipping Services Inc.
4)	Companies under common control of the Promoters	:	M/s. Allcargo Shipping Services Pvt Ltd. M/s. Avadh Marketing Pvt Ltd. M/s. N.R. Holdings Pvt Ltd. M/s. TransIndia Freight Pvt Ltd. M/s. Allcargo Movers (Bombay) Pvt Ltd. M/s. Allnet Infotech Pvt Ltd. M/s. Prominent Estate Holdings Pvt Ltd. M/s. TransIndia Freight Services Pvt Ltd M/s. Jupiter Machines Pvt Ltd. M/s. Sealand Cranes Pvt Ltd. M/s. Alltrans Port Management Pvt Ltd. Formerly known as Allcargo Movers (North) Pvt. Ltd. M/s. Indport Maritime Agencies Pvt Ltd. M/s. Alltrans Logistics Pvt Ltd. M/s. Sealand Holdings Pvt Ltd.
5)	Key Management Personnel/ Directors	:	1) Mr. Shashi Kiran Shetty 2) Mrs. Aarthi Shetty

B) Details of transactions with above parties:

(Rs. in millions)

Particulars	Year / period ending					
	March 2001	March 2002	March 2003	March 2004	March 2005	December 2005
Directors of the Company						
Rent paid	NA	Nil	0.07	0.30	0.30	0.23
Remuneration to Directors	NA	5.64	5.76	5.91	7.20	5.40
Car hire charges	NA	Nil	Nil	Nil	Nil	0.68
Loan received	Nil	Nil	Nil	Nil	Nil	50.00

(Rs. in millions)

Particulars	Year / period ending					
	March 2001	March 2002	March 2003	March 2004	March 2005	December 2005
Companies under common Promoters						
Business service charges	NA	3.05	2.88	2.21	0.91	0.68
Rent paid	NA	0.60	2.64	6.33	7.63	5.50
Interest paid	NA	Nil	Nil	0.96	0.45	Nil
Interest received	NA	Nil	0.19	Nil	Nil	2.32
Loans given	NA	Nil	Nil	Nil	Nil	22.90
Outstanding receivables	NA	6.11	9.13	0.84	15.67	58.78
Outstanding payables	NA	2.84	8.65	11.64	0.14	0.37
Transportation charges / Hire charges	NA	16.55	Nil	Nil	Nil	Nil
MTO operation expenses	NA	Nil	20.21	4.82	11.04	4.16
Spares consumed	NA	Nil	3.60	Nil	Nil	Nil
Fuel Expenses	NA	Nil	4.39	7.58	17.72	15.40
FAC / Brokerage expenses	NA	Nil	0.07	0.47	Nil	Nil
Hire & transport received	NA	Nil	18.76	26.88	49.60	34.33
Transport & equipment hire charges	NA	Nil	Nil	20.77	29.20	39.37
Advances received	NA	Nil	Nil	Nil	Nil	0.38

(Rs. in millions)

Particulars	Year / period ending					
	March 2001	March 2002	March 2003	March 2004	March 2005	December 2005
Subsidiary Company						
Outstanding receivables	NA	NA	NA	NA	Nil	0.90
Outstanding payables	NA	NA	NA	NA	0.17	0.04
Advances received	NA	NA	NA	NA	1.46	2.14
Advances paid	NA	NA	NA	NA	1.89	2.37
Service charges received	NA	NA	NA	NA	Nil	0.90
MTO Operating expenses	NA	NA	NA	NA	Nil	1.52

(Rs. in millions)

Particulars	**Year / period ending**					
	March 2001	**March 2002**	**March 2003**	**March 2004**	**March 2005**	**December 2005**
Joint Venture company						
MTO Operating Income	NA	NA	17.89	82.45	109.08	77.50
MTO Operating Expenses	NA	NA	11.34	73.85	93.59	71.05
Outstanding receivables	NA	NA	2.15	1.58	Nil	3.31
Outstanding payables	NA	NA	Nil	Nil	1.79	Nil
Loans Given	NA	NA	2.41	2.41	2.16	Nil

9. Estimated amount of contract remaining to be executed on capital account and not provided is as under:

Year / period ending	**Approximate Expenditure** (Rs. in millions)
March 2001	4.55
March 2002	8.80
March 2003	28.08
March 2004	15.00
March 2005	108.11
December 2005	715.00

10. Managerial Remuneration paid is:

Year / period ending	**Expenditure** (Rs. in millions)
March 2001	5.64
March 2002	5.64
March 2003	5.76
March 2004	5.91
March 2005	7.20
December 2005	4.50

11. Computation of Deferred Tax is as under:

(Rs. in million)

	Year / period ending					
Deferred Tax Liability	**March 2001**	**March 2002**	**March 2003**	**March 2004**	**March 2005**	**December 2005**
Difference in Block of assets	1.73	3.08	5.70	10.49	14.27	11.57
Deferred Tax Asset						
Fiscal and other disallowances	0.04	0.36	0.39	0.48	1.15	1.23
Net Deferred Tax Liability/(Assets)	1.69	2.72	5.31	10.01	13.12	10.34

12. As the company is not engaged in manufacturing, trading or processing activities, Quantitative information required by para - 3 and 4c of part II of section IV of the Companies Act, 1956 is not given.

13. Expenditure in foreign currency during the years under report is as under:

Year / period ending	(Rs. in million)
March 2001	24.52
March 2002	21.49
March 2003	30.31
March 2004	49.15
March 2005	61.77
December 2005	135.34

The company's direct exposure to foreign currency is limited to the inward / outward remittances arising out of net receivables and payables from its overseas counterparts, other foreign currency expenditure and income and any remittances towards investments abroad.

14. Figures are regrouped wherever necessary to facilitate comparison.

15. Interim period (i.e. April 2005 to December 2005). Income tax expense is accrued using the tax rate that would be applicable to expected total annual earnings, i.e. Minimum Alternate Tax (MAT) rate applied to the pre-tax income of the interim period.

16. The company has made the preferential allotment of 1,20,000 equity shares of Rs.10 each at par to Directors and relatives of directors during the interim reporting period i.e. April 2005 to December 2005.

17. Earnings per Share

(Rs. in million)

Particulars	Year ended March 31, 2001	Year ended March 31, 2002	Year ended March 31, 2003	Year ended March 31, 2004	Year ended March 31, 2005	Nine months ended Dec. 31, 2005
Adjusted Net profit after tax	28.90	27.81	32.99	54.43	245.47	370.24
Total no. of equity shares outstanding during the year	10,000 (of Rs. 100 each)	50,000 (of Rs. 100 each)	50,000 (of Rs. 100 each)	50,000 (of Rs. 100 each)	10,000,000 (of Rs. 10 each)	13,156,000 (of Rs. 10 each)
Adjusted no. of shares	16,250,000 (of Rs. 10/- each)	16,250,000 (of Rs. 10/- each)	16,250,000 (of Rs. 10/- each)	16,250,000 (of Rs. 10/- each)	16,250,000 (of Rs. 10/- each)	16,250,000 (of Rs. 10/- each)
Adjusted EPS (in Rs.)	1.78	1.71	2.03	3.35	15.11	22.57 30.09*
Diluted no. of shares after adjustment of bonus till date	16,297,177 (of Rs. 10/- each)	16,297,177 (of Rs. 10/- each)	16,297,177 (of Rs. 10/- each)	16,297,177 (of Rs. 10/- each)	16,297,177 (of Rs. 10/- each)	16,452,177 (of Rs. 10/- each)
Diluted EPS (in Rs.)	1.77	1.71	2.02	3.34	15.06	22.50 30.00*

* Annualised.

18. 40000 fully paid Bonus shares of Rs.100/- allotted during the financial year 2001-02. Subsequently shares were sub-divided into shares of Rs.10/- each and 9500000 fully paid Bonus shares were allotted during financial year 2004-05. Further 3036000 fully paid Bonus shares were allotted on October 28, 2005. Also further 3289000 fully paid Bonus shares were allotted on January 14, 2006. Diluted earnings per share is arrived at after considering ESOP.

19. Interim Dividend declared on March 9, 2006 has been provided for on the basis of shares outstanding as on December 31st ,2005 and proportionate bonus shares declared on January 14, 2006.

Annexure VI: CASH FLOW STATEMENT, AS RESTATED

Rs. in million

	For the Financial Year ended March 31,					Nine months period ended December 31st
Particulars	**2001**	**2002**	**2003**	**2004**	**2005**	**2005**
A. Cash Flow from Operating Activities						
Net Profit Before Prior Period items, extraordinary items and Tax	50.20	44.40	52.28	78.06	288.52	405.94
Depreciation	11.60	29.06	27.56	52.10	78.38	48.68
Loss on Sale of Fixed Assets	0.14	0.43	0.21	0.32	0.19	5.81
Preliminary Expenses written off	0.01	0.01	0.01	0.01	0.28	0.21
Interest Payments	1.98	5.97	4.40	10.47	7.06	15.41
Interest Received	(0.19)	(0.09)	(0.18)	(0.38)	(1.46)	(4.32)
Unrealised Foreign exchange loss/(gain)	(0.52)	(0.04)	(0.04)	1.43	(0.32)	(0.50)
Profit on Sale of Assets	(0.01)	(0.10)	(0.12)	(0.06)	-	(18.72)
Profit on Sale of Shares	(0.06)	(0.99)	(0.55)	-	(0.64)	(2.92)
Loss on Sale of Shares	0.16	1.08	-	-	-	-
Provisions for Liabilities	-	0.56	0.43	(0.22)	1.77	1.67
Dividend	(0.74)	(0.11)	-	(4.25)	(0.71)	(3.42)
Excess provision of earlier year IT w/back	-	-	-	-	-	(0.09)
Income tax refund	-	-	-	-	-	(0.01)
Operating Profit before prior period items and Working Capital Changes	**62.53**	**80.18**	**84.00**	**137.48**	**373.07**	**448.74**
Adjustment for:						
Increase/Decrease in Trade and Other receivables	(57.75)	0.32	(31.88)	(25.22)	(180.73)	(61.62)
Increase/Decrease in Trade Payables and Other liabilities	29.51	(3.25)	53.88	21.48	94.40	(32.10)
Direct Taxes Paid	(20.01)	(18.69)	(17.90)	(22.53)	(41.82)	(34.02)
Prior period expenses	-	-	-	-	-	(0.37)
Net Cash from Operating Activities	**14.28**	**58.56**	**88.10**	**111.21**	**244.92**	**320.63**

Rs. in million

Particulars		For the Financial Year ended March 31st					Nine months period ended December 31st
		2001	2002	2003	2004	2005	2005
B.	**Cash Flow from Investing Activities**						
	Purchase of Fixed Assets (Including Capital Advances)	(67.83)	(28.92)	(148.81)	(121.49)	(153.55)	(176.52)
	Purchase of Investments	(0.25)	(4.60)	(2.19)	(2.40)	(71.93)	(807.64)
	Sale of Investments	0.57	3.13	4.02	8.03	3.04	316.82
	Sale of Fixed Assets	0.63	0.99	1.25	2.86	0.55	77.89
	Interest Received	0.19	0.09	0.18	0.38	1.46	4.32
	Dividend	0.74	0.11	-	4.25	0.71	3.42
	Net Cash from Investing Activities	**(65.95)**	**(29.20)**	**(145.55)**	**(108.37)**	**(219.72)**	**(581.71)**
C.	**Cash Flow from Financing Activities**						
	Receipt of Share application money	0.03	-	-	-	-	100.00
	Refund of share application money	-	-	-	-	-	0.01
	Issue of Share Capital including Premium	-	-	-	-	-	1.18
	Receipt / Payment of Loans	48.07	(15.30)	65.34	11.67	(11.79)	336.03
	Stamp duty paid for increase in authorised capital	-	-	-	-	(1.39)	-
	Interim Dividend Paid	-	-	-	-	(10.00)	-
	Tax on Interim Dividend	-	-	-	-	(1.31)	-
	Interest paid on Loans	(1.98)	(5.97)	(4.40)	(10.47)	(7.06)	(15.41)
	Net Cash from Financing Activities	**46.12**	**(21.27)**	**60.94**	**1.20**	**(31.55)**	**421.79**
	Net Increase in Cash and Cash Equivalent (A+B+C)	**(5.55)**	**8.09**	**3.49**	**4.04**	**(6.35)**	**160.71**
	Cash and Cash Equivalent at the beginning of year	8.31	2.76	10.85	14.34	18.38	12.03
	Cash and Cash Equivalent as the end of the year	**2.76**	**10.85**	**14.34**	**18.38**	**12.03**	**172.74**

Annexure VII: ACCOUNTING RATIOS

Rs. in millions

Particulars	As at March 31st 2001	2002	2003	2004	2005	As at December 31, 2005
Net Profit after Tax as per summarised restated Profit & Loss statement	28.90	27.81	32.99	54.43	245.47	370.24
Net worth	43.18	71.00	103.99	158.42	391.47	788.08
Total no. of equity shares outstanding during the year	10000 (of Rs.100/- each)	50000 (of Rs.100/- each)	50000 (of Rs.100/- each)	50000 (of Rs.100/- each)	10000000 (of Rs.10/- each)	13156000 (of Rs.10/- each)
Weighted average No. of equity shares outstanding as on date	16250000 (of Rs.10/- each)	16250000 (of Rs.10/- each)	16250000 (of Rs.10/- each)	16250000 (of Rs.10/- each)	16250000 (of Rs.10/- each)	16405000 (of Rs.10/- each)
Diluted No. of equity shares	16297177	16297177	16297177	16297177	16297177	16452177
Earning per Equity Share Basic (Rs.)	1.78	1.71	2.03	3.35	15.11	22.57 30.09*
Diluted (Rs.)	1.77	1.71	2.02	3.34	15.06	22.50 30.00*
Return on Net worth (%)	66.93%	39.17%	31.72%	34.36%	62.70%	46.98% 62.64%*
Net Asset Value per share (Rs.)	2.66	4.37	6.40	9.75	24.09	48.04

***Annualised**

Notes:

1. **The Ratios have been computed as below:**

Earning per Equity Share (Rs.) Basic = $\frac{\text{Net Profit attributable to Equity Shareholders}}{\text{Weighted average no. of Equity Shares outstanding as on date}}$

Diluted = $\frac{\text{Net Profit attributable to Equity shareholders}}{\text{Diluted No. of Equity Shares}}$

Return on networth (%) = $\frac{\text{Net profit after tax (Restated)}}{\text{Net Worth at the end of the year}}$

Net Asset Value per share = $\frac{\text{Net Worth at the end of the year}}{\text{Weighted average no. of Equity Shares outstanding as on date}}$

2. Earnings per share is calculated after considering split and Bonus Shares as follows:

   March 31st 2002 40000 shares of Rs. 100/- each

   February 28th 2005 stock split of Rs.100/- paid up into Rs. 10/- paid up i.e. 50000 shares of Rs.100/- each split into 500000 shares of Rs.10/- each

   March 18th 2005 - 9500000 shares of Rs.10/- each

   October 28th 2005 - 3036000 shares of Rs.10/- each

   January 14th 2006 - 3289000 shares of Rs. 10/- each

3. Diluted earnings per share is arrived at after considering ESOP

Annexure VIII: CAPITALISATION STATEMENT

Rupees in millions

Particulars	**Pre issue - As at December 31, 2005**	**Adjusted for post issue for an offer of Rs. [●] Per share**
Debt		
Short term	50.00	
Long term	385.23	
Total Debt	**435.23**	
Shareholders' funds		
Share Capital	131.56	
Share Application money pending allotment	100.00	
Reserves and Surplus	557.42	
Less: Miscellaneous Expenditure to the extent not written off	0.90	
Total Shareholders' funds	788.08	
Total Capitalization	1223.31	
Long Term Debt/Equity	0.49	

Notes:

As informed by the Management, short term debts are debts repayable within one year. Post Issue Share Capital and Reserves can be calculated only on conclusion of Book Building Process.

The figures included above are as per the restated statement of Assets and liabilities and restated statement of Profit and Loss.

Annexure IX: STATEMENT OF TAX SHELTER

Rs. in millions

	As at March 31st					As at December 31st
Particulars	**2001**	**2002**	**2003**	**2004**	**2005**	**2005**
Profit before Prior Period Adjustments, Extraordinary Items and Tax as Restated	**50.20**	**44.40**	**52.28**	**78.06**	**288.52**	**405.93**
Normal Tax Rate	39.55%	35.70%	36.75%	35.88%	36.59%	33.67%
MAT Tax rate						8.415%
Tax at actual rate on book profits	19.86	15.85	19.21	28.00	105.57	34.16
Adjustments						
Permanent differences						
Dividend exempt from Tax	(0.74)	(0.11)	0.00	(0.25)	(0.32)	(0.27)
Profit on Infrastructure projects exempt u/s 80 IA	-	-	-	(12.58)	(171.23)	(321.01)
(Profit) / Loss on sale of Assets (Diff treatment of tax)	0.12	0.33	0.13	0.26	0.19	(12.91)
Other Adjustments	0.41	0.23	(0.04)	0.24	0.83	1.36
Total (A)	**(0.21)**	**0.46**	**0.09**	**(12.33)**	**(170.53)**	**(332.84)**
Timing Differences						
Difference between tax and book depreciation	(3.15)	(4.39)	(7.14)	(13.35)	(11.95)	16.89
Provision for bad and doubtful debts	-	0.01	-	-	0.62	-
Provision for Leave encashment	-	0.56	0.09	0.05	0.73	0.62
Other Adjustments	(0.62)	-	-	-	-	-
Total (B)	**(3.78)**	**(3.83)**	**(7.05)**	**(13.30)**	**(10.60)**	**17.51**
Net Adjustments (A) + (B)	**(3.99)**	**(3.37)**	**(6.96)**	**(25.63)**	**(181.14)**	**(315.33)**
Tax Saving thereon	(1.58)	(1.20)	(2.56)	(9.20)	(66.28)	(106.14)
Profit as per Income Tax Return	**46.22**	**41.04**	**45.31**	**52.43**	**107.38**	**N.A.**
Tax as per Income Tax Returns	**18.28**	**14.65**	**16.65**	**18.81**	**39.29**	**N.A.**

*** Tax Savings is computed at normal tax rate pertaining to the respective year**

Annexure X: DETAILS OF SECURED LOANS

Rs. in million

Particulars	**Details of Finance**	**Rate of inte-rest**	**As at March 31st 2001**	**2002**	**2003**	**2004**	**2005**	**As at December 31st 2005**
Term Loans								
Centurion Bank of Punjab	For CFS Project - Assets Mortgaged - Charge of Assets of Phase I of CFS		-	-	27.77	-	-	-
HDFC Bank	Term Loan	8.50%	-	-	-	26.37	8.14	46.35
Yes Bank	Medium Term Loan	8.25%	-	-	-	-	-	300.00
Car Loans			3.29	5.02	7.55	7.66	2.78	3.36
Equipment Loans			40.68	28.96	51.78	70.97	88.28	35.52
Total			43.97	33.98	87.10	105.00	99.20	385.23

Note: Interest rates of car loans vary from 3.25% to 9.5% and of equipments loans vary from 2.63% to 7%

Annexure XI: PARTICULARS OF OTHER INCOME

Rs. in million

Particulars	For the Financial Year ended March 31st					Nine months period ended December 31st	Nature of Income	Related / Unrelated
	2001	2002	2003	2004	2005	2005		
Profit before tax, as per summarised restated Profit & Loss statement, as restated	50.16	41.46	52.26	78.06	288.10	405.56		
Other Income Gross as restated	5.74	19.23	20.10	32.50	56.33	69.55		
Other Income Net as restated	(3.30)	(14.29)	(15.22)	(16.15)	(17.08)	28.06		
Other Income Details								
Hire & Transport Income	3.57	16.55	18.76	26.88	49.6	34.33	Non recurring	Related
Interest on Fixed Deposits / Others	0.19	0.09	0.18	0.38	1.52	4.32	Recurring	Unrelated
Profit on Sale of Assets / Shares	0.08	1.09	0.67	0.06	0.64	21.64	Non recurring	Related
Foreign Exchange Gain / (Loss)	0.52	0.04	0.04	-	0.32	0.09	Recurring	Related
Dividend	0.74	0.11	-	4.25	0.71	3.42	Recurring	Unrelated
Claims & Compensation	-	0.19	-	-	1.55	-	Non recurring	Related
Miscellaneous Income	0.64	1.16	0.45	0.93	1.99	5.75	Recurring	Unrelated
Total	**5.74**	**19.23**	**20.10**	**32.50**	**56.33**	**69.55**		

Other income net is arrived at after deducting direct expenses, depreciation and interest of Hire & Transport Activity. The classification of other income by the management into recurring and non-recurring is based on the current operations and business activities of the Company. Other income considered above is as per the statement of the restated profit and loss

Annexure XII: STATEMENT OF DIVIDEND

Rs. in millions

Particulars	For the Financial Year ended March 31st 2001	2002	2003	2004	2005	Nine months period ended December 31st 2005
Class of Shares	Equity Shares	Equity Shares	Equity Shares	Equity Shares	Equity Shares	Equity Shares
Equity Shares						
Face Value (Rs.)	100	100	100	100	10	10
Interim Dividend	Nil	Nil	Nil	Nil	10	65.78
Final Dividend	Nil	Nil	Nil	Nil	Nil	Nil

Note: Interim Dividend declared on March 9, 2006 has been provided for on the basis of shares outstanding as on December 31, 2005 and proportionate bonus shares declared on January 14, 2006.

Annexure XIII: DETAILS OF UNSECURED LOANS

Rs. in millions

Particulars	As at March 31st 2001	2002	2003	2004	2005	As at December 31st 2005
Inter Corporate Deposit From Related Parties						
Sealand Holdings Pvt Ltd	Nil	Nil	12.22	3.23	Nil	Nil
Indport Maritime Agencies Pvt Ltd	Nil	Nil	Nil	2.76	Nil	Nil
From Promoter	Nil	Nil	Nil	Nil	Nil	50.00
Total	**Nil**	**Nil**	**12.22**	**5.99**	**Nil**	**50.00**

Annexure XIV: STATEMENT OF SUNDRY DEBTORS

Rs. in millions

Particulars	As at March 31st 2001	2002	2003	2004	2005	As at December 31st 2005
Unsecured						
Debts Outstanding for a period exceeding six months						
- Considered good	7.08	10.34	9.41	10.58	9.87	12.84
- Considered doubtful	-	-	-	-	-	-
Other Debts	63.87	59.55	73.42	85.20	171.57	235.24
Total	**70.95**	**69.89**	**82.83**	**95.78**	**181.44**	**248.08**
The above includes the amount receivable from related parties as detailed below:						
M/s. Alltrans Port Management Pvt Ltd. formerly known as Allcargo Movers (North) Pvt Ltd.	**-**	**0.02**	**-**	**-**	**-**	**-**

Annexure XV : STATEMENT OF LOANS AND ADVANCES

Rs. in millions

		As at March 31st					As at December 31st
Particulars		**2001**	**2002**	**2003**	**2004**	**2005**	**2005**
1	Advances recoverable in cash or kind (Unsecured considered good)						
	Related parties	6.57	9.62	8.99	4.56	6.09	33.50
	Directors	-	-	-	-	-	-
	Other Advances	5.65	7.23	27.35	40.06	131.90	91.26
2	Deposits	2.78	3.85	4.50	3.08	5.57	8.46
3	Advance tax/Cenvat	27.82	42.78	52.55	75.17	67.11	83.15
4	Prepaid expenses	11.50	6.59	5.44	8.58	7.93	11.92
	Total	**54.32**	**70.07**	**98.83**	**131.45**	**218.60**	**228.29**

Annexure XVI : STATEMENT OF INVESTMENTS

Rs. in millions

		As at March 31st					As at December 31st
Particulars		**2001**	**2002**	**2003**	**2004**	**2005**	**2005**
Non-trade Investments in Shares and mutual funds		3.52	3.73	0.27	2.64	71.26	59.61
Trade Investments		-	1.16	3.34	3.34	3.34	508.73
Investments in related parties							
a.	Unquoted equity shares (At cost)						
1.	Alltrans Port Management Private Ltd. (formerly known as Allcargo Movers (North) Private Ltd.) 10 Equity shares of Rs. 100/- each	0.0010	0.0010	0.0010	0.0010	0.0010	0.0010
2.	Contech Transport Services Private Ltd. 9000 Equity shares of Rs.100/- each	-	-	-	-	0.90	0.90
b.	Unquoted Preference shares						
1.	Allcargo Movers (Bombay) Private Ltd. 40000, 13% Non cumulative Redeemable Pref. Shares of Rs. 100/- each	4.00	4.00	4.00	-	-	-
2.	Transindia Freight Private Ltd. 40000, 13% Non-cumulative Redeemable Pref. Shares of Rs. 100/- each	4.00	4.00	4.00	-	-	-
	Total	**11.52**	**12.89**	**11.61**	**5.98**	**75.50**	**569.24**

ANNEXURE XVII : RELATED PARTY TRANSACTIONS

Related Party Disclosures as required by AS 18 of the Institute of Chartered Accountants of India is as follows:

Relationships:

1)	Subsidiary company	:	Contech Transport Services Pvt. Ltd. (wef March 31, 2005)
2)	Associate company	:	Nil
3)	Joint Venture	:	M/s. Transworld Logistics & Shipping Services Inc.
4)	Companies under common control of the Promoters	:	M/s. Allcargo Shipping Services Pvt Ltd. M/s. Avadh Marketing Pvt Ltd. M/s. N.R. Holdings Pvt Ltd. M/s. TransIndia Freight Pvt Ltd. M/s. Allcargo Movers (Bombay) Pvt Ltd. M/s. Allnet Infotech Pvt Ltd. M/s. Prominent Estate Holdings Pvt Ltd. M/s. TransIndia Freight Services Pvt Ltd M/s. Jupiter Machines Pvt Ltd. M/s. Sealand Cranes Pvt Ltd. M/s. Alltrans Port Management Pvt Ltd. Formerly known as Allcargo Movers (North) Pvt. Ltd. M/s. Indport Maritime Agencies Pvt Ltd. M/s. Alltrans Logistics Pvt Ltd. M/s. Sealand Holdings Pvt Ltd.
5)	Key Management Personnel/ Directors	:	1) Mr. Shashi Kiran Shetty 2) Mrs. Arathi Shetty

Details of transactions with above parties :

(Rs. in millions)

Particulars	Year / period ending					
	March 2001	March 2002	March 2003	March 2004	March 2005	Dec 2005
Directors of the Company						
Rent paid	NA	Nil	0.07	0.30	0.30	0.23
Remuneration to Directors	NA	5.64	5.76	5.91	7.20	5.40
Car hire charges	Nil	Nil	Nil	Nil	Nil	0.68
Unsecured loans	Nil	Nil	Nil	Nil	Nil	50.00
Companies under common Promoters						
Business service charges	NA	3.05	2.88	2.21	0.91	0.68
Rent paid	NA	0.60	2.64	6.33	7.63	5.50
Interest paid	NA	Nil	Nil	0.96	0.45	Nil
Interest received	NA	Nil	0.19	Nil	Nil	2.32
Loans given	NA	Nil	Nil	Nil	Nil	22.90
Outstanding receivables	NA	6.11	9.13	0.84	15.67	58.78
Outstanding payables	NA	2.84	8.65	11.64	0.14	0.37
Transportation charges/Hire charges	NA	16.55	Nil	Nil	Nil	Nil
MTO operation expenses (Export)	NA	Nil	20.21	4.82	11.04	4.16
Spares consumed	NA	Nil	3.60	Nil	Nil	Nil
Fuel Expenses	NA	Nil	4.39	7.58	17.72	15.40
FAC / Brokerage expenses	NA	Nil	0.07	0.47	Nil	Nil
Hire & transport received	NA	Nil	18.76	26.88	49.60	34.33
Transport & equipment hire charges	NA	Nil	Nil	20.77	29.20	39.37
Advances received	NA	Nil	Nil	Nil	Nil	0.38

(Rs. in millions)

Particulars	Year / period ending					
	March 2001	March 2002	March 2003	March 2004	March 2005	Dec 2005
Subsidiary Company						
Outstanding receivables	NA	NA	NA	NA	Nil	0.90
Outstanding payables	NA	NA	NA	NA	0.17	0.04
Advances received	NA	NA	NA	NA	1.46	2.14
Advances paid	NA	NA	NA	NA	1.89	2.37
Service charges received	NA	NA	NA	NA	Nil	0.90
MTO Operation Expenses	NA	NA	NA	NA	Nil	1.52

(Rs. in millions)

Particulars	Year / period ending					
	March 2001	March 2002	March 2003	March 2004	March 2005	Dec 2005
Joint Venture Company						
MTO Operating Income	NA	NA	17.89	82.45	109.08	77.50
MTO Operating Expenses	NA	NA	11.34	73.85	93.59	71.05
Outstanding Receivables	NA	NA	2.15	1.58	Nil	3.31
Outstanding Payables	NA	NA	Nil	Nil	1.79	Nil
Loans Given	NA	NA	2.41	2.41	2.16	Nil

Annexure XVIII: STATEMENT OF CONTINGENT LIABILITIES

Rs. in millions

Particulars	Year Ended					Nine months Ended December 2005
	March 2001	March 2002	March 2003	March 2004	March 2005	
Bank Guarantees Outstanding	0.10	2.89	4.77	24.42	34.36	35.30
Continuity Bond executed in favour of The President of India through the Commissioner of Customs	NIL	NIL	NIL	66.00	66.00	66.00
Guarantees issued to Bankers in respect of Companies under the same management	NIL	NIL	NIL	NIL	20.00	22.50
Block Assessment Income tax Demand under appeal (See note below)	NIL	NIL	NIL	NIL	2.47	2.47
Customs duty payable on import of equipment under EPCG scheme (See note below)	NIL	NIL	NIL	21.90	24.68	28.25

Income Tax Authorities have raised a demand of Rs. 2.47 million pertaining to Block Assessment. However the company has preferred an appeal against the said demand, which the company is confident of succeeding in the appeal. Hence no provision has been made for the same.

Custom duty on import of equipment under EPCG scheme becomes payable if the company is not able to fulfill its export obligations. Since the company is confident of fulfilling its export obligation within a period of eight years from the date of respective imports, the same is not being provided.

Annexure XIX : STATEMENT OF EXPORT OBLIGATIONS

Rupees in millions

License No.	Date of License / Import	Items Imported	Export Obligation	Obligation Period
0330005433/3/11/00	11-Jun-04	One Used All Terrain Krupp Crane	15.42	June 11, 2012
0330005325	29-Mar-04	4 Units Kalmar Reachstacker – DRS4527 S5	175.19	March 29, 2012
0330006889	26-Oct-04	1 Unit Leibherr – LT 1120	14.59	October 26, 2012
0330009713	14-Sep-05	1 Unit of TIL make Reachstacker – RSL 45 **	28.59	September 14, 2013
	Total		**233.79**	

** The equipment was purchased from Local Manufacturer under NIL Excise duty by invalidating the EPCG License in favour of Tractors India Ltd.(TIL)

Annexure XX : STATEMENT OF TAX BENEFITS

For details of “Statement of possible tax benefits available to the Company and to its shareholders” please refer to page 47 of the Red Herring Prospectus

CONTECH TRANSPORT SERVICES PVT LTD

Annexure XXI : SUMMARY OF ASSETS AND LIABILITIES, AS RESTATED

Rupees in millions

Particulars	As at March 31st 2005	As at December 31st 2005
FIXED ASSETS		
Gross Block	1.65	1.65
Less : Depreciation	0.57	0.66
Net Block	1.08	0.99
Total	**1.08**	**0.99**
INVESTMENTS	**8.60**	**1.50**
CURRENT ASSETS, LOANS AND ADVANCES		
Sundry Debtors	0.37	0.66
Cash & Bank Balances	1.66	1.48
Loans & Advances	2.43	11.92
Total	**4.46**	**14.06**
LIABILITIES AND PROVISIONS		
Secured Loans	-	-
Unsecured Loans	-	-
Current Liabilities	1.01	2.50
Provisions	0.73	1.01
Deferred Tax Liability (Net)	0.19	0.17
Total	**1.93**	**3.68**

Rupees in millions

Particulars	As at March 31st 2005	As at December 31st 2005
NET WORTH	**12.21**	**12.87**
REPRESENTED BY		
Share Capital	1.30	1.30
Reserves & Surplus		
General Reserve	5.66	5.66
Profit & Loss Account	5.25	5.91
Total	**12.21**	**12.87**
Miscellaneous Expenditure	-	-
NET WORTH	**12.21**	**12.87**

Notes contained in Annexure XXIV forming part of this statement.

Contech Transport Services Pvt Ltd

Annexure XXII : SUMMARY PROFIT AND LOSS ACCOUNT, AS RESTATED

Rupees in millions

Particulars	For the Financial Year ended March 31st 2005	For Nine months period ended December 31st 2005
Profit and Loss Account		
INCOME		
Operating Income	-	10.41
Other Income	1.25	0.63
TOTAL	**1.25**	**11.04**
EXPENDITURE		
Operating Expenses	-	9.94
Administrative and Selling Expenses	0.16	0.08
Preliminary Expenses Written Off	-	-
Financial Charges	0.49	-
Depreciation	0.13	0.09
TOTAL	**0.78**	**10.11**
PROFIT BEFORE PRIOR PERIOD ADJUSTMENTS, EXTRAORDINARY ITEMS AND TAX	**0.47**	**0.93**
Add/Less: Taxes related to earlier years	(0.02)	-
Less : Prior period items	-	0.03
PROFIT BEFORE TAX	**0.45**	**0.90**

Rupees in millions

Particulars	**For the Financial Year ended March 31st 2005**	**For Nine months period ended December 31st 2005**
Provision for Income Tax	0.19	0.29
Deferred Tax	(0.03)	(0.02)
Provision for Wealth Tax	-	-
Provision for Fringe Benefit Tax	-	-
PROFIT AFTER TAX	**0.29**	**0.63**
ADJUSTMENTS		
Impact of material adjustment for restatement in corresponding years	(0.02)	(0.03)
Adjusted Net profit	**0.31**	**0.66**
Balance brought forward from Previous Year	4.94	5.25
PROFIT AVAILABLE FOR APPROPRIATIONS	**5.25**	**5.91**
APPROPRIATIONS	**-**	**-**
BALANCE CARRIED OVER TO BALANCE SHEET	**5.25**	**5.91**

Notes contained in Annexure XXIV forming part of this statement.

Contech Transport Services Pvt Ltd

Annexure XXIII : Cash Flow Statement, As Restated

Rupees in millions

	Particulars	For the Financial Year ended March 31st 2005	For Nine months period ended December 31st 2005
A.	**Cash Flow from Operating Activities**		
	Net Profit before prior period items, extraordinary items and Tax	0.47	0.93
	Depreciation	0.13	0.09
	Interest Payments	0.49	-
	Interest Received	-	(0.49)
	Profit on Sale of Shares	-	(0.14)
	Provisions for Liabilities	-	1.29
	Operating Profit before Working Capital Changes	-	1.68
	Adjustment for:		
	Increase/Decrease in Trade and Other receivables	13.39	(9.49)
	Increase/Decrease in Trade Payables and Other liabilities	(1.22)	0.23
	Prior Period Expenses	Nil	(0.03)
	Direct Taxes Paid	-	(0.29)
	Net Cash from Operating Activities	**11.76**	**(7.90)**
B.	**Cash Flow from Investing Activities**		
	Purchase of Investments	(8.60)	(10.10)
	Sale of Investments	-	17.34
	Sale of Fixed Assets	-	-
	Interest Received	1.25	0.49
	Net Cash from Investing Activities	**(7.35)**	**7.73**
C.	**Cash Flow from Financing Activities**		
	Receipt / Payment of Loans	(5.79)	-
	Refund of Share Application Money	-	-
	Issue of Share Capital including Premium	0.90	-
	Interest Paid on Loans	(0.49)	-
	Net Cash from Financing Activities	**(5.38)**	**-**
	Net Increase in Cash and Cash Equivalent (A+B+C)	**(0.97)**	**(0.17)**
	Cash and Cash Equivalent at the beginning of year	2.63	1.66
	Cash and Cash Equivalent at the end of the year	**1.66**	**1.48**

Contech Transport Services Private Ltd.

ANNEXURE XXIV

Significant Accounting Policies and Notes to Restated Financial Statements

Statement of Significant Accounting Policies

1. **Accounting Conventions:**

   All revenue cost assets and liabilities are accounted for on accrual basis under the historical cost convention and in accordance with the applicable accounting standards.

2. **Revenue Recognition:**

   Income from COC operations is accounted on an accrual basis except Import cargo handling charges, which is accounted on the basis of delivery of cargo.

3. **Fixed Assets:**

   Fixed assets are recorded at cost of acquisition less Accumulated depreciation and they are stated at historical cost.

4. **Depreciation:**

   Depreciation on Fixed Assets is provided on Straight Line Method at the rate specified in schedule XIV of the Companies Act, 1956.

   Individual items of fixed assets costing Rs.5,000/- or less are fully depreciated in the year of acquisition.

5. **Investments:**

   Investments are stated at cost.

6. **Foreign Currency Transaction:**

   Transactions in foreign currency are recorded at prevailing rates. Assets and liabilities in foreign currency are stated at the year-end rates. All exchange gains and losses, except those relating to acquisition of fixed assets, are accounted for in Profit & Loss Account.

7. **Employee's Retirement benefit:**

   The company contributes to the Employee's Provident Fund maintained under the Employee's Provident Fund Scheme by the Central Government, which are charged to Profit & Loss Account.

   Annual contribution to Gratuity Fund is based on the actuarial valuation as on the Balance Sheet date.

   Liability for leave encashment is based on the actuarial valuation as on the Balance Sheet date.

8. **Provisions for Current Tax and Deferred Tax:**

   Provision for Current Tax is made on the basis of the estimated taxable income for the current accounting period and in accordance with the provisions as per Income Tax Act, 1961.

   Deferred Tax resulting from "timing difference" between book and taxable profit for the year is accounted for using the tax rates and loss that have been enacted or substantially enacted as on the Balance Sheet date. The deferred tax asset is recognized and carried forward only to the extent that there is a reasonable certainty that the assets will be adjusted in future.

9. **Provision for doubtful debts and advances**

   Provision for doubtful debts are made by charging to current revenue. The Provision is based on evaluation of individual debtors and advances.

10. **Borrowing Cost:**

Interest and other costs in connection with the borrowing of the funds to the extent related/ attributed to the acquisition/ construction of qualifying fixed assets are capitalised up to the date when such assets are ready for its intended use and other borrowing costs are charged to Profit & Loss Account.

11. **Miscellaneous Expenses:**

Preliminary expenses are amortised over a period of 5 years.

12. **Impairment of Assets:**

The company identifies impairable assets at the year-end as per AS-28 issued by Institute of Chartered Accountants of India for the purpose of arriving at impairment loss on fixed assets and capital work in progress being the difference between the book value and recoverable value of each asset. Impairment loss, if any, is charged against revenue of the year.

C. Notes forming part of Accounts

1. Figures have been rounded off to the nearest rupee.
2. Confirmations of balances have not been received for loans and advances, debtors and creditors.
3. Contingent Liability not provided for:

	For the year ending March 2005 Rs. in Millions	For the period ending December 2005 Rs. in Millions
Block Assessment Income tax Demand under appeal (See note below)	0.797	0.797

Income Tax Authorities have raised a demand of Rs. 0.797 million pertaining to Block Assessment. However the company has preferred an appeal against the said demand, which the company is confident of succeeding in the appeal. Hence no provision has been made for the same.

4. 3000, 13% Non Cumulative Redeemable Preference Shares of Rs. 100/- each fully paid up are to be redeemed on or before the expiry of 20 years from the date of issue i.e. March 23, 1999, at the option of Board of Directors for cash or shares.
5. The maximum amount outstanding at any time during the year from Companies under the same management within the meaning of Sub-section (IB) of Section 370 is as follows:

Rs. in Millions

	March 31, 2005	December 31, 2005
Allcargo Global Logistics Private Ltd. Formerly known as Allcargo Movers (India) Private Ltd.	1.43	0.76

6. In the opinion of the management and to the best of our knowledge and belief, the value on realisation of loans advances and other current assets in the ordinary course of business will not be less than the amount at which they are stated in the Balance Sheet.
7. Under the head Current Liabilities & Provisions, no separate disclosure is made for outstanding amount(s) due to Small Scale Industrial Undertaking(s) (SSI) as the status of the creditors could not be ascertained. Accordingly names of SSI to whom the company owed any sum together with interest outstanding for more than 30 days is not disclosed.
8. There being only one segment of operation during the period, segment reporting is not applicable.
9. RELATED PARTY DISCLOSURES

Related party Disclosures as required by AS 18 of the Institute of Chartered Accountants of India is as follows:

Relationships :

1)	Holding company	:	Allcargo Global Logistics Private Ltd. (formerly known as Allcargo Movers (India) Private Ltd.) w.e.f. March 31, 2005
2)	Associate company	:	Nil
3)	Companies under common control of the Promoters	:	Nil
4)	Key Management Personnel	:	1) Mr. Adarsh Hegde 2) Mrs. Susheela Shetty

Details of transactions with above parties :

Particulars	**For the Year Ended March 31st 2005 (Rs. in millions)**	**For the Nine Months Ended December 31st 2005 (Rs. in millions)**
Directors of the Company	NIL	NIL
Associate Company	NA	NIL
Company under common control of Promoters	NA	NIL
Holding Company		
Outstanding Receivables	0.17	0.04
Outstanding Payables	NIL	0.90
Advances Received	1.90	2.37
Advances Paid	1.46	2.14
Service Charges Paid	NIL	0.90
Operating Income	NIL	1.52

10) **Calculation of Deferred Tax is as follows:**

	March 31, 2005 (Rs. in millions)	**December 31, 2005 (Rs. in millions)**
Deferred Tax Liability		
Difference in Block of Assets	0.19	0.17
Deferred Tax Liability (Net)	0.19	0.17

11) **Earning Per Share**

	March 31st 2005 (Rs. in millions)	**December 31st 2005 (Rs. in millions)**
Net Profit as per Profit & Loss Account	0.29	0.62
Number of Equity Share outstanding	10000	10000
Paid-up Value per Share	100	100
Earning per Share (in Rs.)	29.28	62.28

12) Estimated amount of Contract remaining to be executed on capital account and not provided is NIL (As at March 31, 2005 is NIL).

13) Managerial Remuneration paid is Nil (As at March 31, 2005 is NIL)

14) As the company is not engaged in manufacturing, trading or processing activities, Quantitative information required by para-3 and 4c of part II of section IV of the Companies Act, 1956 is not given.

15) Expenditure in foreign currency during the year is Rs.0.48 million (As at March 31, 2005 is NIL).

16) As this is the 1st Interim financial report of the company, the comparative previous period figures as on December 31, 2004 are not reported in view of Accounting Standard 25 of Institute of Chartered Accountants of India. However the figures pertaining to March 31, 2005 are reported.

17) Previous period's figures are regrouped wherever necessary.

18) Note on Impact of material adjustment for restatement in corresponding years

The company has charged earlier year's income tax write off in the financial statements for the year ended March 31, 2005. For the purpose of this statement the earlier year write offs have been appropriately adjusted in the year it relates to.

In the financial statement for the nine months ended December 31, 2005, the company had recognized/ charged certain amount of expenditures as prior period items. For the purpose of this statement, the said expenses have been appropriately adjusted in the year that it relates to.

ANNEXURE XXV : SUMMARY OF CONSOLIDATED ASSETS AND LIABILITIES, AS RESTATED

Rupees in millions

Particulars	As at March 31st 2005	As at December 31st 2005
FIXED ASSETS		
Gross Block	520.62	480.74
Less : Depreciation	202.37	117.73
Net Block	318.25	363.01
Capital Work in Progress	17.24	35.25
	335.49	**398.26**
INVESTMENTS	**83.20**	**569.84**
CURRENT ASSETS, LOANS AND ADVANCES		
Sundry Debtors	181.81	248.75
Cash & Bank Balances	13.69	174.22
Loans & Advances	220.86	239.27
	416.36	**662.24**
LIABILITIES AND PROVISIONS		
Secured Loans	99.20	385.23
Unsecured Loans	-	50.00
Minority Interest	1.16	1.23
Current Liabilities	257.03	225.28
Provisions	62.73	159.27
Deferred Tax Liability (Net)	13.31	10.51
	433.43	**831.52**
NET WORTH	**401.62**	**798.82**
REPRESENTED BY		
Share Capital	100.30	131.86
Share Application Money Pending Allotment	0.03	100.00
Reserves & Surplus		
General Reserve	105.00	174.64
Profit & Loss Account	187.52	383.34
Capital Profit on Acquisition of shares	9.58	9.58
Capital Redemption Reserve	0.30	0.30
Miscellaneous Expenditure	1.11	0.90
NET WORTH	**401.62**	**798.82**

Notes contained in Annexure XXVIII forming part of this statement.

ANNEXURE XXVI : SUMMARY OF CONSOLIDATED PROFIT AND LOSS ACCOUNT, AS RESTATED

Rupees in millions

Particulars	**For the Financial Year ended March 31st 2005**	**For Nine months December 31st 2005**
INCOME		
Operating Income	2,265.60	1,980.55
Other Income	57.58	69.28
TOTAL	**2,323.18**	**2,049.83**
EXPENDITURE		
Multimodal Transport Operation	1,671.37	1,261.02
Container Freight Station	100.81	132.10
Employee Cost	61.14	69.31
Hire and Transport	17.72	11.23
Administrative and Selling Expenses	95.70	98.11
Miscellaneous Expenses	0.51	6.45
Provision for Doubtful Debts	-	-
Preliminary Expenses Written Off	0.28	0.21
Financial Charges	8.15	15.77
Depreciation	78.51	48.77
TOTAL	**2,034.19**	**1,642.97**
PROFIT BEFORE PRIOR PERIOD ADJUSTMENTS, EXTRAORDINARY ITEMS AND TAX	**288.99**	**406.86**
Add/Less: Taxes related to earlier years	(0.45)	-
Less : Prior period items	-	(0.40)
PROFIT BEFORE TAX	**288.54**	**406.46**
Provision for Income Tax	39.71	36.39
Deferred Tax	(0.30)	(2.79)
Provision for Wealth Tax	0.06	-
Provision for Fringe Benefit Tax	-	2.37
PROFIT AFTER TAX BEFORE MINORITY'S SHARE	**249.07**	**370.49**
Less: Share of profit transferred to Minority	0.53	0.06
PROFIT AFTER TAX	**248.54**	**370.43**
ADJUSTMENTS		
Impact of material adjustment for restatement in corresponding years	3.29	(0.40)
Adjusted Net profit	245.25	370.83
Balance brought forward from Previous Year	58.33	187.52
PROFIT AVAILABLE FOR APPROPRIATIONS	**303.58**	**558.35**
APPROPRIATIONS :		
Interim Dividend	10.00	65.78
Tax on Interim Dividend	1.31	9.23
Transferred to General Reserve	100.00	100.00
Transferred to Capital Profits	4.75	-
BALANCE CARRIED OVER TO BALANCE SHEET	**187.52**	**383.34**

Notes contained in Annexure XXVIII forming part of this statement.

Annexure XXVIA : PROFIT AND LOSS ACCOUNT AS AT APRIL 1, 2004 (RESTATED)

Rupees in millions

Profit & Loss account as at April 1, 2004 (Audited)	63.28
Prior period expenses	0.05
Deferred tax liability as of March 31, 2004	4.46
Tax adjustments	0.44
Profit & Loss account as at April 1, 2004 (Restated)	58.33

ANNEXURE XXVII : CONSOLIDATED CASH FLOW, AS RESTATED

Rupees in millions

	Particulars	**For the Financial Year ended March 31st 2005**	**For Nine months ended December 31st 2005**
A.	**Cash Flow from Operating Activities**		
	Net Profit Before Prior Period items, extraordinary items and Tax	**288.99**	**406.86**
	Depreciation	78.51	48.77
	Loss on Sale of Fixed Assets	0.19	5.81
	Preliminary Expenses written off	0.28	0.21
	Interest Payments	7.55	15.41
	Interest Received	(2.70)	(4.81)
	Unrealised Foreign exchange loss/(gain)	(0.32)	0.50
	Profit on Sale of Shares	(0.64)	(3.06)
	Provisions for Liabilities	1.76	2.98
	Profit on Sale of Assets	-	(18.72)
	Dividend	(0.71)	(3.42)
	Excess provision of earlier year IT w/back	-	(0.09)
	Income tax refund	-	(0.01)
	Operating Profit before prior period items and Working Capital Changes	**372.91**	**450.43**
	Adjustment for:		
	Increase/Decrease in Trade and Other receivables	(167.36)	(71.12)
	Increase/Decrease in Trade Payables and Other liabilities	93.19	(31.88)
	Direct Taxes Paid	(42.06)	(34.31)
	Prior period expenses	-	(0.40)
	Net Cash from Operating Activities	**256.68**	**312.72**
B.	**Cash Flow from Investing Activities**		
	Purchase of Fixed Assets (including Capital Advances)	(153.55)	(176.52)
	Purchase of Investments	(80.53))	(817.74)
	Sale of Investments	3.04	334.16
	Sale of Fixed Assets	0.55	77.89
	Interest Received	2.70	4.81
	Dividend	0.71	3.42
	Net Cash from Investing Activities	**(227.08)**	**(573.98)**
C.	**Cash Flow from Financing Activities**		
	Refund of Share Application money	-	(0.01)
	Receipt of Share Application money	-	100.00
	Issue of Share Capital including Premium	0.90	1.18
	Receipt / Payment of Loans	(17.57)	336.03
	Stamp duty paid for increase in authorised capital	(1.39)	-
	Interim Dividend Paid	(10.00)	-
	Tax on Interim Dividend	(1.31)	-
	Interest paid on Loans	(7.55)	(15.41)
	Net Cash from Financing Activities	**(36.92)**	**421.79**
	Net Increase in Cash and Cash Equivalent (A+B+C)	**(7.32)**	**160.53**
	Cash and Cash Equivalent at the beginning of year	**21.01**	**13.69**
	Cash and Cash Equivalent at the end of the year	**13.69**	**174.22**

ANNEXURE XXVIII

Significant Accounting Policies and Notes to Consolidated Accounts

Statement of Significant Accounting Policies

1. **Accounting Conventions:**

   All revenue cost assets and liabilities are accounted for on accrual basis. Multimodal Transport Income and Multimodal Transport expenses are arrived at from voyage accounts after considering all relevant collections and expenses on accrual basis to respective voyages.

2. **Principles of Consolidation:**

   The Consolidated Financial Statements relate to Allcargo Global Logistics Ltd. formerly known as Allcargo Movers (I) Private Ltd and its Subsidiary company. In the preparation of these Consolidated Financial Statements, investments in Subsidiaries have been accounted for in accordance with AS 21 (Accounting for Consolidated Financial Statements) issued by the Institute of Chartered Accountants of India. The Consolidated Financial Statements are prepared on the following basis :-

   a. Subsidiary companies are consolidated on a line-by-line basis by adding together the Book values of the like items of assets, liabilities, income and expenses, after eliminating all significant intra-group balances and intra-group transactions and also unrealised profits or losses, except where cost cannot be recovered.

   b. The difference of the cost to the Company of its investment in Subsidiaries over its proportionate share in the equity of the investee company as at the date of acquisition of stake is recognized in the financial statements as Goodwill or Capital Reserve accordingly, as the case may be.

   c. Minorities' interests in net profits of consolidated subsidiaries for the year is identified and adjusted against the income in order to arrive at the net income attributable to the Shareholders of the Company. Their share of net assets is identified and presented in the Consolidated Balance Sheet separately.

3. **Revenue Recognition:**

   Income from operations relating to export containers is accounted on an accrual basis. A CFS yard charge on Import stuffed containers is accounted to the extent of recoverability from carriers of containers. Import cargo handling charges is accounted on the basis of realization. Income from COC operations is accounted on an accrual basis except Import handling charges, which is accounted on the basis of delivery of Cargo.

4. **Abandoned Cargo sales:**

   Revenue and expenses for sale of abandoned cargo are recognized when auction is finalized and necessary approvals from appropriate authorities are obtained.

5. **Fixed Assets:**

   Fixed assets are recorded at cost of acquisition less Accumulated depreciation and they are stated at historical cost.

6. **Depreciation:**

   Depreciation is calculated on written down value at the rate specified in the schedule XIV of the Companies Act, 1956.

   Individual items of fixed assets costing Rs.5,000/- or less are fully depreciated in the year of acquisition.

7. **Investments:**

   Investments are stated at cost.

8. **Foreign Currency Transaction:**

   Transactions in foreign currency are recorded at prevailing rates. Assets and liabilities in foreign currency are stated at the year-end rates. All exchange gains and losses, except those relating to acquisition of fixed assets, are accounted for in Profit & Loss Account.

9. Employee's Retirement benefit:

The company contributes to the Employee's Provident Fund maintained under the Employee's Provident Fund Scheme by the Central Government, which are charged to Profit & Loss Account.

Annual contribution to Gratuity Fund is based on the actuarial valuation as on the Balance Sheet date. Liability for leave encashment is based on the actuarial valuation as on the Balance Sheet date.

10. Provisions for Current Tax and Deferred Tax:

Provision for Current Tax is made on the basis of the estimated taxable income for the current accounting period and in accordance with the provisions as per Income Tax Act, 1961.

Deferred Tax resulting from "timing difference" between book and taxable profit for the year is accounted for using the tax rates and laws that have been enacted or substantially enacted as on the Balance Sheet date. The deferred tax asset is recognized and carried forward only to the extent that there is a reasonable certainty that the assets will be adjusted in future.

11. Treatment of expenditure during construction period:

Expenditure during construction period is included under Capital Work in Progress and the same is allocated to the respective fixed assets on completion of its construction.

12. Provision for doubtful debts and advances:

Provision for doubtful debts are made by charging to current revenue. The Provision is based on evaluation of individual debtors and advances.

13. Borrowing Cost:

Interest and other costs in connection with the borrowing of the funds to the extent related/ attributed to the acquisition/ construction of qualifying fixed assets are capitalised up to the date when such assets are ready for its intended use and other borrowing costs are charged to Profit & Loss Account.

14. Miscellaneous Expenses:

Preliminary expenses are amortised over a period of 5 years.

15. Impairment of Assets:

The company identifies impairable assets at the year-end as per AS-28 issued by Institute of Chartered Accountants of India for the purpose of arriving at impairment loss on fixed assets and capital work in progress being the difference between the book value and recoverable value of each asset. Impairment loss, if any, is charged against revenue of the year.

D. Notes forming part of Accounts

1. The Consolidated Financial Statements have been prepared in accordance with Accounting Standard 21 issued by the Institute of Chartered Accountants of India.
2. The Consolidated financial statements comprise financial statement of Allcargo Global Logistics Ltd. formerly known as Allcargo Movers (India) Pvt Ltd & its subsidiary Contech Transport Services Pvt. Ltd.
3. Financial reporting of Interest in Joint Venture, Transworld Logistics & Shipping Inc has not been consolidated as required by AS 27, as the same is not material in nature on the date of the consolidated Balance Sheet.

4. **Contingent Liabilities**

	Year/Period ending (Rs. in millions)	
	March 2005	**Dec 2005**
Bank Guarantees Outstanding	34.36	35.30
Continuity Bond executed in favour of The President of India through the Commissioner of Customs	66.00	66.00
Guarantees issued to Bankers in respect of Companies under the same management	20.00	22.50
Block Assessment Income tax Demand under appeal (See note below)	3.27	3.27
Customs duty payable on import of equipment under EPCG scheme (See note below)	24.68	28.25

Income Tax Authorities have raised a demand of Rs. 2.47 million pertaining to Block Assessment of the holding company and Rs.0.797 millions of the subsidiary company. However the company has preferred an appeal against the said demand, which the company is confident of succeeding in the appeal. Hence no. provision has been made for the same.

Custom duty on import of equipment under EPCG scheme becomes payable if the company is not able to fulfill its export obligations. Since the company is confident of fulfilling its export obligation within a period of eight years from the date of respective imports, the same is not being provided.

5. In case of subsidiary company 3000, 13% Non Cumulative Preference Shares of Rs. 100/- each fully paid-up are to be redeemed on or before the expiry of 20 years from the date of issue i.e. March 23, 1999, at the option of Board of Directors for cash or shares.

6. Confirmations of balances have not been received for loans and advances, debtors and creditors.

7. The maximum amount outstanding at any time during the year from Companies under the same management within the meaning of Sub-section (IB) of Section 370 is as follows.

	March 31, 2005 (Rs in millions)	**December 31, 2005 (Rs. in millions)**
Transindia Freight Services Pvt Ltd.	12.10	76.89
ECU International (Asia) Pvt. Ltd	NIL	0.55
Prominent Estate Holdings Pvt. Ltd	3.51	3.51
Alltrans Port Management Pvt. Ltd. (Formerly known as Allcargo Movers (North) Pvt Ltd.)	0.02	0.02

8. In the opinion of the management and to the best of our knowledge and belief, the value on realisation of loans advances and other current assets in the ordinary course of business will not be less than the amount at which they are stated in the Balance Sheet.

9. Segment Reporting

(a) Information about Business Segments (Information provided in respect of revenue Items for the year ended March 31st 2005 and nine months ended December 31, 2005 and in respect of assets / liabilities as at March 31, 2005 and December 31, 2005).

Particulars	**Multimodal Transport Operations**		**Container Freight Station**		**Total**	
	Year Ended 31st Mar 05	**Nine months Period ended 31st Dec 05**	**Year Ended 31st Mar 05**	**Nine months Period ended 31st Dec 05**	**Year Ended 31st Mar 05**	**Nine months Period ended 31st Dec 05**
Revenue						
External	1997.39	1549.65	325.79	500.18	2323.18	2049.83
Total Revenue	1997.39	1549.65	325.79	500.18	2323.18	2049.83
Result						
Segment Result	109.08	89.45	184.56	328.01	293.64	417.46
Operating Profit (PBIT)	109.08	89.45	184.56	328.01	293.64	417.46
Interest Expense	(6.29)	(13.58)	(1.86)	(1.83)	(8.15)	(15.41)
Interest Income	2.59	4.73	0.11	0.08	2.70	4.81
Profit before Tax	105.38	80.60	182.81	326.26	288.19	406.86
Provision						
For Current Tax	39.10	8.93	0.23	27.45	39.33	36.38
For Deferred Tax	(0.30)	(2.88)	3.38	0.08	3.08	(2.80)
For Fringe Benefit Tax	-	2.08	-	0.29	-	2.37
Profit after Tax before Minority's share	66.57	72.46	179.21	298.44	245.78	370.90
Profit share of Minority	0.53	0.06	-	-	0.53	0.06
Profit after Tax	66.04	72.40	-	298.44	245.25	370.84
Carrying amount of Segment Assets	647.44	1299.21	188.72	332.05	836.16	1631.26
Total Assets	647.44	1299.21	188.72	332.05	836.16	1631.26
Carrying Amount of Segment Liabilities	390.83	633.39	42.57	121.90	433.40	755.29
Total Liabilities	390.83	633.39	42.57	121.90	433.40	755.29
Cost incurred to acquire Segment Fixed Assets during the year	122.03	22.78	26.24	135.73	148.27	158.51
Depreciation/Amortization	62.16	37.50	16.35	11.27	78.51	48.77

(b) Secondary Segment – Geographical

The Company's Operating facilities are located in India

Rs. in millions

	Mar 05	**Dec 05**
Domestic Revenues	2323.18	2049.83

10. RELATED PARTY DISCLOSURES

Related party Disclosures as required by AS 18 of the Institute of Chartered Accountants of India is as follows:

C) Relationships:

1) Joint Venture	:	M/s. Transworld Logistics & Shipping Services Inc.
2) Companies under common control of the Promoters	:	M/s . Allcargo Shipping Services Pvt Ltd. M/s. Avadh Marketing Pvt Ltd. M/s. N.R. Holdings Pvt Ltd. M/s. Trans India Freight Pvt Ltd. M/s. Allcargo Movers (Bombay) Pvt Ltd. M/s. Allnet Infotech Pvt Ltd. M/s. Prominent Estate Holdings Pvt Ltd. M/s. Trans India Freight Services Pvt Ltd . M/s. Jupiter Machines Pvt Ltd. M/s. Sealand Cranes Pvt Ltd. M/s. Alltrans Port Management Pvt Ltd. Formerly known as Allcargo Movers (North) Pvt Ltd. M/s. Indport Maritime Agencies Pvt Ltd. M/s. Alltrans Logistics Pvt Ltd. M/s. Sealand Holdings Pvt Ltd.
3) Key Management Personnel/ Directors		1) Mr. Shashi Kiran Shetty 2) Mrs. Aarthi Shetty 3) Mr. Adarsh Hegde 4) Mrs. Susheela Shetty
4) Associate company	:	Nil.

D) Details of transactions with above parties:

Rupees in millions

Particulars	March 2005	Dec 2005
Directors of the Company		
Rent paid	0.30	0.23
Remuneration to Directors	7.20	5.40
Car hire charges	Nil	0.68
Loans received	Nil	50.00
Associate Company	NA	NA
Companies under common Promoters		
Business service charges	0.91	0.68
Rent paid	7.63	5.50
Interest paid	0.45	Nil
Interest received	Nil	2.32

Rupees in millions

Particulars	**March 2005**	**Dec 2005**
Loans Given	Nil	22.90
Outstanding receivables	15.67	58.78
Outstanding payables	0.14	0.37
MTO operation expenses (Export)	11.04	4.16
Spares consumed	Nil	Nil
Fuel Expenses	17.72	15.40
Hire & transport received	49.60	34.33
Transport & equipment hire charges	29.20	39.37
Advances received	Nil	0.38
Joint Venture company		
MTO Operating Income	109.08	77.50
MTO Operating Expenses	93.59	71.05
Outstanding Receivables	Nil	3.31
Outstanding Payables	1.79	Nil
Loans Given	2.16	Nil

11. Estimated amount of Contract remaining to be executed on capital account and not provided is (approximate) Rs.715.00 millions (As on March 31, 2005 Rs. 108.11 millions)
12. Managerial Remuneration paid to Managing Director is Rs. 4.50 millions (As on March 31st , 2005 Rs.7.20 millions)
13. Interim period Income tax expense is accrued using the tax rate that would be applicable to expected total annual earnings, i.e. Minimum Alternate Tax (MAT) rate applied to the pre-tax income of the interim period. Income tax provision in respect of Subsidiary is made on normal rate of tax.
14. The holding company has made the preferential allotment of 1,20,000 equity shares of Rs.10/- each at par to the Directors and relatives of directors during the Interim reporting period.
15. As the company is not engaged in manufacturing, trading or processing activities, Quantitative information required by para-3 and 4c of part II of section IV of the Companies Act, 1956 is not given.
16. Value of Imports calculated on CIF basis in respect of Capital Goods is NIL (As on March 31, 2005 Rs.56.02 millions)
17. Expenditure in foreign currency during the year is Rs. 135.82 millions (As on March 31, 2005 Rs. 61.77 millions). The company's direct exposure to foreign currency is limited to the inward / outward remittances arising out of net receivables and payables from its overseas counterparts, other foreign currency expenditure and income and any remittances towards investments abroad.
18. **Computation of Deferred Tax is as follows:**

	As at March 31st 2005 (Rs. in millions)	**As at December 31st 2005** (Rs. in millions)
Deferred Tax Liability:		
Difference in Block of Assets	14.47	11.74
Deferred Tax Assets:		
Fiscal and other disallowances	1.16	1.23
Deferred Tax Liability (Net)	13.31	10.51

19. Earnings per Share:

Rupees in millions

Particulars	Year ended March 31, 2005	Nine monthsended December 31, 2005
Adjusted Net profit after tax	245.25	370.83
Total no. of equity shares outstanding during the year	1,00,00,000 (of Rs.10/- Each)	1,31,56,000 (of Rs.10/- Each)
Adjusted no. of shares	162,50,000 (of Rs.10/- Each)	164,05,000 (of Rs.10/- Each)
Adjusted EPS	15.09	22.60
		30.13*
Diluted no. of shares after adjustment of bonus till date.	1,62,97,177 (of Rs.10/- Each)	1,64,52,177 (of Rs.10/- Each)
Diluted EPS	15.05	22.54
		30.05*

* Annualised

20. 40000 fully paid Bonus shares of Rs.100/- allotted during the financial year 2001-02. Subsequently shares were sub-divided into shares of Rs.10/- each and 9500000 fully paid Bonus shares were allotted during financial year 2004-05.

    Further 3036000 fully paid Bonus shares were allotted on October 28, 2005. Also further 3289000 fully paid Bonus shares were allotted on January 14, 2006. Diluted earnings per share is arrived at after considering ESOP.

21. Figures are regrouped wherever necessary.

22. Interim Dividend declared on March 9, 2006 has been provided for on the basis of shares outstanding as on December 31, 2005 and proportionate bonus shares declared on January 14, 2006.

CHANGES IN ACCOUNTING POLICIES IN THE LAST THREE YEARS

There has been no change in accounting policies in the last three years.

MANAGEMENT DISCUSSION AND ANALYSIS OF THE FINANCIAL CONDITION AND RESULTS OF OPERATIONS

You should read the following discussion and analysis of our financial condition and results of operations together with our audited financial statements for the period ended March 31, 2001, 2002, 2003, 2004, 2005 and the nine months ended December 31, 2005 under Indian GAAP including the schedules, annexure and notes thereto and the reports thereon, which appear in the section titled "Financial Statement"s beginning on page 144 of this Red Herring Prospectus. These financial statements are prepared in accordance with Indian GAAP, the Companies Act, 1956 and the SEBI Guidelines and restated as described in the Auditor's Report of Appan & Lokhandwala Associates, Chartered Accountants, dated April 29, 2006 appearing in the section titled "Financial Statements" beginning on page 144 of this Red Herring Prospectus. Unless otherwise stated, the financial information used in this section is derived from our audited unconsolidated financial statements for March 31, 2001, 2002, 2003, and 2004; and our audited consolidated financial statements for March 31, 2005 and the nine months ended December 31, 2005 under Indian GAAP, as restated.

Our fiscal year ends on March 31 of each year, so all references to a particular fiscal year are to the 12-month period ended March 31 of that year. In this section references to Allcargo or the Company or our Company are to Allcargo Global Logistics Limited on a consolidated basis.

Overview

Our Company was incorporated in August 1993 and started its operations as an agent of AMI International NV and in 1995 joined hands with Ecu Line NV as a co-operation agent. In the year 1997 our first branch office was set-up at Chennai and now we have expanded to 17 branches and 11 franchisees located at various commercial centers of the country. In June 1998 our Company registered itself as Multimodal Transport Operator (MTO) with DG Shipping, Ministry of Shipping, GOI. Since then in order to increase our presence at various international destinations, the company has entered into Agency and Co-operation agreements covering major economic destinations. In order to further strengthen our position at some international destinations, the company made strategic investments in Ecu Line (IOI) Ltd., Mauritius and Ecu Line Middle East, Dubai in the year 2001 and in ACM Lines Pty, Ltd., Durban in 2001. We also entered into a joint venture with Transworld Logistics and Shipping Services in 2002 to strengthen our position in USA. In order to take advantage of infrastructure bottleneck at the ports leading to congestion and steady increase of containerized cargo at JNPT we initiated steps to set up a CFS, which though not directly related to our MTO business is complementary to it. In the year 2003, we developed a modern state of the art container freight station, which attained full capacity within a period of seven months. To capitalize on the growing trade opportunities for our CFS, we expanded our capacities and commenced second phase of CFS operations in 2004. Further, the third phase of development of our CFS is in progress. In order to diversify our activities and to fully utilize our infrastructure we started handling of Project Cargo in the year 2004. In the year 2004, we also received ISO 9001:2000 Quality Management System certification from Det Norske Veritas (DNV) which is valid till July 2007. To further strengthen our position at international destinations, in the year 2005, we acquired 33.8% stake in Ecu Hold NV, which is one of the leading NVOCC in the world and has 110 offices in 56 countries and franchisees and agents at 203 locations in 120 countries. This gives us an international presence across the globe. In January 2006 we increased our Stake in Ecu Hold NV to 49.99% and in the same year we also converted our Company from Private Limited to Public Limited.

At present, the main areas of focus for the company's business are:

- Multimodal Transport Operations
- Container Freight Station Operations
- Project Cargo Handling.

MTO:

Our Company is one of the leading Consolidator in the logistic industry and was awarded the 'best consolidator' award by CONCOR in the year 2002 and has been consistently performing as one of the top consolidators since then. As an MTO our Company transports cargo against a single document covering multiple modes of transport. With our widespread national network, our longstanding relations with shipping lines and an extensive international network, we ensure smooth handling, storage, and delivery of cargo. To cater to multiple needs of our customers we also offer airfreight services in our portfolio of services.

CFS:

JNPT is India's largest container port, handling almost 56% of the country's international trade. Our Company's CFS at Uran is located at a distance of 18 kms. from JNPT. Our CFS offers its customers various facilities like packing, stuffing, de-stuffing, storage, custom clearance, etc. In order to take advantage of the growing CFS business our Company plans to set up CFS / ICD at other economic centres like Chennai, Mundra and Delhi.

Project Handling:

Our Company has ventured into handling of project cargo which involves transportation of high value specialized equipments utilizing multiple modes of transport viz sea, road and rail. It is a niche activity, different from the normal transport business as it requires detailed planning and technical expertise. With customized solutions tailored to meet specific customer requirements, the comprehensive project handling service package includes transport on basis of turnkey contract & transport of over dimensional cargo. Our relationship with the shipping lines, strong domestic and international network, relationship with other required intermediaries and expertise to design and deliver movement of complex cargo is a key ingredient for the success of this business.

Significant Accounting Policies

1. **Accounting Conventions:**

   All revenue cost assets and liabilities are accounted for on accrual basis. Multimodal Transport Income and Multimodal Transport expenses are arrived at from voyage accounts after considering all relevant collections and expenses on accrual basis to respective voyages.

2. **Revenue Recognition:**

   Income from operations relating to export containers is accounted on an accrual basis. A CFS yard charge on Import stuffed containers is accounted to the extent of recoverability from carriers of containers. Import cargo handling charges is accounted on the basis of realization.

3. **Abandoned Cargo sales:**

   Revenue and expenses for sale of abandoned cargo are recognized when auction is finalized and necessary approvals from appropriate authorities are obtained.

4. **Fixed Assets:**

   Fixed assets are recorded at cost of acquisition less Accumulated depreciation and they are stated at historical cost.

5. **Depreciation:**

   Depreciation is calculated on written down value at the rate specified in schedule XIV of the Companies Act, 1956.

   Individual items of fixed assets costing Rs. 5,000/- or less are fully depreciated in the year of acquisition.

6. **Investments:**

   Investments are stated at cost.

7. **Foreign Currency Transaction:**

   Transactions in foreign currency are recorded at prevailing rates. Assets and liabilities in foreign currency are stated at the year-end rates. All exchange gains and losses, except those relating to acquisition of fixed assets, are accounted for in Profit & Loss Account.

8. **Employee's Retirement benefit:**

   The company contributes to the Employee's Provident Fund maintained under the Employee's Provident Fund Scheme by the Central Government, which are charged to Profit & Loss Account.

   Annual contribution to Gratuity Fund is based on the actuarial valuation as on the Balance Sheet date.

Liability for leave encashment is based on the actuarial valuation as on the Balance Sheet date.

9. **Provisions for Current Tax and Deferred Tax:**

   Provision for Current Tax is made on the basis of the estimated taxable income for the current accounting period and in accordance with the provisions as per Income Tax Act, 1961.

   Deferred Tax resulting from "timing difference" between book and taxable profit for the year is accounted for using the tax rates and loss that have been enacted or substantially enacted as on the Balance Sheet date. The deferred tax asset is recognized and carried forward only to the extent that there is a reasonable certainty that the assets will be adjusted in future.

10. **Treatment of expenditure during construction period:**

    Expenditure during construction period is included under Capital Work in Progress and the same is allocated to the respective fixed assets on completion of its construction.

11. **Provision for doubtful debts and advances:**

    Provision for doubtful debts are made by charging to current revenue. The Provision is based on evaluation of individual debtors and advances.

12. **Borrowing Cost:**

    Interest and other costs in connection with the borrowing of the funds to the extent related/ attributed to the acquisition/ construction of qualifying fixed assets are capitalised up to the date when such assets are ready for its intended use and other borrowing costs are charged to Profit & Loss Account.

13. **Miscellaneous Expenditure:**

    Preliminary expenses are amortised over a period of 5 years.

14. **Impairment of Assets:**

    The Company identifies impairable assets at the year-end as per AS-28 issued by the Institute of Chartered Accountants of India for the purpose of arriving at impairment loss on fixed assets and capital work in progress being the difference between the book value and recoverable value of each asset. Impairment loss, if any, is charged against revenue of the year.

Significant factors affecting operations

The main factors which affect our operations are as follows:

- **Containerization:** Containerization of cargo is one of the main growth drivers of our business. The increase in conversion of bulk commodity into containerised cargo is beneficial to our business. In the last few years there has been a rising trend towards containerization.
- **International trade:** The increase in India's imports and exports is beneficial since it results in higher volumes of cargo for our business. India's exim trade has been growing by 11.9% CAGR.
- **Infrastructure:** Growth in port, rail and road infrastructure creates opportunities for our business. Rapid development of major and minor ports and improvement in road and rail connectivity is taking place.
- **Relationship with Shipping Lines:** is crucial for our business since they are the carriers of cargo for our MTO business as well as initiators for our CFS business. We share excellent rapport with most of the shipping lines.
- **Network:** Wide network is one of the important factors for the success of MTO business. Our Company has wide presence at both domestic and international level. Our domestic network spans across 26 locations through 19 branches and 7 franchisees. Our international coverage spans across 4000 destinations through our Agency and Co-operation agreements.
- **Technology:** Our business is dependent on the quality of services that we offer to our customers. Technology plays a very crucial role in the standards of the services that we are able to offer to our customers. Our technology offers us twin benefits of smooth and efficient internal operations as well as benefits the customers by providing them with timely updates on the status of the cargo. We are in the process of upgrading our IT infrastructure to include web booking of cargo, B/L printing at customer's office, on-line tracking of transshipment cargo and delivery status at destination port.

Growth strategies

OUR BUSINESS STRATEGY

Through our various business segments of MTO, Project Cargo Handling, CFS and our strategic acquisition, we intend to gain synergy between the various business segments of the logistics space and build each segment through strategies as detailed below:

1. **Strengthen existing services**

   Strengthen existing experienced and well-trained team

   Being in the Service Industry, our people are our most important assets and therefore we constantly endeavor to build an experienced and well-trained team.

   Focus on FCL cargo

   Our large volumes in LCL consolidation help us build strong relationships with shipping lines that gives us cost and operational advantages. By leveraging our cost advantage we are able to attract substantial FCL Volumes. Our strategy going forward is to sustain the focus on FCL cargo.

   Project Cargo Handling

   Our strategy is to expand our team in the project cargo handling vertical and increase our presence in this segment.

   Expansion of CFS operations to multiple locations

   Our strategy to expand our CFS operations to multiple locations shall enable us to service our customers on a Pan India basis.

2. **Increase array of services**

   Wide range of offering

   Our strategy has been to expand the range of our services in the logistics space. We have drawn up plans to diversify into the new opportunities emerging from liberalisation in Railways and in Coastal shipping movements in containers.

   Container owned cargo business

   Currently our subsidiary Contech Transport Services Private Limited leases containers and operates in the container owned cargo business. It carries on its activity in certain Asian ports. Going forward we would purchase our own containers, scale up the operations and expand our reach in this activity in line with market conditions.

3. **Move up the value chain**

   Deliver Superior Service Levels

   In the LCL consolidation and FCL freight forwarding business in India, customer loyalty is built through the enhancement of service levels in terms of transit times, coverage, timely information flow and efficient cost structures. Our strategy to deliver superior service levels is based on network expansion, enhancing our ERP system, enhance depth of offerings and offer direct marketing focused towards contacting importers directly.

4. **Strategic initiatives/acquisitions**

   ECU Hold N.V

   We have been associated with Ecu Line NV since 1995 In June 2005 we acquired a 33.8% stake in Ecu Hold, the holding company of Ecu Line. After 6 months in January 2006, as a strategic investor we raised our stake to 49.99% with the option to increase it to 100% subject to due diligence and certain covenants as explained on page number 102.

   Related Diversifications, Mergers and Acquisitions:

   We shall also look for opportunities for acquisitions / mergers of other companies in India in the logistics space thereby build a larger market share, increase the portfolio of services we offer, and move up the value chain.

Selected Financial Data

Summary of Assets & Liabilities

Rs. in million

Particulars	Apr - Dec 2005	Apr - Dec 2004	FY 2005	FY 2004	FY 2003	FY 2002
FIXED ASSETS						
Gross Block	480.74	506.58	520.62	372.86	181.26	118.05
Less: Depreciation	117.73	181.82	202.37	124.85	75.64	48.81
Net Block	363.01	324.76	318.25	248.01	105.62	69.24
Capital Work In Progress	35.25	3.09	17.24	11.96	88.08	4.55
	398.26	**327.85**	**335.49**	**259.97**	**193.70**	**73.79**
INVESTMENTS	569.84	46.89	83.20	5.98	11.61	12.89
CURRENT ASSETS, LOANS AND ADVANCES						
Sundry Debtors	248.75	137.95	181.81	95.78	82.83	69.89
Cash & Bank Balances	174.22	38.44	13.69	18.38	14.34	10.85
Loans & Advances	239.27	159.06	220.86	131.45	98.83	70.07
	662.24	**335.46**	**416.36**	**245.61**	**196.00**	**150.81**
LIABILITIES AND PROVISIONS						
Secured Loans	385.23	116.73	99.20	105.00	87.10	33.98
Unsecured Loans	50.00	-	-	5.99	12.22	-
Minority Interest	1.23	-	1.16	-	-	-
Current Liabilities	225.28	150.73	257.00	161.43	140.70	86.82
Provisions	159.27	99.42	62.73	70.71	51.99	42.98
Deferred Tax Liability (Net)	10.51	15.95	13.31	10.01	5.31	2.72
	831.52	**382.83**	**433.40**	**353.14**	**297.32**	**166.50**
NET WORTH	**798.82**	**327.37**	**401.65**	**158.42**	**103.99**	**71.00**
REPRESENTED BY						
Share Capital	131.86	5.00	100.00	5.00	5.00	5.00
Share Application money Pending Allotment	100.00	0.03	0.03	0.03	0.03	0.03
Reserves & Surplus						
General Reserve	174.64	100.00	105.00	100.00	50.00	20.00
Profit & Loss Account	383.34	222.34	187.55	53.39	48.97	45.98
Capital Profit on Acquisition of shares	9.58	-	9.58	-	-	-
Capital Redemption Reserve	0.30	-	0.30	-	-	-
	-	**-**	**402.76**	**158.42**	**104.00**	**71.01**
Miscellaneous Expenditure	0.90	-	1.11	-	0.01	0.01
NET WORTH	**798.82**	**327.37**	**401.65**	**158.42**	**103.99**	**71.00**

Summary of Profit & Loss Statement

Rs. in million

	Apr- Dec 2005	Apr - Dec 2004	FY 2005	FY 2004	FY 2003	FY 2002
Income						
Multimodal Transport Operations	1,354.62	1,305.72	1,820.12	1,334.88	1,169.66	1,055.31
Container Freight Station	498.63	219.79	325.03	127.58	-	-
Project cargo handling	118.41	37.22	120.45	-	-	-
COC Income	8.89	-	-	-	-	-
Total operating income	**1,980.55**	**1,562.73**	**2,265.60**	**1,462.46**	**1,169.66**	**1,055.31**
Other income	69.28	39.12	57.58	32.51	20.11	19.24
Total income	**2,049.83**	**1,601.85**	**2,323.18**	**1,494.97**	**1,189.77**	**1,074.55**
Expenses						
Multimodal Transport Operations	1,153.74	1,104.86	1,566.62	1,135.57	993.85	893.1
Container Freight Station	132.10	74.68	100.81	68.83	-	-
Project cargo handling	98.24	32.45	104.75	-	-	-
COC Expenses	9.04	-	-	-	-	-
Total operating costs	**1,393.12**	**1,211.99**	**1,772.18**	**1204.4**	**993.85**	**893.1**
Employee costs	69.31	42.55	61.14	51.83	44.78	42.32
Administrative & selling expenses	98.11	63.21	95.70	81.3	55.54	49.6
Prov. for Doubtful Debt	-	-	-	-	-	0.12
Misc expenses	17.68	17.17	18.23	16.47	11.1	9.84
EBIDTA	**471.61**	**266.93**	**375.93**	**140.96**	**84.51**	**79.57**
Preliminary Expenses written off	0.21	-	0.28	0.01	0.01	0.01
Depreciation	48.77	58.07	78.51	52.1	27.56	29.06
Financial Charges	15.77	5.88	8.15	10.8	4.66	6.11
Profit before prior period items, extraordinary items and taxes	**406.86**	**202.98**	**288.99**	**78.06**	**52.28**	**44.40**
Prior period items and earlier year taxes	0.40	-	0.45	-	0.02	2.94
Tax	35.97	31.83	39.47	19.17	19.28	15.42
Minority Share of Profit	0.06	-	0.53	-	-	-
Profit after tax	370.43	171.15	248.54	58.89	32.98	26.04
Adjustments	0.40	2.21	3.29	4.46	(0.01)	(1.77)
Adjusted profit	**370.83**	**168.94**	**245.25**	**54.43**	**32.99**	**27.81**

Revenue Model for Multimodal Transport Operations

Rs. in million

	For nine months ending, December 31st		For the Financial Year ended March 31st			
	2005	**2004**	**2005**	**2004**	**2003**	**2002**
MTO Income						
Export	1148.92	1107.88	1,537.46	1,163.50	1,037.77	971.06
Import	197.33	188.87	271.18	167.27	131.90	84.26
Air Cargo Forwarding	8.37	8.97	11.48	4.11	-	-
Total Operating Income	**1354.62**	**1305.72**	**1,820.12**	**1,334.88**	**1,169.66**	**1,055.31**
MTO Expenses						
Export	1025.16	975.70	1,384.51	1,031.08	899.21	836.08
Import	112.56	115.63	164.93	95.73	91.12	54.24
Space Reservation Charges	8.76	6.05	7.62	5.32	3.52	2.78
Air Cargo Forwarding	7.26	7.48	9.56	3.44	-	-
Total	**1153.74**	**1104.86**	**1,566.62**	**1,135.57**	**993.85**	**893.10**

MTO INCOME

Our income from the MTO operations comprises of –

Export:

Export revenue comprises of Freight, Terminal Handling Charges (THC), Documentation Charges, Door Delivery Charges, Incentive from Overseas Agents and other charges.

- Freight Charges – These charges are the major component of the revenue from MTO Export Operations. These are charges for sea carriage of the cargo, and are dependent on the commodity, port, weight of the cargo, congestion at ports, Freight revenue is linked to the movement in the freight rates as decided by the Shipping Lines from time to time.
- Terminal Handling Charges (THC) – These charges are collected for handling and transportation of cargo / container at Port / ICD / CFS. These charges are collected as per the tariff prescribed by India Pakistan Bangladesh Ceylon Conference (IPBCC) and Mumbai and Nhava Sheva Ship-Intermodal Agents Association (MANSA).
- Documentation Charges – These charges are collected for issuing House Bills of Lading and completing relevant documentation.
- Door Delivery Charges – These are the charges for Door Delivery of Shipment from Port of Discharge to place of delivery. These charges are collected if customer wants to avail of these services which are provided by our agent at destination port.
- Incentives from Overseas Agents – Incentives are received from overseas agents from the income earned by them from handling our LCL export consignments at the destination.
- Other Charges comprise of General Rate Increase (GRI) of Freight, Peak Season Surcharge (PSS), and Stripping Charges as applicable from time to time and consignment to consignment.

Import:

Import revenue comprises of Delivery order charges, THC, Nomination income, door delivery charges and other charges.

- Delivery Order Charges: These charges are recovered from the consignee for issue of delivery orders and related documentation like filing of Import General Manifest (IGM), verification of survey reports and issue of examination delivery orders for custom clearance.
- THC: These charges are collected for handling and transportation of cargo / container at Port / ICD / CFS. These charges are collected as per the tariff prescribed by India Pakistan Bangladesh Ceylon Conference (IPBCC) and Mumbai and Nhava Sheva Ship-Intermodal Agents Association (MANSA)
- Nomination Income –This income is earned in case of import sales generated by us. The nature of income comprises mainly of freight income, handling and transportation income in case of ex work shipment. Handling and transportation in case of ex work shipment is done by our agents at the load port.
- Door Delivery Charges: These are the charges for Door Delivery of Shipment from Port of Discharge to place of delivery. These charges are collected if customer wants to avail of these services.
- Other Charges comprises of handling charges for FCL shipment, charges collect (CC) fees in case of freight collection and administration charges for stamp duty franking of documents.

MTO EXPENSES

Exports:

Export expenses comprises of Freight, THC, Documentation Charges, Door Delivery Charges and other operational charges.

- Freight Charges - These charges are the major component of the cost for MTO Export Operations. These are charges payable to shipping lines for sea carriage of the cargo, and are dependent on the commodity, port, congestion at ports. Freight cost is linked to the movement in the freight rates as decided by the Shipping Lines from time to time.
- Terminal Handling Charges - These charges are paid to shipping lines for handling and transportation of cargo / container at Port / ICD. These charges are paid as per the tariff prescribed by India Pakistan Bangladesh Ceylon Conference (IPBCC) and Mumbai and Nhava Sheva Ship-Intermodal Agents Association (MANSA).
- Documentation Charges: These charges are paid to shipping lines for obtaining Master Bill of Lading and completing relevant documentation.
- Door Delivery Charges – These are the charges paid for Door Delivery of Shipment from Port of Discharge to place of delivery. These charges are paid to shipping lines or our agents who provide the services according to delivery terms.
- Other operational charges comprises of:
  - Space reservation charges paid to the CFS for carrying out operations at the designated place in CFS.
  - Charges for packing and stowage of the cargo.
  - Hire charges for Forklift and other handling equipments.
  - Insurance charges.

Imports:

Import expenses comprises of Delivery order charges, THC, Nomination expenses and door delivery charges.

- Delivery Order Charges: These charges are paid to the shipping lines. These charges are paid for issue of delivery orders and related documentation.
- Terminal Handling Charges (THC): These charges are paid to shipping line for handling and transportation of cargo / container at Port / ICD. These charges are paid as per the tariff prescribed by India Pakistan Bangladesh Ceylon Conference (IPBCC) and Mumbai and Nhava Sheva Ship-Intermodal Agents Association (MANSAA)

- Nomination Expenses–These expenses are paid to our agents at load port towards freight in case of import sales generated by us. The nature of expenses comprises mainly of freight expenses, handling and transportation expenses in case of ex work shipment. Handling and transportation in case of ex work shipment is done by our agents at the load port.
- Door Delivery Charges: These are the charges paid for transportation of cargo from Port of Discharge to place of delivery in accordance with delivery terms.

Revenue Model for Container Freight Station

Rs. in million

	For nine months ending, December 31st		For the Financial Year ended March 31st	
	2005	**2004**	**2005**	**2004**
Income				
Ground Rent	247.02	91.59	134.14	46.01
Container Storage, Handling Charges and Repairs	246.37	125.85	178.76	78.87
Auction Sales	5.24	2.35	11.58	2.26
Business Service Charges	-	-	0.55	0.44
Total Operating Income	**498.63**	**219.79**	**325.03**	**127.58**
Expenses				
Operating Cost	121.73	68.12	93.40	62.73
Custom Staff Expenses	2.92	4.05	4.05	3.44
Repairs and Maintenance	7.45	2.51	3.36	2.66
Total	**132.10**	**74.68**	**100.81**	**68.83**

Our revenue and the corresponding expenses from the CFS division consist of the following:

Container Handling & Transportation Charges – Income includes charges for transportation of the loaded container between port and the CFS, stacking, Stuffing and De-stuffing of the container and delivery of the cargo / container.

Revenue is directly related to the volume and any change in volume will proportionately influence the income under this head. Separate rates are charged for delivery of loaded container and de-stuffed cargo. It is considered an important source of revenue, since majority of the cargo handling activities are included under this head and offered to the customer as a packaged rate for the entire cycle covering standard operations.

Outgo includes transportation charges, rental charges for top-lifter for loading or off loading of container, fork-lift and labour charges for Stuffing and de-stuffing, survey charges and delivery of cargo.

Ground Rent– Import Loaded containers are kept in the open yard and ground rent charges are recovered from the consignees before the delivery is given. Charges are based on the period of storage, size and type of the container. Additional charges are levied for hazardous, refrigerated and over dimension cargo.

Since the charges are levied at an escalated slab rate based on the number of days, recovery from long-standing containers is substantially high as compared to the containers which get cleared immediately on arrival.

No Ground rent is earned on export containers as it is the responsibility of the CFS to move the container to the port.

Cargo Storage Income – Import LCL containers are de-stuffed on arrival, and the cargo is kept in the warehouse. Charges are collected from consignees for duration of storage of cargo.

We lease out warehouse space to Shipping lines, consolidators and Freight forwarders for export consignment and earn storage income.

Abandoned Cargo disposal – Longstanding import cargo is disposed through auction under custom supervision under Sec-48 of the Customs Act 1962. The process begins if the cargo is not cleared within 30 days of its arrival. Proceeds from the auction sale are used for payment of customs duty, meeting the expenses for auction, VAT on auction sale and CFS charges.

Other income:

- Custom Examination Charges
- Palletisation charges
- EDI documentation charges
- Rent for providing office space
- Storage and Transportation of empty containers

Other Expenses:

- Palletisation expenses
- EDI documentation expenses
- Transportation of empty containers

Revenue Model for Project Cargo Handling:

Rs. in million

	For nine months ending, 31st December		For the Financial Year ended March 31st			
	2005	2004	2005	2004	2003	2002
Income	118.41	37.22	120.45	-	-	-
Expenses	98.24	32.45	104.75	-	-	-

Income from Project Cargo Handling is billed on a consolidated basis comprising of activities of transportation of cargo, loading & unloading of cargo, freight charges and documentation charges.

Expenses for Project Cargo Handling includes charges for transportation of cargo, loading & unloading of cargo, freight and documentation.

Other income

Other income includes hire and transport income for the equipments and vehicles given on hire. Majority of the assets in this business segment has been hived off with effect from November 1, 2005. It also includes interest on fixed deposits, dividend income and profit from sale of shares or other assets.

Miscellaneous Expenses

Other expenses include hire and transport expense for the equipments and vehicles given on hire. All vehicles and most of the equipments for hire and transport activites have been sold with effect from November 1, 2005.

Cash flow

Rs. in million

	Apr –Dec' 2005	FY 2005	FY 2004	FY 2003
Net cash from (used in) operating activities	312.73	256.68	111.21	88.10
Net cash from (used in) investing activities	(573.99)	(227.08)	(108.37)	(145.55)
Net cash from (used in) financing activities	421.79	(36.92)	1.20	60.94
Net increase/(decrease) in cash & cash equivalents	160.53	(7.32)	4.04	3.49

Net cash flows from operating activities signifies surplus from our business.

Net cash flows from investing activities is due to investment in our CFS and acquisition of stake in Ecu Group.

Net cash flows from financing activities comprises of dividend received, loans availed and repayment of loans and interest.

Tax policy

Based on CBDT Circular No. 10/2005 dated 16/12/2005 and the letter obtained from the port authorities stating that the Container Freight Station (CFS) is an extended activities of the Port related activities in accordance with CBDT circular No. 793 dated 23/06/2000 read with circular no.133/95 customs dt. 22/12/1995 of CBEC, New Delhi and based on the opinion obtained, the management is of the opinion that the provisions of section 80IA (4) (i) of the Act have been fulfilled and the company is eligible for tax holiday in respect of the profits derived from the CFS situated within the port limits of Jawaharlal Nehru Port Trust, for a period of ten consecutive assessment years beginning with the assessment year 2004-05.

Contingent liabilities

Statement of Contingent Liabilities

Rs. in millions

	Year / period ending					
	March 2001	March 2002	March 2003	March 2004	March 2005	Dec 2005
Bank Guarantees Outstanding	0.10	2.89	4.77	24.42	34.36	35.30
Continuity Bond executed in favour of The President of India \through the Commissioner of Customs	NIL	NIL	NIL	66.00	66.00	66.00
Guarantees issued to Bankers in respect of Companies under the same management	NIL	NIL	NIL	NIL	20.00	22.50
Block Assessment Income tax Demand under appeal. (See note below)	NIL	NIL	NIL	NIL	2.47	2.47
Customs duty payable on import of equipment under EPCG scheme (See note below)	NIL	NIL	NIL	21.90	24.68	28.25

Income Tax Authorities have raised a demand of Rs. 2.47 millions pertaining to Block Assessment. However the company has preferred an appeal against the said demand, which the company is confident of succeeding in the appeal. Hence no provision has been made for the same.

Custom duty on import of equipment under EPCG scheme becomes payable if the company is not able to fulfil its export obligations within a period of 8 years from the date of respective imports. Since the company is confident of fulfilling its export obligation within a period of eight years from the date of respective imports, the same is not being provided.

Comparison of financial results of nine months ending December 31, 2005 with nine months ending December 31, 2004

- Acquisition of 33.80% stake in Ecu Hold NV
- Set up Branch offices in Pune and Nasik

Operating Income:

Rs. in million

	Apr – Dec 2005	Apr – Dec 2004	Variance%
MTO Income			
Export	1,148.92	1,107.88	3.70
Import	197.33	188.87	4.48
Air Cargo Forwarding	8.37	8.97	-6.69
Total	**1,354.62**	**1305.72**	**3.75**
CFS Income			
Ground Rent	247.02	91.59	169.70
Container Storage, Handling Charges & Repairs	246.37	125.85	95.76
Auction Sales	5.24	2.35	122.98
Business Service Charges			
Total	**498.63**	**219.79**	**126.87**
Project Cargo	**118.41**	**37.22**	**218.14**
COC Income	**8.89**	**-**	**-**
Total Operating Income	**1,980.55**	**1,562.73**	**26.74**

MTO Income

The volumes handled are given below:

In TEUs	Apr – Dec 2005		Apr - Dec 2004	
	Import	Export	Import	Export
LCL	3,592	5,571	3,543	6,261
FCL	1,115	7,676	929	7,771
Total	**4,707**	**13,247**	**4,472**	**14,032**

Our income from MTO has increased by 3.75% on account of the following –

Export

Even though there is a drop in the total export volume handled from 14,032 TEUs to 13,247 TEUs our income from export operations has gone up by 3.70%. The major reason for this increase is the increase in incentive from our overseas agents and increase in general freight rates which are volatile depending upon oil prices, volume of international trade and economic scenario.

Import

Income from Import operations have increased by 4.48% in nine months ended December 31, 2005 as compared to the corresponding period last year due to increase in volumes.

Air Cargo

The volumes handled are given below:

In Kgs	Apr – Dec 2005	Apr – Dec 2004
Export	20,734	9,932
Import	20,477	18,879
Total	**41,211**	**28,811**

Air cargo volumes have risen by 43.04% in the period Apr – Dec 2005 as against the same period for the previous year. The rise has been due to aggressive marketing coupled with the network of Ecu Group offices and value additions in terms of personalized services giving to the clients. However, since we were dependent on IATA registered forwarders due to which our income was from Endorsement Charges resulting in lower income as compared to volumes.

CFS Income

The volumes handled are given below:

In TEUs	Apr – Dec 2005	Apr – Dec 2004
Import	58493	40159
Export	3552	2975
Total	**62045**	**43134**

Our CFS income has risen from Rs. 219.79 million in nine months ended December 2004 to Rs.498.62 million in nine months ended December 2005 on account of increase in volumes handled, completion of the second phase of our CFS, in August 2004 and increased turnaround time of containers from ports resulting in additional ground rent income.

Project Cargo Income

The Project Cargo income for the period Apr – Dec 2005 is not comparable with the income in the previous corresponding period since our Company had started this business only in third quarter of FY 2004 - 2005.

COC Income

We commenced operations in January 2005, hence there is no comparable income in the previous corresponding period.

<u>Other income</u>

Other Income comprises of Hire and Transport Charges besides interest on fixed deposits, dividend income and profit from sale of shares or other assets. The increase in other income is due to profit on sale of investments.

<u>Operating expenditure</u>

Rs. in million

	Apr – Dec 2005	Apr - Dec 2004	Variance %
MTO Expenses			
Export	1,025.16	975.70	5.07
Import	112.56	115.63	-2.66
Space Reservation Charges	8.76	6.05	44.79
Air Cargo Forwarding	7.26	7.48	-2.94
Total	**1,153.74**	**1,104.86**	**4.42**
Container Freight Station			
Operating Cost	121.73	68.12	78.70
Custom Staff Expenses	2.92	4.05	-27.92
Repairs and Maintenance	7.45	2.51	196.81
Total	**132.10**	**74.68**	**76.89**
Project cargo handling	98.24	32.45	202.74
COC Expenses	**9.04**	**-**	**-**
Total operating expenditure	**1,393.12**	**1,211.99**	**14.94**

MTO Expenses

Our expenses from MTO has increased by 4.42% on account of the following –

Export

There is a drop in the total export volume handled from 14,032 TEUs to 13,247 TEUs however our expenses for export operations have gone up by 5.07%. The major reason for this increase is increase in general freight rates which we pay to the shipping lines. The margins decreased due to fierce competition and new entrants in the market.

Import

Despite an increase in import volumes by 5.25% in nine months ended December 31, 2005 as compared with the corresponding period in the previous year, our import expenses have decreased by 2.66% due to economies of scale and better-negotiated rates with the carriers.

Space Reservation Charges

Increase of 44.79% can be attributed to the additional space taken at various ICD/CFS on account of operations in more number of locations.

Air Cargo Handling

The air cargo forwarding expense has decreased by 2.94% for the period Apr-Dec 2005 as compared to the corresponding period last year due to a corresponding decline in income.

CFS Expenses

The increase in expenditure of 76.89% is on account of increase in capacity and volumes handled.

Other expenditure

Rs. in million

	Apr – Dec 2005	**Apr – Dec 2004**	**Variance %**
Employee cost	69.31	42.55	62.88
Administrative & Selling Expenses	98.11	63.21	55.24
Misc. Expenses total	17.68	17.17	2.97
Preliminary Expenses written off	0.21	-	-

Staff costs have risen from Rs. 42.55 million to Rs. 69.31 million due to recruitment for new branches, CFS and project cargo operations.

The increase in administrative and selling expenses can be attributed to rise in general administrative expenses, consultancy expenses and manpower related costs.

EBITDA

EBITDA levels have increased from 16.66% in the period April–Dec 2004 to 23.00% in the period April–Dec 2005. This is attributed to increase in CFS volumes, completion of the second phase of our CFS, in August 2004, increased operational efficiencies and faster turnaround of containers.

Financial charges

There has been an increase in financial charges by Rs. 9.90 million due to interest payment on loan availed from banks for acquisition of Stake in Ecu Hold NV and for expansion of CFS capacity.

Depreciation

There has been a decrease in depreciation by Rs.9.30 million primarily due to sale of certain equipments to Transindia Freight Services Private Limited and Meridien Tradeplace Private Limited w.e.f. November 2005.

Taxes

The provision for taxation has increased marginally compared to increase in profit before tax because we have provided minimum alternate tax, claiming a 10-year tax holiday under section 80-IA (4)(i) in respect of our CFS operations as being an infrastructure facility.

Comparison of financial results of year ended March 31, 2005 with the year ended March 31, 2004

Key Developments

- Set up Branches in Nasik and Pune
- Phase II of the CFS opened up for Operations in August 2004 giving additional 9700 sq. meters
- Growth in MCC Operations by having dedicated services between Mumbai/ JNPT and Ahmedabad, Jaipur, Goa and other locations.
- Shifted Operations to Container Corporation of India from Central Warehousing Corporations at DRT Terminal.
- Successfully completed our first project cargo contract.
- Set up ERP Software to strengthen internal controls and provide tools to management to generate intelligent reports for effective decision making.

Operating Income

Rs. in million

	FY 2005	FY 2004	Variance %
MTO Income			
Export MTO	1,537.46	1,163.50	32.14
Import MTO	271.18	167.27	62.12
Air Cargo Forwarding	11.48	4.11	179.32
Total	**1,820.12**	**1,334.88**	**36.35**
CFS Income			
Ground Rent	134.14	46.01	191.51
Container Storage and Handling Charges	178.76	78.87	126.65
Auction Sales	11.58	2.26	412.39
Business Service Charges	0.55	0.44	25.00
Total	**325.03**	**127.58**	**154.76**
Project Cargo	**120.45**	**-**	**-**
Total Operating Income	**2,265.60**	**1,462.47**	**54.91**

MTO Income

The volumes handled are given below:

Volume in	**FY 2005**		**FY 2004**	
TEU	**Import**	**Export**	**Import**	**Export**
LCL	5475	8034	3770	7642
FCL	1668	10813	1477	7911
Total	7143	18847	5247	15553
Grand total	**25990**		**20800**	

Our income from MTO has increased by 36.35% on account of the following –

Export

- Higher Volume of 18847 TEU handled in FY 2005 as compared to 15553 TEU in FY2004.
- Increase in general freight rates.
- Increased branch network at Nasik and Pune.
- Significant growth in our FCL forwarding business.

Import

- Higher Volume of 7143 TEU handled in FY 2005 as compared to 5247 TEU in FY 2004.

CFS Income

The volumes handled are given below:

In TEUs	FY 2005	FY 2004
Import	53735	23194
Export	4001	3272
Total	**57736**	**26466**

Our CFS income has risen from Rs. 127.58 million in FY 2004 to Rs.325.03 million in FY 2005 on account of a more than two-fold increase in volumes handled, the completion of the second phase of our CFS, and reduction in turnaround time of containers.

Project Cargo Income

We commenced operations in FY 2005, hence there is no comparable income in the previous corresponding period.

Other Income

Our other income rose by 77.11% due to increase in hire and transport income and income from investments.

Operating expenditure

Rs. in million

	FY 2005	FY 2004	Variance%
MTO Expenses			
Export	1,384.51	1,031.08	34.28
Import	164.93	95.73	72.28
Space Reservation Charges	7.62	5.32	43.23
Air Cargo Forwarding	9.56	3.44	177.91
Total	**1,566.62**	**1,135.57**	**37.96**
CFS Expenses			
Operating Cost	93.40	62.72	48.92
Custom Staff Expenses	4.05	3.44	17.73
Repairs and Maintenance	3.36	2.66	26.32
Total	**100.81**	**68.83**	**46.46**
Project Cargo	**104.75**	**-**	**-**
Total Operating Expenses	**1,772.18**	**1,204.40**	**47.14**

MTO Expenses

Export

Expenses have increased by 34.28% against an increase in the revenue by 32.14%. The increase is on account of our shifting operations from CWC to DRT in January 2004. This was a conscious decision on account of better services available at DRT and with a view to make use of better infrastructure facilities available at DRT in order to create a strong service base to help us achieve increased operational efficiency in the long term.

Import

Operational expenses have increased due to increase in volume.

Space Reservation Charges

Increase of 43.23% can be attributed to the additional space taken at various ICD/CFS on account of operations in more number of locations

Air Cargo Forwarding Expenses

The expenses have increased in line with increase in air freight business.

CFS Expenses

The increase in CFS expense is on account of higher volumes handled at our CFS due to increase in capacity. In addition, in FY 2004 all the equipments were hired whereas in FY 2005 we purchased substantial equipments resulting in reduced operational costs.

Project Cargo Expenses

We commenced operations in FY 2005 hence there are no comparable expenses in the corresponding previous period.

Other expenses

Rs. in million

	FY 2005	FY 2004	Variance %
Employee cost	61.14	51.83	17.96
Administrative cost	95.70	81.31	17.70
Miscellaneous	18.23	16.47	10.69
Preliminary Expenses written off	0.28	0.01	2,700.00
Total	**175.35**	**149.62**	**17.20**

The increase in employee costs and administrative costs is due to commencement of operations at 2 new branches, expansion in CFS capacity and commencement of project cargo handling.

EBITDA

EBITDA has increased to 16.18% of gross revenue as against 9.42% in the previous year. This is due to increase in revenue from CFS operations and contribution from project cargo handling.

Financial charges

The decrease in financial charges from Rs.10.8 million to Rs.8.15 million is due to reduction in interest rates and repayment of loans taken for setting up of our CFS.

Depreciation

The increase in gross block of fixed assets by Rs.147.76 million resulted in the rise in depreciation by 50.69% in FY 2005 as compared to FY 2004.

Comparison of financial results of year ended March 31, 2004 with the year ended March 31, 2003

Key Developments

- Commenced CFS operations in April 2003
- Commenced direct services from JNPT to Delhi, Ahmedabad and Goa
- Awarded ISO 9001 certificate from DNV

Operating Income

Rs. in million

MTO Income	FY 2004	FY 2003	Variance %
Export	1,163.50	1,037.76	12.12
Import	167.27	131.90	26.82
Air Cargo Forwarding	4.11	-	
Total	**1,334.88**	**1,169.66**	**14.13**
CFS Income			
Ground Rent	46.01	-	-
Container Storage, Handling Charges & Repairs	78.87	-	-
Auction Sales	2.26	-	-
Business Service Charges	0.44	-	-
Total	**127.58**	**-**	**-**
Project Cargo	**-**	**-**	**-**
Total Operating Income	**1,462.46**	**1,169.66**	**25.03**

MTO Income

The volumes handled are given below:

Volume in	FY 2004		FY 2003	
TEU	**Import**	**Export**	**Import**	**Export**
LCL	3770	7642	2486	6945
FCL	1477	7911	700	6786
Total	**5247**	**15553**	**3186**	**13731**
Grand total	**20800**		**16917**	

The increase in MTO income is due to –

Export

Higher Volume of 15553 TEU handled in FY 2004 as compared to 13731 TEU in FY 2003.

Import

Import income has increased by 26.82% as compared to a 64.69% increase in volumes due to competitive rates offered to garner higher market share.

CFS Income

The volumes handled are given below:

TEU	FY 2004	FY 2003
Import	23194	-
Export	3272	-
Total	**26466**	**-**

The operations at the CFS commenced in the year FY 2004. It attained full capacity utilization within seven months of operations.

Other Income

The other income increased due to increase in income from the hire and transport division and investments.

Operating expenditure

Rs. in million

MTO Expenses	FY 2004	FY 2003	Variance%
Export	1,031.08	899.21	14.67
Import	95.73	91.12	5.06
Space Reservation Charges	5.32	3.52	51.14
Air Cargo Forwarding	3.44	-	
Total	**1,135.57**	**993.85**	**14.26**
CFS Expenses			
Operating Cost	62.72	-	-
Custom Staff Expenses	3.44	-	-
Repairs and Maintenance	2.66	-	-
Total	**68.83**	**-**	**-**
Project Cargo	-	-	-
Total Operating Expenses	**1,204.40**	**993.85**	**21.19**

MTO Expenses

Export

The increase in MTO export expense is due to a corresponding increase in the MTO export income.

Import

The expenses have shown a marginal increase in comparison to the huge increase of volumes due to economies of scale and better-negotiated rates with the carriers.

Other expenditure

Rs. in million

	FY 2004	FY 2003	Variance %
Employee cost	51.83	44.78	15.74
Administrative cost	81.31	55.54	46.40
Miscellaneous	16.47	11.10	48.38
Preliminary Expenses written off	0.01	0.01	0.00
Total	**149.62**	**111.43**	**34.28**

The CFS operations commenced during FY 2004 due to which there has been a significant increase in the number of employees and also administrative expenses.

EBITDA

EBITDA has increased to 9.42% from 7.10% in the previous year. This is due to commencement of CFS operations.

Financial charges

The loans taken for construction of the CFS and increase in equipments for hire and transport division resulted in higher interest outgo.

Depreciation

The increase in gross block of fixed assets by Rs. 191.60 millions resulted in the rise in depreciation in FY 2004.

Comparison of financial results of year ended March 31, 2003 with the year ended March 31, 2002

Key Developments

- Import Marketing department set up to solicit import nomination business

Operating Income

Rs. In million

	FY 2003	FY 2002	Variance %
MTO Income			
Export	1,037.77	971.06	6.87
Import	131.90	84.26	56.54
Total	**1,169.66**	**1,055.31**	**10.84**

Volume in	FY 2003		FY 2002	
TEU	**Import**	**Export**	**Import**	**Export**
LCL	2486	6945	2206	5781
FCL	700	6786	243	6067
Total	**3186**	**13731**	**2449**	**11848**
Grand total	**16917**		**14297**	

The increase in income by 10.84% is on account of-

Export

Volumes have increased by 15.89% whereas the income has increased by 6.87% due to reduction in freight rates and increased competition.

Import

The import income has increased by 56.54% on account of an increase in volumes handled from 2449 TEUs to 3186 TEUs.

Operating expenditure

Rs. million

	FY 2003	FY 2002	Variance
Multimodal Transport Operations			
Export	899.21	836.08	7.55
Import	91.12	54.24	67.99
Space reservation charges	3.52	2.78	26.62
Total	**993.85**	**893.10**	**11.28**

The increase in expenditure by 11.28% is on account of:

Export

The export expense has increased by 7.55% on account of proportionate increase in income.

Import

The import expense has increased by 67.99% while income has increased by 56.54% on account of increase in incentives to agents.

Other expenditure

Rs. in million

	FY 2003	FY 2002	Variance %
Staff Cost	44.78	42.32	5.81
Administrative & selling expenses	55.54	49.61	11.95
Provision for doubtful debts	-	0.12	-
Preliminary Expenses written off	0.01	0.01	0.00
Misc expenses	11.10	9.84	12.80
Total	**111.43**	**101.90**	**9.35**

The increase in staff costs and administrative expenses are on account of growth of business.

Miscellaneous expenses have risen due to the increase in hire and transport expenses.

EBITDA

The EBITDA margin for FY 2003 is 7.10% compared to 7.40% in FY 2002.

Financial charges

The financial charges have reduced by 23.73% to Rs. 4.66 millions due to declining trend in interest rates.

Depreciation

The depreciation charge for FY 2003 is 27.56 millions compared to 29.06 millions in FY 2002.

Indebtedness

We do not have any unsecured loans. Key terms of our outstanding indebtedness as on December 31, 2005 were as follows:

Secured loans

(Rs. in Million)

Source	Amount	Details of Finance	Rate of Interest
Term Loans			
HDFC Bank	46.35	Term Loan	8.50%
Yes Bank	300.00	Medium Term Loan	8.25%
Car Loans	**3.36**	Secured by hypothecation of respective vehicles	3.25% - 9.5%
Equipment Loans	**35.52**	Secured by hypothecation of respective equipments	2.63% - 7.00%
Total	**385.23**		

Financial Market Risks

Quantitative and Qualitative Disclosures about Market Risk

We are exposed to financial market risks from changes in interest rates and inflation

Interest rate risk

Our interest rate risk results from changes in interest rates, which may affect our financial expenses. We bear interest rate risk with respect to indebtedness as on December 31, 2005 as the interest rate could vary in the near future. Though all our loans are on fixed interest rates, our future borrowing is subject to the said risk.

Effect of Inflation

In line with changing inflation rates, we alter our margins to absorb the inflationary impact.

Exchange Rate Risks

Exchange rate fluctuations are a risk since our receivables / payables vis-à-vis our Overseas Agents are in foreign currency. Further our Freight rates are and other tariffs are quoted in US Dollars, Great Britain Pound and Euro and collected in equivalent Indian Rupees. Hence we are exposed to the risk of currency rate fluctuations.

ESOP

Our Board of Directors has adopted the Allcargo Employee Stock Option Plan 2006, which is in accordance with the SEBI ESOP Guidelines, vide a Board Resolution dated January 12, 2006, pursuant to the enabling authority granted by the members of our Company at the EGM held on January 5, 2006. The said EGM resolution authorizes the Board to grant upto 500,000 options, which may result in the issue of 500,000 Equity Shares. Of these, the first grant of 38,300 options, equivalent to 38,300 Equity Shares of Rs. 10/- each, was made by the Board to 281 Employees of our Company. As on the date of filing this Red Herring Prospectus, we have granted the following options under the ESOP Plan.

The total accounting hit assuming all the options granted are excerised would be Rs. 25,886,204/- at the end of the vesting period.

The impact on the profits for the period January 12, 2006 to March 31, 2006 following the intrinsic method of accounting for ESOP in terms of the SEBI ESOP Guidelines is Rs. 2,027,471/-.

The impact on the profits for the period January 12, 2006 to March 31, 2006 following the Black Scholes Method for valuing the Options issued to Employees is Rs. 2,036,170/- which is higher by Rs. 8,699/- as compared to the intrinsic method of accounting. The various parameters considered for arriving the value of the Options in the case of Black Scholes Method is as follows:

Sr. No.	Particulars	Amount
1.	Exercise Price of the Option	Rs. 10/-
2.	Fair Market Value on Grant Date	Rs. 685.88
3.	Current Expected Dividend Yield	1.5%
4.	Risk Free Rate of Return for Expected Life	7.20%
5.	Expected Option Life	4 Years
6.	Stock Volatility	Considered Nil as Company is unlisted

1. Unusual or infrequent events or transactions

The unusual or infrequent transactions include sale of most equipments and all vehicles for hire and transport division.

2. Known trends or Uncertainties

Other than as described in this Red Herring Prospectus to the best of our knowledge there are no known trends or uncertainties that have a material or adverse impact on revenue from continuing operations.

3. Future relationship between costs and income

It is our constant endeavour to create efficient processes resulting in cost reduction. We expect to continue this effort of improving our technology initiatives and try and realize better margins in the future. Any change in government policies related to our industry can affect our cost structure. Further in line with our business strategy, we expect to add to our operating efficiencies and reduce our operating costs in relation to our operating revenue.

Other than the same and as covered in the risk section, to the best of our knowledge, there are no known factors, which will affect the future relationship between the costs and income, or which will have a material impact on the operations and finances of us.

4. Total turnover for the industry

Please refer to the discussions in the section titled "Industry Overview" beginning on page 56 of this Red Herring Prospectus.

5. New Products or business segments

Our Company has recently started COC business through its wholly owned subsidiary Contech Transport Services Private Limited from April 2005 circuits. We intend to examine the nuances of the COC business, including possible synergies with our MTO business, to see if there is a scope for value enhancement.

6. Seasonality of business

Our business depends on the Exports out of India and Imports into India. Our business is seasonal in the nature of Export and Import of certain commodities both Outward and Inward. It primarily depends on certain commodities viz. Garments, Artefacts, Carpets which are exported out of India to European, American and Far Eastern Destinations. These exports are at the peak during festivals at the respective locations and exports would fall immediately after this for a short time before picking up again. These factors also hamper our CFS Business to an extent, however the exports handled at our CFS being nominal in nature the impact is minimal.

On the Import side again the cargo in flow is at its peak during main Indian Festivals and drops down post the festive season.

7. Significant Events since the last audited balance sheet

1) The Company has allotted 8,74,788 Equity Shares to New Vernon Private Equity Limited for a consideration of Rs.600 million on January 12, 2006.

2) 3,35,344 Equity shares of the Company were allotted to individuals, bodies corporate and venture capital fund on private placement basis for a consideration of Rs.230 million on January 12, 2006.

3) The Company has allotted 1,75,344 equity shares at par to Mr. Shashi Kiran Shetty as trustee of "THE ACGL BENEFIT TRUST " on January 12, 2006. This trust is for the benefit of employees and others connected with the Company excluding promoter and his family members.

4) The Company has granted 38,300 Equity shares to permanent employees on January 12, 2006 under "Allcargo Employee Stock Option Plan 2006" whereby the vesting starts 24 months from the date of the grant.

5) The Company has issued Bonus shares at the ratio of 4:1 on January 14, 2006 by capitalizing reserves to the extent of Rs.36.35 million.

6) The Company has entered into Sub-lease deed with Gujarat Adani Port Limited on April 20, 2006, for the purpose of setting up CFS including warehouse to carry on the business of CFS and any activities related to handling of containerized cargo for the term upto September 27, 2030 commencing from April 20, 2006. The area of the land is approximately 64,837.71 Sq. mtrs (Approx 16 acres) and the lease rental is Rs.60/- per square meter per annum. The Company has paid a non-refundable charge of Rs.48.628 million for grant of easement right for the above lease land.

7) The Company has increased its stake in ECU HOLD NV from 33.80% to 49.99% for a consideration of Rs.195.55 million in the month of January, 2006

8) The Company has declared Interim Dividend @ 40% on March 09,2006 amounting to Rs.72.707 million.

9) The Company has entered into Deed of Lease dated April 1, 2006 with Mr. Shashi Kiran Shetty and Mrs. Aarthi Shetty for CFS land admeasuring about 8.317 acres at Koproli, Uran for 30 years for an aggregate lease premium of Rs.124.755 million. Also the Company has entered into Leave & License agreement dated April 1, 2006 with Mr.Shashi Kiran Shetty and Mrs. Aarthi Shetty for CFS land admeasuring in total 11.429 acres for a period of 60 months for a monthly license compensation of Rs.1.5 million per month and interest free security deposit of Rs. 85.717 million.

10) The Company has Remitted Euros 62,000 for forming a wholly owned subsidiary at Belgium on February 28, 2006.

8. Off Balance Sheet arrangements

None

9. Related party transactions

For details please refer to the section titled "Related Party Transactions" beginning on page 142 of this Red Herring Prospectus.

SECTION VI: LEGAL AND OTHER INFORMATION

OUTSTANDING LITIGATIONS AND DEFAULTS

This section has been divided into six parts -

Part	Particulars
1	Litigations relating to our Company
2	Litigations against our Directors
3	Litigations relating to our Promoter and our Promoter Group Companies
4	Penalties imposed in past cases
5	Potential litigation
6	Legal notices

Part 1 – Litigations relating to our Company

Cases by our Company

1. Mr. Rohit Sripat V/s. Manuraj Gupta, Mr. Adarsh Hegde, Mr. Ashit Desai, Mr. Shashi Kiran Shetty, Mr. Jatin Chokshi and Allcargo Movers India Pvt. Ltd. (Criminal Complaint Case No: 66 /2006)

   Our Company (Respondent) had engaged one Mr. Rohit Sripat (Complainant) in November 2005, to procure land in Dadri, District Gautam Budh Nagar, Uttar Pradesh on behalf of our Company. It was agreed that our Company would make an upfront payment of Rs. 1,000,000 to enable the Complainant to arrange/initiate the purchase of the land. It was further agreed that Mr. Sripat would deposit a post-dated cheque drawn in favour of our Company, as security for the said transaction. Accordingly, our Company paid the Complainant the sum of Rs. 1,000,000 on December 12, 2005. As agreed, the Complainant also handed over a post-dated cheque in favour of our Company on January 16, 2006,

   Thereafter the Complainant was unable to procure land as required by our Company, as the Complainant‘s agreement with the sellers of land did not materialize. In view of this, our Company requested the Complainant to return Rs.1,000,000 which our Company had paid him. The Complainant failed to return the said amount despite repeated requests by the Respondent to do so. The Respondent thus deposited the post-dated cheque given by the Complainant in the bank. However, the said cheque was dishonoured with the remark “Drawer’s signature differs from specimen.”

   Aggrieved by the cheating/ misrepresentation/ misconduct and failure to perform the agreed task by the Complainant, the Respondent filed an FIR against the Complainant at C.R. Park Police station, New Delhi on February 6, 2006 under section 405, 415, 418, 420 of the India Penal Code, 1860.

   Thereafter, the Complainant filed a criminal complaint at Allahabad Chief Judicial Magistrate Court, Complaint Case No: 66 /2006 against the Respondent, alleging that the Respondent is not releasing further payments and hence the land acquisition process is delayed. The matter is fixed for hearing on May 24, 2006.

2. Allcargo Movers India Private Limited V/s. M/s. Raunaq Carpets

   Our Company had sent a cargo arrival notice on September 23, 2005 for the import of shipment to M/s. Raunaq Carpets for an amount of Rs. 187,049/- and M/s. Raunaq Carpets issued a cheque for the said amount which was deposited by our Company to the bank for payment of the same. The cheque was returned by the bank with the remark “Payment stopped by the drawer.” Subsequently, our Company received a demand draft for an amount of 110,604/- on October 3, 2005. On October 29, 2005 we wrote to M/s. Raunaq Carpets to make payment of the balance amount of Rs. 77,445 which includes the charges for cheque bouncing. They have till date not made the payment and our Company is in the process of filing a criminal complaint against them under the provisions of section 138 of the Negotiable Instruments Act, 1881.

Cases against our Company

Criminal Cases

1. Mr. Rohit Sripat V/s. Manuraj Gupta, Mr. Adersh Hegde, Mr. Ashit Desai, Mr. Shashi Kiran Shetty, Mr. Jatin Chokshi and Allcargo Movers India Pvt. Ltd. (Criminal Complaint Case No: 66 /2006)

   Our Company (Respondent) had engaged one Mr. Rohit Sripat (Complainant) in November 2005, to procure land in Dadri, District Gautam Budh Nagar, Uttar Pradesh on behalf of our Company. It was agreed that our Company would make an upfront payment of Rs. 1,000,000 to enable the Complainant to arrange/initiate the purchase of the land. It was further agreed that Mr. Sripat would deposit a post-dated cheque drawn in favour of our Company, as security for the said transaction.

   Accordingly, our Company paid the Complainant the sum of Rs. 1,000,000 on December 12, 2005. As agreed, the Complainant also handed over a post-dated cheque in favour of our Company on January 16, 2006,

   Thereafter the Complainant was unable to procure land as required by our Company, as the Complainant's agreement with the sellers of land did not materialize. In view of this, our Company requested the Complainant to return Rs.1,000,000 which our Company had paid him. The Complainant failed to return the said amount despite repeated requests by the Respondent to do so. The Respondent thus deposited the post-dated cheque given by the Complainant in the bank. However, the said cheque was dishonoured with the remark "Drawer's signature differs from specimen".

   Aggrieved by the cheating/ misrepresentation/ misconduct and failure to perform the agreed task by the Complainant, the Respondent filed an FIR against the Complainant at C.R. Park Police station, New Delhi on February 6, 2006 under section 405, 415, 418, 420 of the India Penal Code, 1860.

   Thereafter, the Complainant filed a criminal complaint at Allahabad Chief Judicial Magistrate Court, Complaint Case No: 66 /2006. against the Respondent, alleging that the Respondent is not releasing further payments and hence the land acquisition process is delayed. The matter is fixed for hearing on May 24, 2006.

2. Danesh B. Jain V/s. Allcargo Movers (India) Private Limited and Others (Suit No. 1861 of 1997) and Allcargo Movers (India) Private Limited V/s. Jain & Others (Criminal Application No. 3585 of 1998)

   Mr. Danesh B. Jain (Plaintiff) is the sole proprietor of M/s. Mahavir Apparels (Shipper). The Shipper had sent six consignments to Universal Apparels Ltd., Kenya (Consignee). The shipment was effected from Nhava Sheva to Mombassa. On the shipment reaching the destination, the Shipper alleged that the shipment was delivered to the Consignee without presentation of the original bill of lading. Thus the Shipper did not receive the amount due to him from the Consignee. Thereafter, the Plaintiff filed a suit in 1997 in the High Court of Bombay against our Company (Defendant) claiming an amount of US$ 113,267.43. The matter is still pending.

   Simultaneously, the plaintiff in 1998, filed a criminal complaint in the Metropolitan Magistrate's Court, Ahmedabad (Criminal Case No. 2266/98) against us for the same cause of action. Our Company then filed a Writ (Criminal Misc. Application No. 3585 of 1998) at the High Court of Gujarat at Ahmedabad under section 482 of the Criminal Procedure Code, 1973 to quash and set aside the aforesaid criminal proceeding. The matter was continuously adjourned from 1998 till 2003 and thereafter the matter has not been listed for hearing.

3. Ridhima Overseas Private Limited (Complainant) V/s. Allcargo Movers (India) Private Limited, Mr. Shashi Kiran Shetty

   The Complainant filed a complaint at the office of the Assistant Commissioner of Police, New Delhi, stating that the consignment has been released to the shipper M/s. Forever 21 INC directly without a B.R.O. (Bank Release Order) from the consignee. We and Mr. Shashi Kiran Shetty received a letter from the Office of the Assistant Commissioner of Police, New Delhi dated April 17, 2006 to submit and produce the documents related to the said consignment and to attend the office of the Assistant Commissioner of Police, New Delhi for a personal hearing on April 28, 2006. Our Company has sent a reply dated April 28, 2006 to the Assistant Commisioner of Police, New Delhi.

Civil Cases

1. M/s. Mohmmad Ibrahim V/s. Francis Shipping and Allcargo Movers (India) Private Limited (Plaint No. 81 of 1989)

   M/s. Mohd. Ibrahim being the shipper (Plaintiff), filed a civil suit in the year 1997 at the Consumer Dispute Redressal Forum, Lucknow for a claim amount of Rs. 1,281,625/- along with interest @ 21% per annum against the Company (Defendant) for non-delivery of the cargo to M/s. Joao Gomes Ferrerira (Consignee). The shipment was effected from Nhava Sheva, India to Lexioes, Portugal. The Defendant is not aware of the invoice value of the cargo.

   As per information received, the Plaintiff had some financial dispute with the Consignee and hence the Consignee did not take delivery of the cargo. However, the Plaintiff alleged that the Defendant was at fault and it was due to the negligence of the Defendant that the cargo was not cleared by the Consignee. The last hearing was held on April 28, 2006 where the matter was adjourned and the next date of hearing has not been given.

2. Uffizi N.V.S.A. case (Belgium court)

   M/s. Uffizi N.V.S.A., the consignee (Plaintiff), filed this case in the year 2002 in a local court at Antwerp, Belgium, for a claim amount of Euro 3824.06 against our Company as the Plaintiff received their cargo in a damaged condition. The shipment was effected from JNPT to Antwerp, Belgium, which consisted of 3 wooden crates of inlaid tabletops made of marble. The Plaintiff agreed to an out-of-court settlement in March 2005 for Euro 2500. The copy of the order for the withdrawal of the case from the court is still pending.

3. Allcargo Movers (India) Private Limited V/s. Jain and Others

   M/s. S. K. Jain (Plaintiff) filed a civil suit at the District Redressal Consumer Forum, Ahmedabad in the year 2003 for a claim amount of Rs. 368,254/- against our Company (Defendant) for delivering the cargo to the consignee in a damaged condition. The shipment was effected from Nhava Sheva port to London and consisted of 16 packages containing personal household articles having an invoice value of Rs. 101,021/-. The court passed an order on September 5, 2003 in favour of the Plaintiff. Our Company filed an appeal with the State Commission, Ahmedabad on February 16, 2004 against the order passed by the district forum. The matter was adjourned to January 17, 2006. On that date, our advocates were informed that the court premises would be shifted to a different location. The next date of hearing is May 16, 2006.

4. Taj Collection V/s. Allcargo Movers (India) Private Limited & Others - Case No: 473/2004 Jaipur Consumer Forum

   M/s. Taj Collection (Plaintiff), the shipper filed a civil suit in the District Consumer Forum, Jaipur in 2004 for a claim amount of Rs. 200,000/- and additional penalty of Rs. 5,500 against our Company (Defendant) / Others for the release of the cargo to the consignee without presentation of the Original Bills of Lading. The shipment consisted of 16 packages containing hand-knotted woollen carpets. The shipment was effected from Nhava Sheva, India to New York, USA. The Plaintiff did not receive any money from the consignee hence the Plaintiff filed the said suit. The District Consumer Forum, Jaipur vide its order dated May 23, 2005 had dismissed the Plaintiff's complaint. Thereafter, the Plaintiff filed an appeal in the State Commission against the District Consumer Forum's order dated May 23, 2005. The matter was adjourned to February 14, 2006 and the next date of hearing is July 3, 2006.

5. M. G. Exports V/s. Allcargo Movers (India) Private Limited & Others (Original Petition no: 444, 445, 447, 448, 449 of 2002)

   M/s. M. G. Exports and M/s. Kohinoor International being the shippers (Plaintiffs) filed a civil suit in 1997 in the Consumer Dispute Redressal Forum, Ludhiana against M/s. Intraship and our Company (Defendants) for non-delivery of the consignments to the consignees. Our Company was acting as an agent for the carrier, M/s. Intraship. M/s. Intraship was rendered insolvent, by virtue of which, Intraship Mombassa, Kenya could not transship the containers to the final destination i.e. Kampala. Since the containers were lying uncleared at Mombassa for a long period of time, the port authorities proceeded to auction the containers. After hearing the merits of the case, the Consumer Dispute Redressal Forum, Ludhiana, dismissed the said suit in the year 2001 (Ludhiana Case).

   Simultaneously, the Plaintiffs had filed a fresh suit in the year 1999 in the Consumer Dispute Redressal State Commission, New Delhi against the Defendants for non-delivery of the consignments to the consignees. The matter was adjourned on various occasions and was scheduled for hearing on January 20, 2006. The matter has been adjourned to January 8, 2007.

Since the Ludhiana Case was dismissed, the Plaintiffs had filed an appeal in the year 2002 in the Consumer Dispute Redressal National Commission, New Delhi. The matter was adjourned to January 3, 2006. At the hearing, the judgement was reserved by the National Commission and no further date of hearing was given.

The shippers also filed a fresh petition in the year 2002 in the Consumer Dispute Redressal National Commission, New Delhi against the Defendants for non-delivery of the consignments to the consignees. The matter is now scheduled for hearing on July 21, 2006. The total claim amount is 1,698,307.

6. Danesh B. Jain V/s. Allcargo Movers (India) Private Limited and Others (Suit No. 1861 of 1997) and Allcargo Movers (India) Private Limited V/s. Jain & Others (Criminal Application No. 3585 of 1998)

   Mr. Danesh B. Jain (Plaintiff) is the sole proprietor of M/s. Mahavir Apparels (Shipper). The Shipper had sent six consignments to Universal Apparels Ltd., Kenya (Consignee). The shipment was effected from Nhava Sheva to Mombassa. On the shipment reaching the destination, the Shipper alleged that the shipment was delivered to the Consignee without presentation of the original bill of lading. Thus the Shipper did not receive the amount due to him from the Consignee. Thereafter, the Plaintiff filed a suit in 1997 in the High Court of Bombay against our Company (Defendant) claiming an amount of US$ 113,267.43. The matter is still pending.

   Simultaneously, the plaintiff in 1998, filed a criminal complaint in the Metropolitan Magistrate's Court, Ahmedabad (Criminal Case No. 2266/98) against us for the same cause of action. Our Company then filed a Writ (Criminal Misc. Application No. 3585 of 1998) at the High Court of Gujarat at Ahmedabad under section 482 of the Criminal Procedure Code, 1973 to quash and set aside the aforesaid criminal proceeding. The matter was continuously adjourned from 1998 till 2003 and thereafter the matter has not been listed for hearing.

7. Alexandria (Egypt case)

   A copy of summons was received by our Company from Ecu Line, our agents, on February 16, 2004. M/s. E.C.U. Lines, Egypt did not deliver the Summons to us on time. As per the summons the first hearing was scheduled on February 2, 2003 and the same was adjourned to May 19, 2003. A civil suit was filed by the consignee's insurance company at Alexandria against M/s. Ecu Line, Egypt and our Company (Defendants) for shortage and damage to a cargo of 120 drums of STC chemicals for an amount of EGP 107,723.95/-. Our insurance company and M/s. Ecu Line, Egypt are directly attending to the matter.

8. Mr. Anil Khot V/s. New India Assurance Co. and Allcargo Movers (India) Private Limited. - Motor Accident Claims Tribunal, Mumbai (MACT). (Case no: 2900/2002)

   Ms. Gauri Khot, an employee of the Company met with a car accident near Lonavala. The accident led to her death. Mr. Anil Khot, father of Ms. Gauri Khot, filed a suit at the MACT, Mumbai on December 19, 2002 for an insurance claim of Rs. 1,050,000/- from New India Assurance Company. Our Company is merely a formal party to the suit.

9. Ms. Manisha Ramesh Shinde V/s. Allcargo Movers (India) Private Limited - Motor Accident Claims Tribunal, Alibagh (MACT). (Case No. 317/2003)

   Ms. Manisha Ramesh Shinde (Plaintiff) met with an accident with the vehicle owned by our Company due to which she sustained a minor fracture. The plaintiff filed a suit in the MACT, Alibagh in 2002 against our Company (Defendant). The Plaintiff claimed, inter alia, an amount of Rs. 250,000/- with interest, incurred for the injuries sustained. The matter has been settled out of Court. The Court's order on the withdrawal of the suit is awaited.

10. M/s. Locchhed Commercials V/s. Allcargo Movers (India) Private Limited - Case no: 44/05

   M/s. Locched Commercials (Plaintiff) filed a civil suit on February 4, 2005 in District Consumer Dispute Redressal Forum, North Delhi for a claim amount of Rs. 225,000/- and legal expenses against our Company (Defendant) for dispute relating to delivery of the consignment.

   The shipment consisting of iron scrap bales was imported from Aqaba, Jordan to Mundra, Gujarat. On arrival of the cargo at Mundra, the Plaintiff in their capacity as the consignee refused to take delivery, stating that the final destination of the cargo was at Inland Container Depot, Delhi. The Consumer Disputes Redressal Forum (North) passed as order against us, on February 13, 2006. We are seeking advice to ascertain the further course of action.

11. ICI India Ltd. V/s. FR. Meyer's Sohn (GmbH & Co.) KG, A.T.C. (Clearing & Shipping) Private Ltd., Compania Maritime Agencia, M/s. CSAV Group Agencies (India) Private Ltd. and Allcargo Movers (India) Private Limited – Case no: 2996 of 2005

    The consignee, ICI India Ltd. (Plaintiff) filed a civil suit on October 27, 2005 in the High Court of Bombay for a claim amount of Rs. 1,832,358/- together with interest @ 18% p.a. against FR. Meyer's Sohn (GmbH & Co.) KG, the shipper (Defendant 1), A.T.C. (Clearing & Shipping) Private Ltd. the agents of the shipper (Defendant 2), Compania Maritime Agencia, the vessel owners (Defendant 3), M/s. CSAV Group Agencies (India) Private Ltd., the agents of the vessel owners in India (Defendant 4) and our Company (Defendant 5), collectively referred to as the Defendants.

    The cargo, consisting of 63 metal drums of lubricants in 7 pallets, landed in Nhava Sheva from Rotterdam, Netherlands. Thereafter, the cargo was loaded in container no. INBU5382060 and was transported from JNPT to the custom notified CFS, owned by Transindia Logistic Park, our CFS division. Defendant 5 had undertaken to transfer the said container to the CFS. On the way to the CFS, the truck carrying the said container turned over, thereby damaging the cargo. The Plaintiff has filed the said civil suit to claim damages from the Defendants. We have filed a written statement on May 3, 2006.

12. M/s. Vishal Commercial Corporation V/s. Transindia Logistic Park (Our CFS) & Others – Case No. 2408 of 2005

    The consignee, M/s. Vishal Commercial Corporation (Plaintiff) filed a suit against the shipper Kinsun International Trade (Defendant 1). On February 25, 2005, the said consignment containing Maleic Anhydride arrived at Nhava Sheva from Shanghai, China. M/s. Samudra Shipping Lines India Private Ltd. (Defendant 3), the agents for the vessel owners in India, failed to file the IGM for the subject vessel due to which the Plaintiff was unable to file the bill of entry for home consumption and therefore unable to clear the cargo. Consequently, the uncleared cargo was kept with the Customs authorities for a substantial period of time. The Plaintiff had to pay demurrage charges, container detention charges, etc. which amounted to Rs. 386,379/-. The Plaintiff has demanded the said amount from Defendant 3. The Court, vide its order dated October 25, 2005 has ordered Defendant 3 to pay the Plaintiff a sum of Rs. 386,379/-. Defendant 3 has not paid this amount to the Plaintiff till date.

    Trans India Logistic Park, our CFS division, has been made a party in this suit because the cargo was stored at its CFS in Uran, District Raigad.

13. M/s. International Trading Company V/s M/s. Allcargo Movers (I) Pvt Ltd. - State Consumer Dispute Redressal Commission, Madras

    The Plaintiff, being the shipper sent us, the Defendant, a legal notice on May 26, 2005 through its lawyer. The said notice alleged that we had promised to deliver a consignment of cargo from the Port of Chennai to the Port of Dalian, on or before April 21, 2005. Since there was no written contract with the shipper, we had intimated the ETA (Estimated time of arrival) to it. We therefore replied to their legal notice on June 10, 2005, stating there was no explicit contract with the shipper with regard to delivering the cargo on a particular date and we could therefore not be held liable for delay in delivery, according to terms and conditions of our Bill of lading.

    Thereafter, our Chennai office received summons from the State Consumer Dispute Redressal Commission, Madras on February 25, 2006 directing us to attend a hearing on March 15, 2006. The Plaintiff alleges that he has suffered a loss to the tune of Rs. 9,500,000. The matter was scheduled for first hearing on March 15, 2006. The matter has been adjourned to May 17, 2006 and we have to file our written statement by May 16, 2006.

14. Allcargo Movers Limited V/s. Conceria David International S.P.A. (Court in Genoa, Italy.)

    We received a summons from a court in Genoa Italy, dated March 2, 2006 with respect to a shipment of 15 bales of finished leather hides that was effected from Ludhiana to Genoa, Italy. The Shipper is Avinash Leathers Private Limited and the Consignee is Conceria David International S.P.A. (Plaintiff) The consignment was transported by road from Ludhiana to Mumbai - JNPT and transshipped to Genoa.

    On reaching its destination, the cargo was found in damaged condition. The Plaintiff, Conceria David International S.P.A., approached its insurance company and appointed surveyors to ascertain the extent of loss. The insurance company relying on the survey report, paid ts underwriters Euro 14,762.63 plus survey fees of Euro 2,250 which amounts to Euro 17,012.63 and have filed a suit against us in a court at Genoa, Italy to recover the said amount of Euro 17,012.63.

We have forwarded all the documents to our insurance company who will appoint a lawyer in consultation with our agents at Genoa. The first date of hearing is October 16, 2006.

15. M/s. Lunar Overseas and Ors. V/s M/s. Committed Logistics Private Limited, M/s. Transindia Logistics Park and M/s. Allcargo Movers (India) Private Limited (Defendants) - Case no: 7/2006

We received a summons from Tis Hazari Court, Delhi dated March 31, 2006, for non-delivery of cargo for IGM/Item No: 12399-153-155-151.

The shipment containing computerised embroidery machines was transshipped from Hangzhou, China to JNPT. On reaching JNPT, as per procedure, it was transported to our Customs notified CFS, Transindia Logistics Park where the cargo was lying uncleared for a couple of months. Transindia Logistics Park had sent two notices to the consignee M/s. Lunar Overseas (Plaintiff) on July 28, 2005 and August 12, 2005 by registered post. As per the procedure followed by customs, the uncleared cargo was auctioned by the customs authorities on November 24, 2005. The Plaintiff has alleged that we have not delivered the cargo for IGM/Item no: 12399-153-155-151 to them and are claiming Rs. 989,964 from the Defendants.

Item no. 153 was delivered to M.P. Agencies (CHA) of the Plaintiff on September 9, 2005 and item nos. 151 & 155 were auctioned by the customs authorities on November 24, 2005.

We are required to file our written statement on or before May 16, 2006, which we will be filing in the required time.

Income Tax case:

Commissioner of Income Tax Appeals V/s. Allcargo Movers (India) Private Ltd.

A search was conducted at the premises of our Company by the Investigation Wing of the Income Tax Department on October 30, 2001, including the residence of our Directors. During the search the department seized a number of documents and obtained various explanations from our Company. During the search, our Company declared undisclosed income of Rs. 6,000,000/- and the Income Tax Department made an addition of Rs. 4,039,587/-.

Our Company has paid the entire amount of tax as per the addition made by the Income Tax Department. Our Company is now contesting the addition of Rs.4,039,587/- made by the Income Tax Department.

Our Company has filed an Appeal to the Commissioner of Income Tax, Appeals on November 25, 2003 and has supported its claim. Subsequently, there have been several hearings and the next hearing was on March 21, 2006 where the matter was heard and the order has been reserved.

Part 2 – Litigations against our Directors

There are no outstanding litigation, suits or criminal or civil prosecutions, proceedings or tax liabilities against the Directors of the Company except as follows:

Mr. Shashi Kiran Shetty

1. Mr. Shashi Kiran Shetty V/s. State of Uttar Pradesh (Pacific Leather Conakry Case)

M/s. Pacific Leather Finishers, (Shipper) had sent a shipment consisting of 273 bales of finished leather. The shipment was effected from Nhava Shava, India to Conakry, Guinea. The container on arrival at the destination was not cleared for a long period of time due to some dispute between the Shipper and the consignee. As per the local law, the Military of Guinea Republic, confiscated the cargo.

The Shipper filed an F.I.R with Chekari Police Station at Kanpur against Mr. Shashi Kiran Shetty, promoter of our Company, on March 18, 2005 alleging that Mr. Shetty has conspired along with others against the Shipper for the non-payment of invoice value of cargo.

Our Company (Applicant) filed a writ petition at the Allahabad High Court in August 2005 to quash the FIR as this case is civil in nature. The Allahabad High Court, vide its order dated January 24, 2006, disposed of the writ petition. However, the said order directs the Investigating Officer to complete the investigation of the case within a period of three months from the date of him being furnished a certified copy of the said order.

2. Hira Bai V/s. Mr. Sashi Kiran Shetty & Oriental Insurance Co. - Motor Accident Claims Tribunal Case – Alibagh (MACT). Case No: 95/93.

   On October 1, 1992, our Company's driver Vijayan Madhavan Nair met with an accident with an autorickshaw at Sonari Circle, Sonari Village thereby killing the autorickshaw driver. The deceased's mother Mrs. Hira Bai on February 5, 1993 filed a complaint in the MACT at District Raigad at Alibagh for an amount of Rs. 450,000/- as compensation from Mr. Shashi Kiran Shetty & Oriental Insurance Co. (Defendant). Mr. Shashi Kiran Shetty is just a formal party and the matter is being looked after by our insurance company (i.e. Oriental Insurance Company).

3. Danesh B. Jain V/s. Allcargo Movers (India) Private Limited and Others (Suit No. 1861 of 1997) and Allcargo Movers (India) Private Limited V/s. Jain & Others (Criminal Application No. 3585 of 1998)

   Mr. Danesh B. Jain (Plaintiff) is the sole proprietor of M/s. Mahavir Apparels (Shipper). The Shipper had sent six consignments to Universal Apparels Ltd., Kenya (Consignee). The shipment was effected from Nhava Sheva to Mombassa. On the shipment reaching the destination, the Shipper alleged that the shipment was delivered to the Consignee without presentation of the original bill of lading. Thus the Shipper did not receive the amount due to him from the Consignee. Thereafter, the Plaintiff filed a suit in 1997 in the High Court of Bombay against our Company (Defendant) claiming an amount of US$ 113,267.43. The matter is still pending.

   Simultaneously, the plaintiff in 1998, filed a criminal complaint in the Metropolitan Magistrate's Court, Ahmedabad (Criminal Case No. 2266/98) against us for the same cause of action. Our Company then filed a Writ (Criminal Misc. Application No. 3585 of 1998) at the High Court of Gujarat at Ahmedabad under section 482 of the Criminal Procedure Code, 1973 to quash and set aside the aforesaid criminal proceeding. The matter was continuously adjourned from 1998 till 2003 and thereafter the matter has not been listed for hearing.

4. Mr. Rohit Sripat V/s. Manuraj Gupta, Mr. Adersh Hegde, Mr. Ashit Desai, Mr. Shashi Kiran Shetty, Mr. Jatin Chokshi and Allcargo Movers India Pvt. Ltd. (Criminal complaint case no: 66 /2006)

   Our Company (Respondent) had engaged one Mr. Rohit Sripat (Complainant) in November 2005, to procure land in Dadri, District Gautam Budh Nagar, Uttar Pradesh on behalf of our Company. It was agreed that our Company would make an upfront payment of Rs. 1,000,000 to enable the Complainant to arrange/initiate the purchase of the land. It was further agreed that Mr. Sripat would deposit a post-dated cheque drawn in favour of our Company, as security for the said transaction.

   Accordingly, our Company paid the Complainant the sum of Rs. 1,000,000 on December 12, 2005. As agreed, the Complainant also handed over a post-dated cheque in favour of our Company on January 16, 2006,

   Thereafter the Complainant was unable to procure land as required by our Company, as the Complainant's agreement with the sellers of land did not materialize. In view of this, our Company requested the Complainant to return Rs.1,000,000 which our Company had paid him. The Complainant failed to return the said amount despite repeated requests by the Respondent to do so. The Respondent thus deposited the post-dated cheque given by the Complainant in the bank. However, the said cheque was dishonoured with the remark "Drawer's signature differs from specimen".

   Aggrieved by the cheating/ misrepresentation/ misconduct and failure to perform the agreed task by the Complainant, the Respondent filed an FIR against the Complainant at C.R. Park Police station, New Delhi on February 6, 2006 under section 405, 415, 418, 420 of the India Penal Code, 1860.

   Thereafter, the Complainant filed a criminal complaint at Allahabad Chief Judicial Magistrate Court, Complaint Case No: 66 /2006. against the Respondent, alleging that the Respondent is not releasing further payments and hence the land acquisition process is delayed. The matter is fixed for hearing on May 24, 2006.

5. Ridhima Overseas Private Limited (Complainant) V/s. Allcargo Movers (India) Private Limited, Mr. Shashi Kiran Shetty and Others (Application No. 158/159 R/ACP/P.G.Cell)

   The Complainant filed a complaint at the office of the Assistant Commissioner of Police, New Delhi, stating that the consignment has been released to the shipper M/s. Forever 21 INC directly without a B.R.O. (Bank Release Order) from the consignee. We and Mr. Shashi Kiran Shetty along with others, received a letter from the Office of the Assistant Commissioner of Police, New Delhi dated April 17, 2006 to submit and produce the documents related to the said consignment and to attend the office of the Assistant Commissioner of Police, New Delhi for a personal hearing on April 28, 2006. Our Company has sent a reply dated April 28, 2006 to the Assistant Commisioner of Police, New Delhi.

Mrs. Arathi Shashi Kiran Shetty

Please refer to case no. 3 above.

Part 3 – Litigations in relation to our Promoter and our Promoter Group Companies

Our Promoter

Please refer to the cases stated under the heading “Part 2 – Litigation against our Directors – Mr. Shashi Kiran Shetty”.

Our Promoter Group Companies

There are no outstanding litigations, suits or criminal or civil prosecutions, proceedings or tax liabilities against our Promoter Group Companies except as follows:

1. New India Assurance V/s. Transindia Freight Services Private Ltd.

   In 1996, New India Assurance Co., insurers of Shirke Bros. (Plaintiff) filed a civil suit for a claim amount of Rs. 500,000/- in Civil Court (Senior Division), Pune against one of our Promoter Group companies (i.e. Transindia Freight Services Private Ltd.) (Defendant), for the damage caused to the cargo which consisted of machinery parts. The cargo container toppled near Panvel en-route from Pune (Mundhwa) to Nhava Sheva thereby damaging the cargo.

   Our Company received an ex parte order in November 2005 against the Defendant for Rs. 1,033,000/- to be paid to the Plaintiff. The Defendant on March 2, 2005, filed an application to set aside the said ex parte order and for the condonation of delay for filing the appeal against the said ex parte order in the Civil Court (Senior Division), Pune. The matter is awaited for hearing.

2. United India Insurance Co. Ltd. & Tata Auto Plastic Systems Ltd. V/s. Transindia Freight Services Private Ltd.

   United India Insurance Co. Ltd. and Tata Auto Plastic Systems Ltd. (Plaintiffs) filed a civil suit on April 20, 2002 for a claim amount of Rs. 900,000/- against our Promoter Group company (i.e. Transindia Freight Services Private Ltd.) (Defendant) for damage to the cargo consisting of machinery parts. On April 23, 1999, the container met with an accident en route from Nhava Sheva to Pune thereby damaging the cargo. The case is still pending.

3. Bombay Port Trust V/s. Transindia Freight Services Private Ltd. - Bombay High Court. Suit No: 4379 / 2001.

   The Bombay Port Trust auctioned one of their cranes. During the auction, M/s. Marine & Mining Machinery Mart, first bid for Rs. 3,150,000/- and thereafter the second bid of the same amount was from our Promoter Group company (i.e. Transindia Freight Services Private Ltd.). Subsequently, M/s. Marine & Mining Machinery Mart refused to purchase the crane. Hence, the Bombay Port Trust advised our Promoter Group company (i.e. Transindia Freight Services Private Ltd.) to purchase the crane as per its bid. However, M/s. Transindia Freight Services Private Ltd. refused to do so since the market value of the said crane was comparatively lower. Thereafter, the said crane was sold for Rs. 2,636,388/- to M/s. Marine & Mining Machinery Mart.

   The Bombay Port Trust has filed a civil suit in the year 2001 in the High Court of Bombay against our Promoter Group company (i.e. Transindia Freight Services Private Ltd.) (Defendant) for the deficit amount along with 18% interest p.a. The Defendant filed the written statement in June, 2004. The hearing for this suit is awaited.

4. Mandvi Pallets & Oriental Insurance Company Ltd. V/s. - Transindia Freight Services Private Ltd.

   A container met with an accident en route from Mumbai to Goa thereby damaging the cargo. Mandvi Pallets Private Ltd. and New India Assurance Ltd. filed a civil suit in the High Court of Bombay in the year 2004 for a claim amount of Rs. 46,542,102/- against our Promoter Group company (i.e. Transindia Freight Services Private Ltd.) for the damage caused to the said cargo. The hearing was scheduled for June 11, 2004. The matter has not yet been listed for hearing.

5. M/s. Oriental Collections, Kanpur V/s. Transindia Freight Services Private Ltd. – Case No: 953 of 2005

The shipper, Oriental Collections Private Ltd., (Plaintiff) filed a civil suit in the Consumer District Redressal Forum, Kanpur, against our Promoter Group Company (Transindia Freight Services Private Ltd.) (Defendant) on December 5, 2005 for a delay in delivery. The shipment sailed from JNPT for Dakar, Senegal on August 30, 2004 and reached its destination on December 10, 2004. The Plaintiff claimed that the said cargo should have reached Dakar on October 10, 2004 and therefore there was a substantial delay in delivery, by virtue of which, the Plaintiff claims to have suffered a loss of Rs. 100,000/-. This suit has been filed by the Plaintiff to recover the said amount of Rs. 100,000/- from us. We had not given the Plaintiff any assurance that the said cargo would be delivered on any particular date. The first hearing for this matter has been scheduled for March 3, 2006 at Kanpur.

Part 4 – Penalties imposed in past cases

For sales deficit we have received three notices from the Bombay Port Trust, brief particulars of which have been provided below:

Sr. No.	Notice No.	Penalty Amount	Status
1	KK/07958/2448 of 2004-2005	Rs. 50,672	We have appointed a consultant and are appealing against the said penalty.
2	03575/2468 of 2004-2005	Rs. 231	We are in the process of paying the penalty.
3	RR/00092/4357 of 2004/2005	Rs. 17,734	We have appointed a consultant and are appealing against the said penalty.

Part 5 - POTENTIAL LITIGATION –

A. Criminal complaint against our Company and our Promoter

M/s. Laila Exports filed a police complaint on May 8, 2006 against our Company, Mr. Tapas Chaudhary our branch manager, Kanpur, our Promoter, Mr. Shashi Kiran Shetty and our general manager Mr. Ajit Biswas for alleged excess recovery of certain charges at destination towards storage by our overseas counterparts for their export shipment in the United States of America. In this regard, the police authorities at Kanpur summoned our Company's branch manager to the police station on May 8, 2006 for enquiry and for recording his statement. We are in the process of procuring the relevant documents and other information and will take suitable legal action in due course.

B. Claims made against our Company

The Claims set out in this part 5 arise from and are governed by the MMTG Act and the COGSA. The periods of limitation under these Acts are nine months and twelve months respectively. These Acts contain overriding provisions to the effect that the said periods of limitation would override the periods of limitation prescribed by any other law. Thus, claims that have arisen during twelve months prior to the date of filing the Red Herring Prospectus are, in our view time barred. In view of this, we have considered only those claims that have arisen since January 1, 2005 till the date of filing the Red Herring Prospectus.

I. Claims relating to our export shipments

Currently, M/s. Iffco Tokio General Insurance Co. Ltd. covers us through their cargo underwriters M/s. Galatea Cargo Underwriters. The policy has been taken for a period of one year and renewal takes place every year. The current policy is w.e.f. April 1, 2005 till March 31, 2006.

Our US$ 5000 deductible from the current policy and Annual Aggregate Deductible (AAD) from MTO is US$ 40,000 and for our CFS operations it is US$ 25,000:

1] MTO Liability

2] MTD

3] Freight

4] CFS

5] Haulage services

Deductible means any claim below US$ 5000 that cannot be reported to the underwriters and the liability has to be taken over by our Company. For e.g.: One claim case wherein the claim amount is US$ 6000 and if liability is proved on our Company then US$ 5000 is absorbed by our Company and balance US$ 1000 is reimbursed by the Insurance Company subject to AAD.

Annual Aggregate Deductible means that our Company has paid the claim for any number of cases but the claim amount above US$ 5000 up to an amount of US$ 40,000, thereafter an additional claim amount will be reimbursed by the Insurance Company subject to deductible.

Legal costs and other costs (such as fumigation, surveyor etc), which are incurred to mitigate the claim, are reimbursed at actuals.

Prior to January 22, 2004, all claims as per deducible have been reported to TT Club, being our erstwhile insurers, and post in January 22, 2004, all claims above US$ 5000 are been reported to the underwriters (M/s. Galatea) as per our Company's insurance policy.

a. Claims for Short Landing of cargo

Shipment (cargoes) that does not arrive at the transshipment port or final destination in full is termed as short landing. There can be cases wherein the entire cargo is short-landed or part cargo is short-landed.

For the year 2005, we have 46 cases of short landing. Out of these, there are 10 cases wherein the claim amount is known which aggregates to Rs. 286,370/-.

b. Claims for damage to cargo

Damage means cargo / container outturned in a damage condition i.e. not in a good condition. There can be cases wherein the entire cargo is damaged or part cargo is damaged.

For 2005, there are a total of 109 cases, out of which there have been no official claims received by the Company with respect to 86 cases. For the remaining 23 cases, the claims aggregate to Rs. 7,176,426.57.

c. Claims for Theft Cases

These are cases where the cargo and/or container arrives at the destination but whilst in the custody of the port / warehouse, gets stolen.

For the year 2005, we have 3 cases of theft, all of which have been reported and referred to M/s. IFFCO Tokyo, our insurance Company, through their cargo underwriters M/s. Galatea. The aggregate if such claims amounts to Rs. 3,238,933/-.

d. Claims for Cross Stuffing Cases

Cross stuffing means erroneous stuffing of two cargoes meant for different destinations, to wrong destinations. For e.g. Hamburg cargo stuffed in Antwerp container and Antwerp cargo stuffed in Hamburg container. It may be part cargo or complete cargo that is stuffed in wrong containers.

For 2005, we have 3 cases of cross stuffing. We have transported the cross stuffed cargo to their respective original destinations in each of these cases. We have not received any claims in respect of these consignments, till date.

e. Delay in Delivery

When the shipment has not been delivered within the time expressly agreed upon or in the absence of such agreement, within reasonable time required to deliver the cargo at the destination, if the goods have not been delivered within 90 consecutive days from the date of sailing, it would amount to delay in delivery.

For the year 2005, we have 5 cases for delay in delivery. Out of these, 3 have claim amounts aggregating to Rs. 934,990.50.

f. Claims for delivery without Documents

When the goods have been delivered to the consignee or his agent at the destination without presentation of the original bill of lading and without approval from the shipper.

For the year 2005 we don't have any claim amount.

g. General Inquiries from Customs / CBI / DRI / CIU etc.

These are cases wherein we receive notice from the authorities for personal hearings for fraudulent business carried on by the exporter to avail the benefits of duty drawback.

For the year 2005, we have 2 cases for general inquiries for which no liability against our Company has been proved. Statement of our concerned officials has been recorded with the authorities.

h. General Average

An ocean marine loss that occurs through the voluntary sacrifice of a part of the vessel or cargo, or expenditure, to safeguard the vessel and its remaining cargo from a common peril is declared as General Average. If the sacrifice is successful, all interests at risk contribute to the loss borne by owner of the sacrificed property based on their respective saved values. A party can insure their portion of such a loss under an ocean marine policy.

For the year 2005, we have no claims in this category.

II. Other claims relating to Import Shipments

We are not liable for the claims relating to import shipments, as it is the load port issuing the bill of lading, which is liable for such claims in the normal course of business. This is because we act as the Indian agents of our principals in connection with such import shipments. Except for USA import shipment, we are liable since Allcargo Bill of Lading has been issued. The particulars of such claims have been briefly provided below:

a. Claims for short landing of cargo

Cargo, which does not arrive at the transshipment port or final destination in full is said to be short landed. There may be instances wherein the entire cargo has short landed or only a part of the cargo has short landed. The penalty levied by the Customs authorities, in accordance with the provisions of the Customs Act, for short landing of cargo is generally twice the invoice amount of the cargo which has short landed.

For the year 2005 there are 15 cases of short landing, out of which 5 cases are for cargo that was fully short landed. The balance 10 cases are of part short landing. Out of the said 15 cases of short landing, we have received claims specifying the amount of damages/loss for only 6 cases. The total of such amounts claimed is Rs. 3,767,046/-. Of the remaining 9 claims, we have not been specifically informed of the amounts claimed.

b. Claims for damage to cargo

Damage refers to the cargo and/or container outturned in a damaged condition i.e. not in a good condition. There may be instances wherein the entire cargo is damaged or only a part of the cargo is damaged.

For the year 2005, we have received 13 claims for damage to cargo, out of which we have been informed of the specific claim amounts for 9 cases. These claim amount aggregates to Rs.479,198/-.

c. Delay in Delivery

When the shipment has not been delivered within the time expressly agreed upon, or in the absence of such agreement, within reasonable time to deliver the cargo at destination, there is said to be a delay in delivery.

In the year 2005, we have received 2 claims for delay in delivery, amounting to Rs. 827,823/-.

d. General Average

An ocean marine loss that occurs through the voluntary sacrifice of a part of the vessel or cargo, or an expenditure, to safeguard the vessel and its remaining cargo from a common peril is declared as General Average. If the sacrifice is successful, all interests at risk contribute to the loss borne by owner of the sacrificed property based on their respective saved values. A party can insure their portion of such a loss under an ocean marine policy.

For the year 2005, we have received 1 claim for General Average in the capacity of the agent for the carrier, for which no specific amount has been claimed.

e. Wrong Delivery of cargo/ wrong place of delivery

Wrong delivery of cargo refers to the delivery of cargo, which is wrongly stuffed or cross-stuffed and therefore delivered at the wrong destination port. This is also known as cross stuffing. For example, cargo meant to reach New York is stuffed in a container headed for London is said to be cross-stuffed.

We have received 1 claim for wrong delivery with a claim amount aggregating to Rs. 40,406/-.

f. Outstanding cases by Customs authorities against the Company relating to Imports

As per section 116 of the Customs Act, any goods loaded into India or any goods that are transshipped are not unloaded at their place of destination in India, or if the quantity unloaded is short of the requisite quantity to be unloaded, and if the failure to unload or the deficiency is not accounted for, to the satisfaction of the Customs authorities, we are liable to be penalised for a sum not exceeding twice the amount of duty that would have been chargeable on the goods not unloaded or the deficient goods, had such goods been imported.

In this connection, there have been 12 instances in which the Customs authorities have imposed a penalty on our Company, out of which we have paid the sums of monies as penalties for 7 cases. The total amount paid as penalty for those 7 cases is Rs. 1,485,324/-. We have set out below the remaining 5 cases from which either an order is awaited, or a potential claim may arise.

i) IGM No. 7309: Item no: 23: Shipment effected from China to JNPT,
Shipper: Wuxi Newage Alternators Ltd., China,
Consignee: Stanford India Power Ltd.
Cargo: STC 5 cases, arrived at JNPT on 20/9/2000,
B/L No.: ECU00892627 dated: 26/08/2000.
Shipping Line - James Mackintosh

IGM No. 7309 Item no: 25: Shipment effected from China to JNPT,
Shipper: Zhejiang Chinabase Impex Co. Ltd., China,
Consignee: Deepen Drugs,
Cargo: STC 40 DRUMS, arrived at JNPT on 20/9/2000,
B/L No. ECU00892881 dated: 19/08/2000.
Shipping Line - James Mackintosh.

With respect to the aforesaid shipments, on de-stuffing the container, 20 and 34 drums, respectively, were found short. Therefore, the Customs authorities issued a show cause notice to our Company for short landing. The matter is still pending. The penalty amount, which could potentially amount to Rs 1,850,000, would be levied on Ecu Line, China. An appeal has been filed by carriers Pacific International Line Claim, forwarded to ECU-China. We are awaiting a date to be fixed for the hearing of the appeal.

ii) IGM 5241, Customs order no. 5241 dated 17/03/2005, the shipment was effected from Norflok, USA to JNPT

Consignee: M/s. Betul Tyres and Tubes Industries Ltd., Madhya Pradesh

Cargo: Rubber chemicals arrived at JNPT

On arrival of the said consignment at JNPT, our Company had sent an arrival notice and subsequent reminders to the consignee. However, the consignee did not take delivery of the cargo. As a result the cargo was lying uncleared for several months.

Finally, the Customs authorities opened the container on July 26, 2000 and found that out of the manifested 90 packages, 38 packages had short landed.

The Customs authorities, vide their order dated July 16, 2002 imposed penalty for such short-landing amounting to Rs. 26,000/- on Dragon Shipping, the carriers. The order is issued in the name of Dragon Shipping. Our Company is not liable in this matter. Further, our Company's name is not mentioned in the said order. Dragon Shipping is currently dealing with the matter.

iii) IGM 7552: Item nos: 23, 30, 31: The shipment was effected from Shanghai /China to Mumbai.
Shipper: Jiangxi Silk Import and Exports,
Consignee: Aditya International,
Cargo: 50 bales of mulberry raw silk with an invoice value of US$ 3079.
On de-stuffing the container at Mumbai port, a short landing of the following items took place: -
26 bales with respect to item no. 23,
8 drums with respect to item no. 30, and
12 drums with respect to item no. 31

The Customs authorities issued a show cause notice on July 9, 2003 to our Company for a personal hearing on August 18, 2003. We applied to the Customs authorities for extension of time.

The said notice was forwarded to Ecu, China, Ecu, Antwerp and TT Club (our insurers). The next personal hearing with the Customs authorities was held on September 8, 2003 wherein we requested the Customs authorities to waive the penalty. We provided the Customs authorities with a written explanation for the said short landings. We clarified that the container was de-stuffed on 2 different dates. For instance, after partly de-stuffing the container, the same was resealed with agent seal and when the container was de-stuffed on a subsequent date, the seal was missing. Instead, there was a consignee seal on the same container.

The order of the Customs authority is awaited. The penalty, if imposed, will be leviable on our Company, however we will be reimbursed for the same by Ecu, China and the carriers viz. Pacific International Line. This is because Ecu, China is the load port and we had acted as their agents in India.

iv) IGM 5998: The shipment was effected in April 2002 from Singapore to JNPT,
Shipper: PT. Pura Barutama,
Consignee: Bayer Specialty Products,
Cargo: 4 pallets and 1 carton of Microlux Black B56,
B/L no: ESSRG075E-004/NVH

We were informed by Ecu, Singapore, which was the load port, that only 1 carton was loaded. The sample pieces having no commercial value were found missing. We have not received any show cause notice from the Customs authorities till date. Accordingly, we are in the process of closing the file with the Customs authorities. However, a letter was received from the consignee that the cargo was received in full. In the event that penalty is imposed on our Company, the same will be reimbursed to our Company by Ecu, Singapore since it was the load port and we had acted as their agents in India, in this case.

v) IGM 6304: The shipment was effected from Guangzhou, Singapore to JNPT.
Shipper: Millennium Export House,
Consignee: Jatin Impex, Mumbai,
Cargo: 75 cartons of ribbon flower, batches buttons and buttons beads,

As per manifestation, one carton had short landed at JNPT. However, the Consignee sent a letter to our Company stating that the cargo was received in full. In the event that penalty is imposed on our Company, the same will be reimbursed to us since Ecu, Singapore was the load port and we were acting as their agents in India in this case.

Part 6 - Legal notices

1. Legal Notice sent by M/s. Zhejiang Cathaya International Co. Ltd. represented by Mr. Yao Changan dated October 24, 2005 to Union of India, Assistant Commissioner of Customs (Disposal), Allcargo Movers (India) Private Limited represented by its director Mr. Shashi Kiran Shetty and Trans India Logistic Park, our CFS division, represented by its General Manager, Mr. Pramod Kokate.

   The cargo, consisting of 68 cartons of 100% silk fabric, arrived from Shanghai to Nhava Sheva. The consignee, M/s. Star International Vats Complex, Haryana did not accept delivery of the cargo. The cargo was therefore lying uncleared for a couple of months. Accordingly, as per Customs procedure, the said cargo was auctioned. The shipper, M/s. Zhejiang Cathaya International Co. Ltd. was aggrieved by such auction by the Customs authorities and has therefore sent the said legal notice to us along with the Union of India, Assistant Commissioner of Customs (Disposal) and Trans India Logistic Park, our CFS division. The said legal notice was sent to Trans India Logistic Park (our CFS division), since the said cargo was kept at its CFS in Uran, District Raigad. The shipper has demanded a payment of US$ 73,603.85 as compensation from our Company and Trans India Logistic Park (our CFS division).

   Our Company has replied to the said legal notice, vide its letter dated December 9, 2005, clarifying that since the cargo was lying uncleared and we had issued notices to the concerned parties, including the consignee and M/s. Saturn Shipping Agency, the shipping agent for the said consignment and we are therefore not liable since the said auction had taken place as per applicable Customs law.

   On December 16, 2005 our Company received a letter, via facsimile, from the shippers in reply to our letter dated December 9, 2005 that since the shipper was the holder of the original bill of lading and since our Company had acted as the custodian of the said cargo, the Customs authorities had no right to auction the same.

2. Legal Notice sent by M/s. Active Marketing Co. Private Ltd. dated November 28, 2005 to SYJ International Freight Ltd. and Allcargo Movers (India) Private Limited.

   The cargo arrived from Shanghai, China to Bombay Port. The cargo, consisting of 7 cartons of optical frames, short landed by 3 cartons. Holding our Company responsible for such short landing, M/s. Active Marketing Co. Private Ltd. (Consignee) sent the said legal notice to our Company demanding payment of the value of the cargo that had short landed and other costs including survey costs, interest charges, legal fees, etc. which amounts to Rs. 378,649/-.

   Our Company has replied to the Consignee's letter dated November 28, 2005.

   Our Company acted as the agents of Ecu, Shanghai in India, which was the load port in this case. Therefore, any penalty / compensation amount will ordinarily be paid by Ecu, Shanghai.

MATERIAL DEVELOPMENTS

Except as stated in the section titled "Management Discussion and Analysis of Financial Condition and Results of the Operations (as per Indian GAAP)" beginning on page 192 of the Red Herring Prospectus there are no other material developments which have occurred since the date of the last audited financial statements disclosed (i.e., December 31, 2005) in the Red Herring Prospectus. The Board of Directors are not aware of any circumstances that materially or adversely affect or are likely to affect our profitability or the value of our assets or our ability to pay our liabilities within the next twelve months.

GOVERNMENT APPROVALS

Our Company has received the necessary consents, licences, permissions and approvals from the Government/RBI and various Government agencies required for its present business and no further approvals are required for carrying on the present as well as the proposed business save and except as mentioned below.

It must be distinctly understood that, in granting these licences, the Government/RBI and various Government agencies do not take any responsibility for our financial soundness or for the correctness of any of the statements made or opinions expressed in this behalf.

Our Company has received the following government approvals/ licenses/ permissions;

A] General

1. PAN Card issued by the Commissioner of Income Tax (Computer Operations) stating Permanent Account Number of our Company as AACCA2894D.
2. Tax Deduction Account No. MUMA08492B issued by the Income Tax Department.
3. Authorisation No. MAH/GSO/AUTH/PB-278/2005/2006/14498 dated December 30, 2005 was issued by Government of Maharashtra, General Stamp Office to our Company for use of Franking Machine for payment of stamp duty and the Authorisation is valid up to December 31, 2006.
4. Ministry of Finance issued Service Tax Registration Certificate, bearing registration No. ST/MUM/DIV-III/GTA/851/2005/BAS/2212/2005, to our Company for payment of service tax on services of transport of goods by road and business auxiliary services.
5. Department of Sales Tax at Maharashtra vide its letter No. 07604458 dated December 16, 2003 registered Transindia Logistics Park as a dealer under Bombay Sales Tax Act, 1959. The Registration Certificate No. is 400702-S-724 and the Certificate would be in effect from November 11, 2003.
6. The Central Sales Tax (Registration and Turnover) Rules 1957 registered Transindia Logistics Park vide its letter No. 030930 dated December 16, 2003 as reseller in scrap and auction sale. The Registration Certificate No being 400702-C-92.
7. Certificate of Registration under the Contract Labour (Registration and Abolition) Act, 1970 No.ACL/Raigad/CLA/R-9/2003.
8. Registration Certificate of Establishment (for Bangalore Branch) was issued by Government of Karnataka (Dept. of Labour) bearing Reg. No. 72/ W.No. 0306 and dated April 18, 2001.
9. Application for obtaining MPL Licence / Certificate of Enlistment u/s 199 of C.M.C. Act, 1980, for carrying out business as a Shipping Agent for the year 2001-02 bearing Serial No. B/ 398378 and assessee No. 11063/00/609.
10. Certificate of Importer Exporter Code No.0300011555 was issued by Director General of Foreign Trade.
11. Federation of Indian Export Organisations issued Registration Cum Membership Certificate. The registration no. being No.7109/2003-04.
12. MAPIN UID No. 100155952 issued by NSDL on behalf of SEBI to trade in securities.
13. The Company has been registered as commercial establishment under the Bombay Shops and Establishment Act, 1948 on 16th February 1999. The registration No. being A-II/021791.
14. Office of the Regional Provident Fund Commission has brought all the branches and departments of the Company within the purview of the Employees' Provident Funds and Miscellaneous Provision Act, 1952 with effect from June 1996.

B] Our Company has received the following approvals pertaining to its MTO related business

1. Standard Carrier Alpha Code (SCAC) was issued by the National Motor Freight Traffic Association Inc. dated January 27, 2003 to our Company. – The Standard Code, which has been assigned, is ALPJ.
2. XL Speciality Insurance Company issued a Federal Maritime Commission - Ocean Transport Intermediary Bond No. being 8395838 dated March 25, 2004 to our Company.
3. A Certificate of registration, dated June 13, 1998 and bearing Registration No. MTO/DGS/163/98, as per Rule 5 of the Registration of Multimodal Transport Operators Rules, 1992 by Directorate General of Shipping, Ministry of Shipping, Government of India, to operate as a Multimodal Transport Operator. The registration has been renewed and is valid till July 12, 2007.
4. A Certificate of Registration dated March 24, 2006 and bearing numeric code 14-3 6310 000 6 as an IATA cargo agent with IATA.

C] Our Company has received the following approvals pertaining to its CFS related business

1. Approval No. 16/13/2001-Infra-I dated October 19, 2001 was issued by Ministry of Commerce and Industry, Infrastructure Division for setting up CFS at Dronagiri Node.
2. Approval No. 16/13/2001-Infra-I dated January 10, 2003 from Ministry of Commerce and Industry, Infrastructure Division granting 6 months extension for establishment of CFS at Dronagiri Node.
3. Non-Agricultural Permission No. MS/L.N.A.1/S.R./242/2001 from the Office of the Zilla Collector, Alibag dated July 8, 2002, issued by District Collector Office, Raigad, Alibagh, states that Mouje Koproli Taluka Uran Land (survey nos. 111, 113, 114) has been forwarded for title registration in the name of S.K. SHETTY and the Collector has given permission to Mr. S.K. Shetty to construct warehouse (for commercial purpose) as per approved plan and N.A.
4. Resolution NOC, having resolution no. 64, dated March 23, 2001 from Group Gram Panchayat, Koproli (Khopte) for commencing commercial activities and No Objection for CFS Activity, which has been duly signed by Sarpanch and Gram Vikas Officer of Group Gram Panchayat, Koproli (Khopte) village, states that the permission (NOC) has been granted to Mr. S.K. Shetty for the land at Mouje Koproli, Taluka Uran, Raigad survey no: 111/3, 1118/1, 111/2A, 111/2B, 113/1A, 113/1B, 113/3, 113/4, 114/5A, 114/5B(1) for the purpose of concretization, to put PCR gutter line, tar internal roads, mud plint, separate pipeline, electricity connection from M.S.E.B., pump connection, three phase meter, CFSI, warehouse, bore well, watchmen cabin, quarters, water tank, ,toilets, caretakers room, compound wall, office, workshop etc. and to use the same for commercial purpose.
5. Non-Agricultural Permission No./L.N.A1/S.R. /211//2004 from Office of Zilla Collector, Alibagh dated October 18, 2004.
6. The Ministry of Commerce & Industry vide letter No. 16/13/2002-Infrastructure-I dated October 16, 2002 permitted the posting of Custom Staff at CFS at Dronagiri Node.
7. A Notification No.03/2003 dated February 28, 2003 was issued by Jawahar Custom House notifying that the area measuring 32,820 sq.mts. of the company located at Koproli as Customs Area for the purpose of storage, stuffing / destuffing and clearance of Export/Import.
8. Consent Order No. BO/APAE/TB/B-1114 dated March 19, 2003 from Maharashtra Pollution Control Board (“PCB”) that the activity of CFS would not require the permission of the PCB.
9. A Notification No.7/2003 dated April 3, 2003 under section 45 of the Customs Act, 1945 was issued by the Ministry of Finance notifying that our Company would be the “Custodian” of the Customs Area at Koproli. Further a notification No. 8/2003 was issued notifying that the Container Road linking JNPT/NSICT container Gate CFS at Koproli as “Customs Area”.
10. Notification No. S/12-GEN-154/DBK/JCH dated September 26, 2003 was issued by Jawahar Customs House, granting permission for inter CFS movement of export cargo.

11. Ministry of Finance issued a Notification No. 1/2004 dated August 17, 2004 under section 8 of the Customs Act, 1945 granting permission that the additional area comprising 9690 sq.mt. as “customs area”. This additional area shall become part of the original Customs Area of our Company.

12. Ministry of Finance granted the Certificate of Registration No. C.Ex./r-URAN/S & W/02/ACMIPL/ST/2003-04 under Section 69 of the Finance Act registering our Company with the Central Excise Department for payment of Service Tax on Storage and Warehousing Services, Cargo Handling Services, and Goods Transport Agency Services. The certificate is for the area at Koproli, which is called Transindia Logistics Park.

13. Caste Certification: Our Company has obtained a Dhakla (permission) dated 25/82000, which has been duly signed by Sarpanch of Koproli village, certifying that the names of the farmers for land’s survey numbers 111, 113,114 do not belong to Adivasi community.

14. Certification (Dhakla): Our Company has obtained a Dhakla (permission) dated September 26, 2000 and issued by Pandeve Vikas Seva Sahakari Sanstha certifying that there are no dues pending against concerned persons for Survey nos: 112/2b, 113/3, 11/4A(1), 111/1, 111/2b, 113/1A, 113/1b, 113/2, 113/4, 113/1A, 114/2/3b, 114/2/3/b, 114/1b, 114/2, 114/5b, 114/1A, 114/5b2, 114/5a, 114/5b, 114/4.

15. Certification (Talathi): Our Company has obtained a Dhakla (permission) which has been duly signed by Talathi of Koproli village, certifying that the names of the farmers for land’s survey numbers 111, 113, 114 do not belong to Adivasi community.

16. A letter has been written by Deputy Chief Engineer of PWD, Alibagh to Mr. S.K. Shetty (Ref: Letter dated: 12/5/2003 no: 510) stating that unauthorized road at Khopat, Koproli road National Highway 85 has been constructed by our Company, it being an access road to the CFS. Also as the said road has not been constructed with proper authorizations from the PWD department it should be blocked on priority basis or else PWD will have to block the same at our cost and expenses.

17. A Notification No. 01/2004 dated August 17, 2004 was issued by Jawaharlal Nehru Custom House notifying that the additional area measuring 9,690 sq.mts. of the Company located at Koproli as Customs Area for the purpose of storage, stuffing / destuffing and clearance of Export/Import goods. The additional area shall form a part of the original Customs Area of our Company.

18. A Notification No. 02/2004 dated August 17, 2004 was issued by Commissioner of Customs (Exports), Jawaharlal Nehru Custom House notifying that our Company has been appointed as the Custodian for the additional area measuring 9,690 sq.mts. located at Koproli.

19. A Notification No. 10/2005 dated August 2, 2005 was issued by Jawaharlal Nehru Custom House notifying a further additional area measuring 15,000 sq.mts. of the Company located at Koproli as Customs Area for the purpose of storage, stuffing / destuffing and clearance of Export/Import goods. The additional area shall form a part of the original Customs Area of our Company.

20. A Notification No. 14/2005 dated November 17, 2005 was issued by Jawaharlal Nehru Custom House notifying an additional area measuring 5,500 sq.mts. of the Company located at Koproli as Customs Area for the purpose of storage, stuffing / destuffing and clearance of Export/Import cargo. Our Company will be appointed as a Custodian till the goods are cleared for home consumption or transshipped or exported out of India.

21. A Notification No. 15/2005 dated November 17, 2005 was issued by Jawaharlal Nehru Custom House notifying an additional area measuring 5,500 sq.mts. of the CFS of our Company located at Koproli as Customs Area for the purpose of storage, stuffing / destuffing and clearance of Export/Import cargo. This additional area shall be a part of the original CFS of our Company.

22. Container Corporation of India, vide letter dated January 12, 2006, has given to our Company a certificate of operation in ICD, Moradabad which has commenced its operations from November 1, 2001.

D] Our Company has been allotted the following approvals from the RBI for its strategic investments and joint ventures:

1. Identification Number BYJAZ20010154 by the Reserve Bank of India, vide Ref. No. EC.CO.OID.5584/19.01.269/2000-2001, dated June 11, 2001, with regard to the Overseas Direct Investment by our Company for its investment in Mauritius i.e. a ECU-Line (Indian Ocean Islands) Limited.

2. Identification Number BYJAZ20020308 by the Reserve Bank of India, vide its Ref. No. EC.CO.OID.2735/19.01.330/2002-2003 dated November 25, 2002, with regard to the Overseas Direct Investment by our Company in its Joint Venture in the United States of America i.e. Transworld Logistic & Shipping Services, Inc.

3. Identification Number BYJAZ20010377 by the Reserve Bank of India, vide its Ref. No. EC.CO.OID.3280/19.01.283/2001-2002 dated October 31, 2001, with regard to the Overseas Direct Investment by our Company for its investment in South Africa i.e. ACM Lines (Proprietary) Limited.

E] Approvals applied for / required and not obtained by our Company:

Proposed CFS/ICD

Our Company has applied for the following and the approval is awaited:

1. Letter No. 16/45/2005 dated December 1, 2005 was issued by the Ministry of Commerce, Government of India, stating that the matter has been referred to the Commissioner of Customs, Chennai and our Company is required to pursue the matter for setting up a CFS at Chennai near the Chennai Port Trust with the said authority.

2. Application dated May 2, 2006, made to the Ministry of Commerce, Government of India, for permission to set-up a CFS at Mundra.

   Our Company will be required to apply for the following regulatory approvals for each of its proposed CFS/ICD:

   1. Ministry of Commerce, Government of India, for permission to set-up an ICD at NCR.
   2. A Notification from Customs House notifying the area for the purpose of storage, stuffing /destuffing and clearance of Export/Import.
   3. The Ministry of Commerce & Industry for posting of Customs Staff at CFS.
   4. A Notification by the Ministry of Finance notifying that our Company would be the “Custodian” of the Customs Area.
   5. Certificate of Registration by the Ministry of Finance registering our Company with the Central Excise Department for payment of Service Tax on Storage and Warehousing Services, Cargo Handling Services, and Goods Transport Agency Services.
   6. Registration Certificate by the Department of Sales Tax.
   7. Registration under the Central Sales Tax (Registration and Turnover) Rules, 1957 for reselling scrap and for auction sale.
   8. Certificate of Registration under the Contract Labour (Registration and Abolition) Act, 1970.

F] Trade Marks Applications

We had applied for registering our logo “All Cargo” which has been admitted for publication in the Trade Mark Journal. Once the logo is published the Trade Mark Registry would issue a certificate of registration. In respect of our logo “Allcargo”, the same has been published in the Trade Mark Journal for which certificate is awaited from the Registry.

Our Company has also filed an application dated February 2, 2006 with the Trade Marks Registry, Mumbai to register our Company’s new logo as appearing on the cover page of this Red Herring Prospectus.

SECTION VII: OTHER REGULATORY AND STATUTORY DISCLOSURES

AUTHORITY FOR THE ISSUE

The Issue has been authorised pursuant to a resolution passed by our Board of Directors at its meeting held on January 25, 2006 and approved by a special resolution adopted pursuant to Section 81(1A) of the Act, at the extraordinary general meeting of the shareholders of our Company held on January 28, 2006. Our Board of Directors has authorised a committee of our directors referred to as the IPO Committee to take decisions on behalf of our Board in relation to the Issue. The IPO Committee of our Board pursuant to a resolution passed at its meeting held on May 15, 2006 has approved the Issue structure and has also approved the Red Herring Prospectus.

PROHIBITION BY SEBI

Our Company, our Directors, our Promoter, our Subsidiaries, our Promoter Group companies, other companies promoted by our Promoter and companies with which our Company's Directors are associated as Directors have not been prohibited from accessing or operating in the capital markets or restrained from buying, selling or dealing in securities under any order or direction passed by SEBI.

ELIGIBILITY FOR THE ISSUE

Our Company is eligible for the Issue in accordance with Clause 2.2.1 of the SEBI DIP Guidelines as explained under, with the eligibility criteria calculated in accordance with unconsolidated financial statements under Indian GAAP:

- Our Company has net tangible assets of at least Rs. 30 million in each of the preceding three full years of which not more than 50% is held in monetary assets and is compliant with Clause 2.2.1(a) of the SEBI DIP Guidelines;
- Our Company has a track record of distributable profits in accordance with Section 205 of Companies Act, for at least three of the immediately preceding five years and is compliant with Clause 2.2.1(b) of the SEBI DIP Guidelines;
- Our Company has a net worth of at least Rs. 10 million in each of the three preceding full years and is compliant with Clause 2.2.1(c) of the SEBI DIP Guidelines;
- Our Company has changed its name within the last one year. More than 50% of the revenue for the preceding one full year is earned by the company from the activity suggested by the New name and is compliant with Clause 2.2.1.(d) of the SEBI DIP Guidelines;
- Pre-issue net worth of the company as per the restated financials as on 31st March 2005 is Rs.391.47 million and 5 times of Pre-issue net worth is Rs.1957.34 million. The proposed Issue size will be compliant with clause 2.2.1(e) of the SEBI DIP guidelines provided the proposed issue is less than Rs. 1957.34 million;

In addition to satisfying the conditions mentioned in Clause 2.2.1 of the SEBI DIP Guidelines, the prospective allottees will not be less than one thousand (1,000) in number.

Our net tangible assets, monetary assets, net profits (as restated) and networth (as restated) as derived from the restated financial statements, as per Indian GAAP and included in the Red Herring Prospectus under the section titled "Financial Statements", beginning on page 144 of the Red Herring Prospectus as at December 31, 2005, and for the last five years ended March 31, is set forth below:

Rs. in Millions

Particulars	As at March, 31st					Nine months ended December 31st
	2001	2002	2003	2004	2005	2005
Net tangible assets (1)	94.15	107.70	208.62	279.41	503.79	1,183.65
Monetary assets (2)	5.26	14.29	14.34	20.78	82.53	231.34
Monetary assets as a percentage of Net tangible assets	5.59%	13.27%	6.87%	7.44%	16.38%	19.54%
Distributable profits	28.90	27.81	32.99	54.43	245.47	370.24
Net worth	43.18	71.00	103.99	158.42	391.47	788.08

(1) Net tangible assets is defined as the sum of fixed assets (including capital work in progress and capital advances and excluding intangible assets and revaluation reserves), investments, current assets (excluding deferred tax assets) less current liabilities (including working capital loans), and short term liabilities.

(2) Monetary assets include cash on hand, bank balances and investments in mutual funds.

Further, in accordance with Clause 2.2.2A of the SEBI DIP Guidelines, we undertake that the number of allottees,i.e.,persons receiving allotment in the Issue shall be at least 1,000, otherwise, the entire application money will be refunded forthwith. In case of delay, if any, in refund, our Company shall pay interest on the application money at the rate of 15% per annum for the period of delay.

Furthermore, the Issue is subject to the fulfillment of the following conditions as required by the Securities Contracts (Regulations) Rules, 1957:

- A minimum of 20,00,000 Equity Shares (excluding reservations, firm allotments and promoter contribution) are offered to the public;
- The Issue size, which is the Offer Price multiplied by the number of Equity Shares offered to the public, is a minimum of Rs. 1,000 million; and
- The issue is made through the Book Building Method with allocation of 60% of the Net Offer to the Public to Qualified Institutional Buyers, as defined under DIP guidelines.

For a complete explanation of the above figures please refer to the section entitled "Financial Statements" beginning on page 144 of this Red Herring Prospectus.

DISCLAIMER CLAUSE

AS REQUIRED, A COPY OF THE RED HERRING PROSPECTUS HAS BEEN SUBMITTED TO SEBI. IT IS TO BE DISTINCTLY UNDERSTOOD THAT SUBMISSION OF THE RED HERRING PROSPECTUS TO SEBI SHOULD NOT, IN ANY WAY, BE DEEMED OR CONSTRUED TO MEAN THAT THE SAME HAS BEEN CLEARED OR APPROVED BY SEBI. SEBI DOES NOT TAKE ANY RESPONSIBILITY EITHER FOR THE FINANCIAL SOUNDNESS OF ANY SCHEME OR THE PROJECT FOR WHICH THE ISSUE IS PROPOSED TO BE MADE OR FOR THE CORRECTNESS OF THE STATEMENTS MADE OR OPINIONS EXPRESSED IN THE RED HERRING PROSPECTUS. THE BOOK RUNNING LEAD MANAGERS ENAM FINANCIAL CONSULTANTS PRIVATE LIMITED AND INGA ADVISORS PRIVATE LIMITED HAD CERTIFIED THAT THE DISCLOSURES MADE IN THE RED HERRING PROSPECTUS ARE GENERALLY ADEQUATE AND ARE IN CONFORMITY WITH SEBI DIP GUIDELINES AS FOR THE TIME BEING IN FORCE. THIS REQUIREMENT IS TO FACILITATE INVESTORS TO TAKE AN INFORMED DECISION FOR MAKING AN INVESTMENT IN THE PROPOSED ISSUE. IT SHOULD ALSO BE CLEARLY UNDERSTOOD THAT WHILE OUR COMPANY IS PRIMARILY RESPONSIBLE FOR THE CORRECTNESS, ADEQUACY AND DISCLOSURE OF ALL RELEVANT INFORMATION IN THE RED HERRING PROSPECTUS, THE BOOK RUNNING LEAD MANAGERS ENAM FINANCIAL CONSULTANTS PRIVATE LIMITED AND INGA ADVISORS PRIVATE LIMITED ARE EXPECTED TO EXERCISE DUE DILIGENCE TO ENSURE THAT OUR COMPANY DISCHARGES ITS RESPONSIBILITY ADEQUATELY IN THIS BEHALF AND TOWARDS THIS PURPOSE THE BOOK RUNNING LEAD MANAGERS, HAVE FURNISHED TO SEBI, A DUE DILIGENCE CERTIFICATE DATED MARCH 21, 2006 AND MAY 16, 2006 IN ACCORDANCE WITH THE SEBI (MERCHANT BANKERS) REGULATIONS, 1992, WHICH READS AS FOLLOWS:

(i) WE HAVE EXAMINED VARIOUS DOCUMENTS INCLUDING THOSE RELATING TO LITIGATION LIKE COMMERCIAL DISPUTES, PATENT DISPUTES, DISPUTES WITH COLLABORATORS, ETC. AND OTHER MATERIALS IN CONNECTION WITH THE FINALISATION OF THE RED HERRING PROSPECTUS PERTAINING TO THE SAID ISSUE.

(ii) 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, PROJECTED PROFITABILITY, PRICE JUSTIFICATION AND THE CONTENTS OF THE DOCUMENTS MENTIONED IN THE ANNEXURE AND OTHER PAPERS FURNISHED BY THE COMPANY.

WE CONFIRM THAT:

(A) THE RED HERRING PROSPECTUS FORWARDED TO SEBI IS IN CONFORMITY WITH THE DOCUMENTS, MATERIALS AND PAPERS RELEVANT TO THE ISSUE;

(B) ALL THE LEGAL REQUIREMENTS CONNECTED WITH THE SAID ISSUE AS ALSO THE GUIDELINES, INSTRUCTIONS, ETC. ISSUED BY SEBI, THE GOVERNMENT AND ANY OTHER COMPETENT AUTHORITY IN THIS BEHALF HAVE BEEN DULY COMPLIED WITH; AND

(C) THE DISCLOSURES MADE IN THE RED HERRING PROSPECTUS ARE TRUE, FAIR AND ADEQUATE TO ENABLE THE INVESTORS TO MAKE A WELL-INFORMED DECISION AS TO THE INVESTMENT IN THE PROPOSED ISSUE;

(D) WE CONFIRM THAT BESIDES OURSELVES, ALL THE INTERMEDIARIES NAMED IN THE RED HERRING PROSPECTUS ARE REGISTERED WITH SEBI AND THAT TILL DATE SUCH REGISTRATIONS ARE VALID; AND

(E) WHEN UNDERWRITTEN WE SHALL SATISFY OURSELVES ABOUT THE WORTH OF THE UNDERWRITERS TO FULFIL THEIR UNDERWRITING COMMITMENTS.

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 MAHARASHTRA, MUMBAI, IN TERMS OF SECTION 56, SECTION 60 AND SECTION 60B OF THE COMPANIES ACT, 1956.

THE FILING OF THE RED HERRING PROSPECTUS DOES NOT, HOWEVER, ABSOLVE THE COMPANY FROM ANY LIABILITIES UNDER SECTION 63 OR SECTION 68 OF THE COMPANIES ACT, 1956 OR FROM THE REQUIREMENT OF OBTAINING SUCH STATUTORY AND/OR OTHER CLEARANCES AS MAY BE REQUIRED FOR THE PURPOSE OF THE PROPOSED ISSUE. SEBI FURTHER RESERVES THE RIGHT TO TAKE UP AT ANY POINT OF TIME, WITH THE BOOK RUNNING LEAD MANAGER, ANY IRREGULARITIES OR LAPSES IN THE RED HERRING PROSPECTUS."

THE BOOK RUNNING LEAD MANAGER AND US ACCEPT NO RESPONSIBILITY FOR STATEMENTS MADE OTHERWISE THAN IN THE RED HERRING PROSPECTUS OR IN THE ADVERTISEMENT OR ANY OTHER MATERIAL ISSUED BY OR AT OUR INSTANCE AND ANYONE PLACING RELIANCE ON ANY OTHER SOURCE OF INFORMATION WOULD BE DOING SO AT HIS OWN RISK.

WE CERTIFY THAT WRITTEN CONSENT FROM PROMOTERS HAS BEEN OBTAINED FOR INCLUSION OF THEIR SECURITIES AS PART OF PROMOTERS' CONTRIBUTION SUBJECT TO LOCK-IN AND THE SECURITIES PROPOSED TO FORM PART OF THE PROMOTERS' CONTRIBUTION SUBJECT TO LOCK-IN, WILL NOT BE DISPOSED/SOLD/ TRANSFERRED BY THE PROMOTERS DURING THE PERIOD STARTING FROM THE DATE OF FILING THE DRAFT RED HERRING PROSPECTUS WITH SEBI TILL THE DATE OF COMMENCEMENT OF LOCK-IN PERIOD AS STATED IN THE RED HERRING PROSPECTUS.

DISCLAIMER CLAUSE OF BSE

BSE has given vide its letter dated April 13, 2006 permission to this Company to use the BSE's name in this offer document as one of the stock exchanges on which this Company's securities are proposed to be listed. The BSE has scrutinized this offer document for its limited internal purpose of deciding on the matter of granting the aforesaid permission to this Company. The BSE does not in any manner:

- warrant, certify or endorse the correctness or completeness of any of the contents of this offer document; or
- warrant that this Company's securities will be listed or will continue to be listed on BSE; or
- take any responsibility for the financial or other soundness of this Company, its promoters, its management or any scheme or project of this Company;

and it should not for any reason be deemed or construed to mean that this offer document has been cleared or approved by BSE. Every person who desires to apply for or otherwise acquires any securities of this Company may do so pursuant to independent inquiry, investigation and analysis and shall not have any claim against BSE whatsoever by reason of any loss which may be suffered by such person consequent to or in connection with such subscription/acquisition whether by reason of anything stated or omitted to be stated herein or for any other reason whatsoever.

DISCLAIMER CLAUSE OF THE NSE

As required, a copy of this offer document has been submitted to National Stock Exchange of India Limited (hereinafter referred to as NSE). NSE has given vide its letter ref.: NSE/LIST/21559-7 dated April 18, 2006 permission to the Issuer to use the Exchange's name in this prospectus as one of the stock exchanges on which this Issuer's securities are proposed to be listed. The Exchange has scrutinized this draft offer document for its limited internal purpose of deciding on the matter of granting the aforesaid permission to this Issuer. It is to be distinctly understood that the aforesaid permission given by NSE should not in any way be deemed or construed that the offer document has been cleared or approved by NSE: nor does it in any manner warrant, certify or endorse the correctness of completeness of any of the contents of this offer document; nor does this warrant that this Issuer's securities will be listed or will continue to be listed on the Exchange; nor does it take any responsibility for the financial or other soundness of this Issuer, its promoters, its management or any scheme or project of this Issuer.

Every person who desires to apply for or otherwise acquire any securities of this Issuer may do so pursuant to independent inquiry, investigation and analysis and shall not have any claim against the Exchange whatsoever by reason of any loss which may be suffered by such person consequent to or in connection with the subscription / acquisition whether by reason of anything stated or omitted to be stated herein or any other reason whatsoever.

DISCLAIMER CLAUSE FROM OUR COMPANY, AND THE BRLMs

Our Company, our Promoter, our Directors and the BRLMs accept no responsibility for statements made otherwise than in the Red Herring Prospectus or in the advertisements or any other material issued by or at our instance and anyone placing reliance on any other source of information, including our web site, www.allcargoglobal.com would be doing so at his or her own risk.

The BRLMs accept no responsibility, save to the limited extent as provided in the Memorandum of Understanding entered into between the BRLMs and us and the Underwriting Agreement to be entered into between the Underwriters and us.

All information shall be made available by us, to the BRLMs, to the public and investors at large and no selective or additional information would be available for a section of the investors in any manner whatsoever including at road show presentations, in research or sales reports, at bidding centers or elsewhere.

DISCLAIMER IN RESPECT OF JURISDICTION

This Issue is being made in India to persons resident in India including Indian nationals resident in India who are not minors, Hindu Undivided Families (HUFs), companies, corporate bodies and societies registered under the applicable laws in India and authorized to invest in shares, Indian mutual funds registered with SEBI, Indian financial institutions, commercial banks, regional rural banks, co-operative banks (subject to RBI permission), Trusts registered under the Societies Registration Act, 1860, as amended from time to time, or any other trust law and who are authorised under their constitution to hold and invest in shares, permitted insurance companies and pension funds and to non-residents including NRIs and FIIs. The Red Herring Prospectus does not, however, constitute an offer to sell or an invitation to subscribe to Equity Shares offered hereby in any other jurisdiction to any person to whom it is unlawful to make an offer or invitation in such jurisdiction. Any person into whose possession the Red Herring Prospectus comes is required to inform himself or herself about, and to observe, any such restrictions. Any dispute arising out of this Issue will be subject to the jurisdiction of appropriate court(s) in Mumbai, India only.

No action has been or will be taken to permit a public offering in any jurisdiction where action would be required for that purpose, except that the Red Herring Prospectus has been submitted to the SEBI. Accordingly, the Equity Shares represented thereby may not be offered or sold, directly or indirectly, and the Red Herring Prospectus may not be distributed, in any jurisdiction, except in accordance with the legal requirements applicable in such jurisdiction. Neither the delivery of the Red Herring Prospectus nor any sale hereunder shall, under any circumstances, create any implication that there has been no change in the affairs of our Company since the date hereof or that the information contained herein is correct as of any time subsequent to this date.

Equity Shares have not been registered under the US Securities Act and are not being sold in the US. The Equity Shares have not been and will not be registered under the U.S. Securities Act of 1933, as amended (the "US Securities Act"), or any state securities laws in the United States and may not be offered or sold within the United States,(as defined in Regulation S under the US Securities Act) except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act. Accordingly, the Equity Shares will be offered and sold only outside the United States in offshore transactions in compliance with Regulation S and the applicable laws of the jurisdiction where those offers and sales occur.

FILING

A copy of the Draft Red Herring Prospectus had been filed with SEBI at Corporation Finance Department, Ground Floor, Mittal Court, "A" Wing, Nariman Point, Mumbai 400 012.

A copy of the Red Herring Prospectus, along with the documents required to be filed under Section 60B of the Companies Act, would be delivered for registration to the RoC and a copy of the Prospectus to be filed under Section 60 of the Companies Act would be delivered for registration with RoC.

LISTING

Applications have been made to the BSE and NSE for permission to deal in and for an official quotation of our Equity Shares. BSE will be the Designated Stock Exchange.

If the permissions to deal in and for an official quotation of our Equity Shares are not granted by any of the Stock Exchanges mentioned above, our Company will forthwith repay, without interest, all monies received from the applicants in pursuance of the Red Herring Prospectus. If such money is not repaid within 8 days after our Company become liable to repay it, i.e. from the date of refusal or within 70 days from the Bid/Issue Closing Date, whichever is earlier, then our Company, and every Director of the Company who is an officer in default shall, on and from such expiry of 8 days, be liable to repay the money, with interest at the rate of 15% per annum on application money, as prescribed under Section 73 of the Companies Act.

Our Company shall ensure that all steps for the completion of the necessary formalities for listing and commencement of trading at all the Stock Exchanges mentioned above are taken within 7 working days of finalization of the Basis of Allotment for the Issue.

CONSENTS

Consents in writing of (a) the Directors, the Company Secretary and Compliance Officer, the Auditors, Bankers to the Company and Bankers to the Issue and (b) Book Running Lead Managers to the Issue and Syndicate Members, Escrow Collection Bankers, Registrar to the Issue and Legal Advisors to the Issue to act in their respective capacities, have been obtained and filed along with a copy of the Prospectus with the RoC, as required under Sections 60 and 60B of the Companies Act and such consents have not been withdrawn up to the time of delivery of the Red Herring Prospectus for registration with the RoC.

M/s. Appan & Lokhandwala Associates, Chartered Accountants, our Statutory Auditors have given their written consent to the inclusion of their report in the form and context in which it appears in the Red Herring Prospectus and such consent and report has not been withdrawn up to the time of delivery of the Red Herring Prospectus for registration with the RoC.

M/s. Appan & Lokhandwala Associates, Chartered Accountants, our Statutory Auditors have given their written consent to the tax benefits accruing to our Company and its members in the form and context in which it appears in the Red Herring Prospectus and has not withdrawn such consent up to the time of delivery of the Red Herring Prospectus for registration with the RoC.

EXPERT OPINION

Except as stated in the sections titled "Objects of the Issue", "Statement of Tax Benefits" and "Financial Statements" beginning on pages 33, 47 and 144 respectively of the Red Herring Prospectus, we have not obtained any expert opinions.

EXPENSES OF THE ISSUE

The estimated Issue expenses are as under:

Sr. No.	Category	Estimated expenses (Rs. In million)
1.	Lead Management fee and underwriting commissions*	[●]
2.	Advertising & Marketing Costs**	[●]
3.	Printing & Stationery	[●]
4.	Others (Registrar's fees, legal fees, fees for auditors and bankers to the Issue, stamp duty, initial listing fees and annual listing fees, SEBI filing fees, other statutory fees, depository fees, charges for using the book building software of the exchanges and other related expenses)**	[●]
	Total	**[●]**

* *Will be incorporated after finalisation of Issue Price*

** *Will be incorporated at the time of filing Prospectus*

FEES PAYABLE TO THE BRLMs

The total fees payable by us including underwriting commission and selling commission to the Book Running Lead Managers will be as per the letter of appointment dated November 30, 2005 with our Company, a copy of which is available for inspection at our registered/ corporate office.

FEES PAYABLE TO THE REGISTRAR TO THE ISSUE

The fees payable by us to the Registrar to the Issue will be as per the Agreement dated December 12, 2005 executed between our Company and the Registrars to the Issue, a copy of which is available for inspection at our registered /corporate office.

Adequate funds will be provided to the Registrar to the Issue to enable them to send refund orders or allotment advice by registered post / speed post / under certificate of posting.

UNDERWRITING COMMISSION, BROKERAGE AND SELLING COMMISSION

The underwriting commission and brokerage for the Issue is set out in the underwriting agreement and the syndicate agreement.

PREVIOUS RIGHTS AND PUBLIC ISSUES

Our Company has not made any previous rights and public issues except as stated in the section titled "Capital Structure" on page 20 of the Red Herring Prospectus.

PREVIOUS ISSUES OF SHARES OTHERWISE THAN FOR CASH

Our Company has not made any previous issues of shares otherwise than for cash except as stated in the section titled "Capital Structure-Notes to Capital Structure" on page 21 of the Red Herring Prospectus.

COMPANIES UNDER THE SAME MANAGEMENT

We do not have any companies under the same management within the meaning of the erstwhile Section 370(1B) of the Companies Act, other than as disclosed in "Our Promoter Group Companies " on page 121 of the Red Herring Prospectus.

PROMISE V/S PERFORMANCE

Our Company has not made any previous rights and public issues.

OUTSTANDING DEBENTURES OR BOND ISSUES OR PREFERENCE SHARES

Our Company has no outstanding debentures or bond issues. However, we have recently established an ESOP Plan. For details of our ESOP Plan, please refer to page 29 of the Red Herring Prospectus.

STOCK MARKET DATA FOR OUR EQUITY SHARES

This being an initial public Issue of our Company, the Equity Shares of our Company are not listed on any stock exchange.

MECHANISM FOR REDRESSAL OF INVESTOR GRIEVANCES

The MOU between the Registrar to the Issue and us will provide for retention of records with the Registrar to the Issue for a period of at least one year from the last date of despatch of the letters of allotment, demat credit and refund orders to enable the investors to approach the Registrar to the Issue for redressal of their grievances.

All grievances relating to the Issue may be addressed to the Registrar to the Issue, giving full details such as name, address of the applicant, number of Equity Shares applied for, amount paid on application and the bank branch or collection centre where the application was submitted.

We estimate that the average time required by us or the Registrar to the Issue for the redressal of routine investor grievances will be seven business days from the date of receipt of the complaint. In case of non-routine complaints and complaints where external agencies are involved, we will seek to redress these complaints as expeditiously as possible.

We have appointed a Shareholder / Investor Grievance and Share Transfer Committee. For details please refer to Section titled "Our Management" beginning on page 106 of the Red Herring Prospectus. 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 allocation, credit of allotted Equity Shares in the respective beneficiary account or refund orders etc. We have also appointed Mr. Yogesh Kolwalkar as the Compliance Officer for this Issue.

The contact details of the Compliance Officer are as follows: -

Mr. Yogesh Kolwalkar
Allcargo Global Logistics Limited
Diamond Square, 5^{th} Floor, CST Road
Kalina, Santacruz (East)
Mumbai-400 098
Tel: +91 22 66798100
Fax: +91 22 66941739
Email: ipo@allcargoglobal.com

CHANGE IN AUDITORS

The auditors of our Company are appointed (and reappointed) in accordance with provisions of the Companies Act and Sections 224 to 233 of the Companies Act regulates their remuneration, rights and duties.

There have been no changes of the auditors in the last three years except as detailed below:

Name of Auditor	Date of Appointment	Date of resignation
S. P. Palaniappan	September 30, 2004	November 25, 2004
Appan & Lokhandwala Associates	January 2, 2005	N/A

CAPITALIZATION OF RESERVES OR PROFITS

Our Company has not capitalized our reserves or profits during the last five years, except as stated in the section titled "Capital Structure" on page 20 of the Red Herring Prospectus.

REVALUATION OF ASSETS

We have not revalued our assets in the last five years.

SECTION VIII: ISSUE INFORMATION

TERMS OF THE ISSUE

The Equity Shares being issued are subject to the provisions of the Companies Act, our Memorandum and Articles, the terms of this Red Herring Prospectus, Bid cum Application Form, the Revision Form, the CAN and other terms and conditions as may be incorporated in the allotment advices and other documents/ certificates that may be executed in respect of the Issue. The Equity Shares shall also be subject to laws, guidelines, notifications and regulations relating to the issue of capital and listing of securities issued from time to time by SEBI, Government of India, Stock Exchanges, Registrar of Companies, RBI 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 our Memorandum and Articles of Association and shall rank pari-passu with the existing Equity Shares of our Company including rights in respect of dividend. The person in receipt of allotment of Equity Shares under this Issue will be entitled to dividends and other corporate benefits, if any, declared by our Company after the date of allotment.

MODE OF PAYMENT OF DIVIDEND

Payment of dividend by our Company, if recommended by our Board and declared at our general meeting, would be in any of the modes specified or permitted by the Act from time to time.

VALUE AND ISSUE PRICE

The Face Value of our Equity Shares is Rs. 10/- each and are being offered as part of the Issue at a total price of Rs. [•] per share. At any given point of time there shall be only one denomination for the Equity Shares.

RIGHTS OF THE EQUITY SHAREHOLDER

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

- Right to receive dividend, if declared;
- Right to attend general meetings and exercise voting powers, unless prohibited by law;
- Right to vote on a poll either in person or by proxy;
- Right to receive offers for rights shares and be allotted bonus shares, if announced;
- Right to receive surplus on liquidation;
- Right of free transferability; and
- Such other rights, as may be available to a shareholder of a listed public company under the Companies Act and the terms of the listing agreements with the Stock Exchanges and
- Such other rights as may be available to our shareholders under our Memorandum and Articles of Association.

For a detailed description of the main provisions of our Articles relating to voting rights, dividend, forfeiture and lien and/or consolidation/splitting, please refer to the section titled "Description of Equity Shares and Main Provisions of our Articles of Association" beginning on page 269 of the Red Herring Prospectus.

MARKET LOT

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

Since trading of our Equity Shares is in dematerialised form, the tradable lot is one Equity Share. Allotment in this Issue will be only in electronic form in multiples of one Equity Share subject to a minimum allotment of nine Equity Shares.

JURISDICTION

Exclusive jurisdiction for the purpose of this Issue is with the competent courts/authorities in Mumbai, India.

NOMINATION FACILITY TO INVESTOR

In accordance with Section 109A of the Companies Act, the sole or first Bidder, along with other joint Bidders, may nominate any one person in whom, in the event of the death of sole Bidder or in case of joint Bidders, death of all the Bidders, as the case may be, the Equity Shares allotted, if any, shall vest. A person, being a nominee, entitled to the Equity Shares by reason of the death of the original holder(s), shall in accordance with Section 109A of the Companies Act, be entitled to the same advantages to which he or she would be entitled if he or she were the registered holder of the Equity Share(s). Where the nominee is a minor, the holder(s) may make a nomination to appoint, in the prescribed manner, any person to become entitled to Equity Share(s) in the event of his or her death during the minority. A nomination shall stand rescinded upon a sale of equity share(s) by the person nominating. A buyer will be entitled to make a fresh nomination in the manner prescribed. Fresh nomination can be made only on the prescribed form available on request at the Registered Office of our Company or 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 Section 109A of the Companies Act, shall upon the production of such evidence as may be required by the Board, elect either:

- to register himself or herself as the holder of the Equity Shares; or
- to make such transfer of the Equity Shares, as the deceased holder could have made.

Further, the Board may at any time give notice requiring any nominee to choose either to be registered himself or herself or to transfer the Equity Shares, and if the notice is not complied with within a period of ninety days, the Board may thereafter withhold payment of all dividends, bonuses or other moneys payable in respect of the Equity Shares, until the requirements of the notice have been complied with.

Since the allotment of Equity Shares in the Issue will be made only in dematerialised form, there is no need to make a separate nomination with us. Nominations registered with respective depository participant of the applicant would prevail. If the investors require to change their nomination, they are requested to inform their respective depository participant.

MINIMUM SUBSCRIPTION

If our Company does not receive the minimum subscription of 100% of the Issue, including devolvement of underwriters within 60 days from the Bid/Issue Closing Date, our Company shall forthwith refund the entire subscription amount received. If there is a delay beyond 8 days after our Company becomes liable to pay the amount, our Company shall pay interest prescribed under Section 73 of the Companies Act.

ARRANGEMENTS FOR DISPOSAL OF ODD LOTS

Since the market lot for our Equity Shares will be one, no arrangements for disposal of odd lots is required.

RESTRICTIONS ON TRANSFER OF SHARES AND ALTERATION OF CAPITAL STRUCTURE

The restrictions, if any, on the transfer of our Equity Shares are contained in the section titled "Description of Equity Shares and terms of the Articles of Association" beginning on page 269 of this Red Herring Prospectus.

We presently do not intend or propose to alter our capital structure for six months from the date of opening of the Issue, by way of split or consolidation of the denomination of Equity Shares or further issue of Equity Shares (including issue of securities convertible into or exchangeable, directly or indirectly for Equity Shares) whether preferential or otherwise, except that we may enter into acquisitions or joint ventures or may consider raising additional capital to fund such activity or use Equity Shares as currency for acquisition or participation in such joint ventures.

Withdrawal of the Issue

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

ISSUE PROCEDURE

The Issue is being made through the 100% Book Building Process wherein atleast 60% of the Net Issue shall be available for allocation on a proportionate basis to QIBs, including up to 5% of the QIB Portion which shall be available for allocation to Mutual Funds only. Further, upto 30% of the Net Issue shall be available for allocation on a proportionate basis to the Retail Individual Bidders and upto 10% of the Net Issue shall be available for allocation on a proportionate basis to Non-Institutional Bidders, subject to valid Bids being received at or above the Issue Price. It may be noted that the bids received in the Employee Reservation Portion shall not be considered for the purpose of determining the Issue Price through Book Building Process.

Investors should note that allotment of Equity Shares to all successful Bidders will only be in the 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.

BID CUM APPLICATION FORM

Bidders shall only use the specified Bid cum Application Form bearing the stamp of a member of the Syndicate for the purpose of making a Bid in terms of this Red Herring Prospectus. The Bidder shall have the option to make a maximum of three Bids in the Bid cum Application Form and such options shall not be considered as multiple Bids. Upon the allocation of Equity Shares, despatch of the CAN, and filing of the Prospectus with the RoC, the Bid cum Application Form shall be considered as the Application Form. Upon completing and submitting the Bid cum Application Form to a member of the Syndicate, the Bidder is deemed to have authorised our Company to make the necessary changes in this Red Herring Prospectus and the Bid cum Application Form as would be required for filing the Prospectus with the RoC and as would be required by RoC after such filing, without prior or subsequent notice of such changes to the Bidder.

The prescribed colour of the Bid cum Application Form for various categories is as follows:

Category	Colour of Bid cum Application Form
Indian public, including resident, QIBs, Non Institutional Bidders and Retail Individual Bidders	White
NRIs or FIIs or Foreign Venture Capital Funds registered with SEBI, Multilateral and Bilateral Development Financial Institutions applying on a repatriation basis	Blue
Employees	Pink

WHO CAN BID

- Indian nationals resident in India who are majors, or in the names of their minor children as natural/legal guardians, in single or joint names (not more than three);
- Hindu Undivided Families or HUFs, in the individual name of the Karta. The Bidder should specify that the Bid is being made in the name of the HUF in the Bid cum Application Form as follows: “Name of Sole or First bidder: XYZ Hindu Undivided Family applying through XYZ, where XYZ is the name of the Karta”. Bids by HUFs would be considered at par with those from individuals;
- Companies, corporate bodies and societies registered under the applicable laws in India and authorised to invest in the Equity Shares;
- Mutual Funds registered with SEBI;
- Indian Financial Institutions, commercial banks, regional rural banks, co-operative banks (subject to RBI permission, as applicable);
- Venture Capital Funds registered with SEBI;
- Foreign Venture Capital Investors registered with SEBI;
- State Industrial Development Corporations;
- Trusts/societies registered under the Societies Registration Act, 1860, as amended, or under any other law relating to Trusts and who are authorised under their constitution to hold and invest in equity shares;

- NRIs and FIIs on a repatriation basis or a non-repatriation basis subject to applicable laws;
- Scientific and/or Industrial Research Organisations authorised to invest in equity shares;
- Insurance Companies registered with Insurance Regulatory and Development Authority;
- Provident Funds with minimum corpus of Rs. 250 million and who are authorised under their constitution to hold and invest in equity shares;
- Pension Funds with minimum corpus of Rs. 250 million and who are authorised under their constitution to hold and invest in equity shares;
- Multilateral and Bilateral Development Financial Institutions; and
- Pursuant to the existing regulations, OCBs are not eligible to participate in the Issue.

Note: a) The BRLMs and Syndicate Members shall not be entitled to subscribe to this Issue in any manner except towards fulfilling their underwriting obligation.

b) Neither our Promoter nor any person forming part of our Promoter Group is eligible to participate/ bid in this Issue.

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.

APPLICATION BY MUTUAL FUNDS

As per the current regulations, the following restrictions are applicable for investments by mutual funds:

No mutual fund scheme shall invest more than 10% of its net asset value in the Equity Shares or equity related instruments of any company provided that the limit of 10% shall not be applicable for investments in index funds or sector or industry specific funds. No mutual fund under all its schemes should own more than 10% of any company's paid-up share capital carrying voting rights. These limits would have to be adhered to by the mutual funds for investment in the Equity Shares.

In case of a mutual fund, a separate Bid can be made in respect of each scheme of the mutual fund registered with SEBI and such Bids in respect of more than one scheme of the mutual fund will not be treated as multiple Bids provided that the Bids clearly indicate the scheme concerned for which the Bid has been made.

APPLICATION BY NRIs

Bid cum Application Forms have been made available for NRIs at the Corporate Office of the Company. NRI applicants may please note that only such applications as are accompanied by payment in free foreign exchange shall be considered for allotment under the NRI category. The NRIs who intend to make payment through Non- Resident Ordinary (NRO) accounts shall use the form meant for Resident Indians (white in colour). All instruments accompanying Bids shall be payable in Mumbai only.

APPLICATION BY FIIs

As per the current regulations, the following restrictions are applicable for investments by FIIs:

The issue of Equity Shares to a single FII should not exceed 10% of our post-Issue issued capital. In respect of an FII investing in our Equity Shares on behalf of its sub-accounts, the investment on behalf of each sub-account shall not exceed 10% of our total issued capital or 5% of our total issued capital in case such sub-account is a foreign corporate or an individual. Under the current foreign investment policy applicable to us foreign equity participation up to 100% is permissible under the automatic route. As of now, the aggregate FII holding in us cannot exceed 24% of our total issued capital. With the approval of the Board of Directors and the shareholders by way of a special resolution, the aggregate FII holding can go up to 100%. However, as on this date, no such resolution has been recommended to the shareholders of the Company for adoption.

Subject to compliance with all applicable Indian laws, rules, regulations guidelines and approvals in terms of regulation 15A(1) of the Securities Exchange Board of India (Foreign Institutional Investors) Regulations 1995, as amended, an FII or its sub account may issue, deal or hold, off shore derivative instruments such as Participatory Notes, equity-linked notes or any other similar instruments against underlying securities listed or proposed to be listed in any stock exchange in India only in favour of those entities which are regulated by any relevant regulatory authorities in the countries of their incorporation or establishment subject to compliance of "know your client" requirements. An FII or sub-account shall also ensure that no further downstream issue or transfer of any instrument referred to hereinabove is made to any person other than a regulated entity.

BIDS BY NRIs OR FIIs ON A REPATRIATION BASIS

Bids and revision to Bids must be made:

- On the 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.
- In a single or joint names (not more than three).
- Bids by NRIs for a Bid Amount of up to less than Rs. 100,000 would be considered under the Retail Individual Bidders Portion for the purposes of allocation and Bids for a Bid Amount of more than or equal to Rs. 100,000 would be considered under Non-Institutional Bidder Portion for the purposes of allocation; by FIIs or Foreign Venture Capital Fund, Multilateral and Bilateral Development Financial Institutions for a minimum of such number of Equity Shares and in multiples of nine Equity Shares thereafter so that the Bid Amount exceeds Rs.100,000; for further details, please refer to the sub-section titled "Maximum and Minimum Bid Size" beginning on page 246 of this Red Herring Prospectus.
- In the names of individuals or in the names of FIIs or in the names of Foreign Venture Capital Fund, Multilateral and Bilateral Development Financial Institutions but not in the names of minors, firms or partnerships, foreign nationals or their nominees or OCBs.

Refunds, dividends and other distributions, if any, will be payable in Indian Rupees only and net of bank charges and / or commission. In case of Bidders who remit money payable upon submission of the Bid cum Application Form or Revision Form through Indian Rupee drafts purchased abroad, such payments in Indian Rupees will be converted into US Dollars or any other freely convertible currency as may be permitted by the RBI at the rate of exchange prevailing at the time of remittance and will be dispatched by registered post/speed post or if the Bidders so desire, will be credited to their NRE accounts, details of which should be furnished in the space provided for this purpose in the Bid cum Application Form. Our Company will not be responsible for loss, if any, incurred by the Bidder on account of conversion of foreign currency.

APPLICATION BY SEBI REGISTERED VENTURE CAPITAL FUNDS AND FOREIGN VENTURE CAPITAL INVESTORS

As per the current regulations, the following restrictions are applicable for SEBI registered Venture Capital Funds and Foreign Venture Capital Investors:

The SEBI (Venture Capital) Regulations, 1996 and the SEBI (Foreign Venture Capital Investor) Regulations, 2000 prescribed investment restrictions on venture capital funds and foreign venture capital investors registered with SEBI. Accordingly, the holding by any individual venture capital fund or foreign venture capital investor registered with SEBI should not exceed 33.33% of the corpus of the venture capital fund/ foreign venture capital investor.

The above information is given for the benefit of the Bidders. Our Company and the BRLMs are not liable for any amendments or modification or changes in applicable laws or regulations, which may happen after the date of this Red Herring Prospectus. Bidders are advised to make their independent investigations and ensure that their number of Equity Shares bid for do not exceed the applicable limits under laws or regulations.

MAXIMUM AND MINIMUM BID SIZE

(a) **For Retail Individual Bidders:** The Bid must be for a minimum of nine Equity Shares and in multiples of nine Equity Share thereafter, so as to ensure that the Bid Amount payable by the Bidder does not exceed Rs.100,000. In case of revision of Bids, the Retail Individual Bidders have to ensure that the Bid Amount does not exceed Rs.100,000. In case the Bid Amount is over Rs. 100,000 due to revision of the Bid or revision of the Price Band or on exercise of cut-off option, the Bid would be considered for allocation under the Non-Institutional Bidders portion. The cut-off option is an option given only to the Retail Individual Bidders indicating their agreement to Bid and purchase at the final Issue Price as determined at the end of the Book Building Process.

(b) **For Other Bidders (Non-Institutional Bidders and QIBs):** The Bid must be for a minimum of such number of Equity Shares in multiples of nine Equity Share such that the Bid Amount exceeds Rs.100,000 and in multiples of nine Equity Shares thereafter. A Bid cannot be submitted for more than the Issue Size. However, the maximum Bid by a QIB investor should not exceed the investment limits prescribed for them by applicable laws. Under the existing SEBI DIP Guidelines, a QIB Bidder cannot withdraw its Bid after the Bid/Issue Closing Date.

(c) **For Bidders in the Employees Reservation Portion:** The Bid must be for a minimum of nine Equity Shares and in multiples of nine Equity Share thereafter. The maximum Bid in this portion cannot exceed 51,000 Equity Shares. Bidders in the Employees Reservation Portion applying for the maximum Bid in any of the Bidding options not exceeding Rs.100,000 may bid at cut-off.

In case of revision in Bids, the Non-Institutional Bidders, who are individuals, have to ensure that the Bid Amount is greater than Rs. 100,000 for being considered for allocation in the Non-Institutional Portion. In case the Bid Amount reduces to Rs. 100,000 or less due to a revision in Bids or revision of the Price Band, Bids by Non-Institutional Bidders who are eligible for allocation in the Retail Portion would be considered for allocation under the Retail Portion. Non-Institutional Bidders and QIBs are not allowed to Bid at 'cut-off'.

INFORMATION FOR THE BIDDERS

(a) Our Company will file the Red Herring Prospectus with the RoC at least 3 (three) days before the Bid/Issue Opening Date.

(b) The members of the Syndicate will circulate copies of the Red Herring Prospectus along with the Bid cum Application Form to potential investors.

(c) Any investor (who is eligible to invest in our Equity Shares) who would like to obtain the Red Herring Prospectus and/ or the Bid cum Application Form can obtain the same from our Registered Office or from any of the members of the Syndicate.

(d) The Bids should be submitted on the prescribed Bid cum Application Form only. Bid cum Application Forms should bear the stamp of the members of the Syndicate. Bid cum Application Forms, which do not bear the stamp of the members of the Syndicate, will be rejected.

METHOD AND PROCESS OF BIDDING

(a) Our Company and the BRLMs shall declare the Bid/Issue Opening Date, Bid/Issue Closing Date and Price Band at the time of filing the Red Herring Prospectus with RoC and also publish the same in two widely circulated newspapers (one each in English and Hindi) and one regional newspaper in Marathi. This advertisement, subject to the provisions of Section 66 of the Companies Act shall be in the format prescribed in Schedule XX– A of the SEBI DIP Guidelines, as amended vide SEBI Circular No. SEBI/CFD/DIL/DIP/14/2005/25/1 dated January 25, 2005. The Members of the Syndicate shall accept Bids from the Bidders during the Issue period in accordance with the terms of the Syndicate Agreement.

(b) Investors who are interested in subscribing for our Equity Shares should approach any of the members of the Syndicate or their authorised agent(s) to register their Bid.

(c) The Bidding Period shall be for a minimum of three working days and not exceeding seven working days. In case the Price Band is revised, the revised Price Band and the Bidding Period will be published in two national newspapers (one each in English and Hindi) and one regional newspaper in Marathi and the Bidding Period may be extended, if required, by an additional three working days, subject to the total Bidding Period not exceeding 10 working days.

(d) Each Bid cum Application Form will give the Bidder the choice to bid for up to three optional prices (for details refer to the paragraph titled "Bids at Different Price Levels" on page 248 of our Red Herring Prospectus) within the Price Band and specify the demand (i.e., the number of Equity Shares Bid for) in each option. The price and demand options submitted by the Bidder in the Bid cum Application Form will be treated as optional demands from the Bidder and will not be cumulated. After determination of the Issue Price, the maximum number of Equity Shares Bid for by a Bidder at or above the Issue Price will be considered for allocation and the rest of the Bid(s), irrespective of the Bid Amount, will become automatically invalid.

(e) The Bidder cannot bid on another Bid cum Application Form after Bids on one Bid cum Application Form have been submitted to any member of the Syndicate. Submission of a second Bid cum Application Form to either the same or to another member of the Syndicate will be treated as multiple Bids and is liable to be rejected either before entering the Bid into the electronic bidding system, or at any point of time prior to the allocation or allotment of Equity Shares in this Issue. However, the Bidder can revise the Bid through the Revision Form, the procedure for which is detailed under the paragraph titled "Build up of the Book and Revision of Bids" beginning on page 251 of the Red Herring Prospectus.

(f) The Members of the Syndicate will enter each Bid option into the electronic bidding system as a separate Bid and generate a Transaction Registration Slip, ("TRS"), for each price and demand option and give the same to the Bidder. Therefore, a Bidder can receive up to three TRSs for each Bid cum Application Form.

(g) During the Bidding Period, Bidders may approach the members of the Syndicate to submit their Bid. Every member of the Syndicate shall accept Bids from all clients / investors who place orders through them and shall have the right to vet the Bids.

(h) Along with the Bid cum Application Form, all Bidders will make payment in the manner described under the paragraph titled "Terms of Payment and Payment into the Escrow Collection Accounts" beginning on page 249 of the Red Herring Prospectus.

(i) It may be noted that the bids received in the Employee Reservation Portion shall not be considered for the purpose of determining the Issue Price through Book Building Process.

BIDS AT DIFFERENT PRICE LEVELS

(a) The Price Band has been fixed at Rs. 625/- to Rs. 725/- per Equity Share of Rs. 10 each, Rs 625/- being the lower end of the Price Band and Rs. 725/- being the higher end of the Price Band. The Bidders can bid at any price with in the Price Band, in multiples of Re. 1 (One).

(b) Our Company, in consultation with the BRLMs, reserves the right to revise the Price Band, during the Bidding Period, in which case the Bidding Period shall be extended further for a period of three working days, subject to the total Bidding Period not exceeding ten working days. The higher end of the Price Band should not be more than 20% of the lower end of the Price Band. Subject to compliance with the immediately preceding sentence, the lower end of the Price Band can move up or down to the extent of 20% of the lower end of the Price Band disclosed in the Red Herring Prospectus.

(c) In case of revision in the Price Band, the Issue period will be extended for three additional working days after revision of Price Band subject to a maximum of ten working days. Any revision in the Price Band and the revised Bidding/Issue period, if applicable, will be widely disseminated by notification to BSE and NSE, by issuing a public notice in two national newspapers (one each in English and Hindi) and one regional newspaper in Marathi, and also by indicating the change on the websites of the BRLMs, and at the terminals of the Syndicate Members and the Bidding Period shall be extended for a further period of three working days, subject to the total Bidding Period not exceeding ten days.

(d) Our Company in consultation with the BRLMs can finalise the Issue Price within the Price Band in accordance with this clause, without the prior approval of, or intimation, to the Bidders.

(e) The Bidder can bid at any price within the Price Band. The Bidder has to bid for the desired number of Equity Shares at a specific price. Retail Individual Bidders and Bidders under the Employees Reservation Portion applying for a maximum Bid in any of the bidding options not exceeding Rs. 100,000 may bid at Cut-off Price. However, bidding at Cut-off Price is prohibited for QIB or Non-Institutional Bidders and such Bids from QIBs and Non-Institutional Bidders shall be rejected.

(f) Retail Individual Bidders and Bidders under the Employees Reservation Portion who bid at the Cut-Off Price agree that they shall purchase the Equity Shares at the Issue Price, as finally determined, which will be a price within the Price Band. Retail Individual Bidders bidding at Cut-Off Price shall deposit the Bid Amount based on the cap of the Price Band in the Escrow Account. In the event the Bid Amount is higher than the Allocation Amount payable by the Retail Individual Bidders and Bidders under the Employees Reservation Portion, who Bid at Cut off Price (i.e., the total number of Equity Shares allocated in the Issue multiplied by the Issue Price), the Retail Individual Bidders and Bidders under the Employees Reservation Portion, who Bid at Cut off Price, shall receive the refund of the excess amounts from the Escrow Account / Refund Account.

(g) In case of an upward revision in the Price Band announced as above, Retail Individual Bidders and Bidders under the Employees Reservation Portion who had bid at Cut-off Price could either (i) revise their Bid or (ii) make additional payment based on the higher end of the Revised Price Band (such that the total amount i.e., original Bid Amount plus additional payment does not exceed Rs. 100,000 for Retail Individual Bidders and Bidders under the Employees Reservation Portion, if the Bidder wants to continue to bid at Cut-off Price), with the Syndicate Member to whom the original Bid was submitted. In case the total amount (i.e., original Bid Amount plus additional payment) exceeds Rs. 100,000 the Bid will be considered for allocation under the Non-Institutional portion in terms of this 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 downwards for the purpose of allotment, such that no additional payment would be required from the Bidder and the Bidder is deemed to have approved such revised Bid at Cut-off Price.

(h) In case of a downward revision in the Price Band, announced as above, Retail Individual Bidders who have bid at Cut-off Price could either revise their Bid or the excess amount paid at the time of bidding would be refunded from the Escrow Account / Refund Account.

(i) In the event of any revision in the Price Band, whether upwards or downwards, the minimum application size shall remain nine Equity Shares irrespective of whether the Bid Amount payable on such minimum application is not in the range of Rs. 5,000 to Rs. 7,000.

ESCROW MECHANISM

Our Company shall open Escrow Accounts with one or more Escrow Collection Banks in whose favour the Bidders shall make out the cheque or demand draft in respect of his or her Bid and/or revision of the Bid. Cheques or demand drafts received for the full Bid Amount from Bidders in a certain category would be deposited in the Escrow Account. The Escrow Collection Banks will act in terms of this Red Herring Prospectus and the Escrow Agreement. The Escrow Collection Bank(s) for and on behalf of the Bidders shall maintain the monies in the Escrow Account. The Escrow Collection Bank(s) shall not exercise any lien whatsoever over the monies deposited therein and shall hold the monies therein in trust for the Bidders. On the Designated Date, the Escrow Collection Banks shall transfer the monies from the Escrow Account to the Public Issue Account as per the terms of the Escrow Agreement. Payments of refund to the Bidders shall also be made from the Escrow Account /Refund Account as per the terms of the Escrow Agreement and this Red Herring Prospectus.

The Bidders should note that the escrow mechanism is not prescribed by SEBI and has been established as an arrangement between us, the members of the Syndicate, the Escrow Collection Bank(s) and the Registrar to the Issue to facilitate collections from the Bidders.

TERMS OF PAYMENT AND PAYMENT INTO THE ESCROW COLLECTION ACCOUNTS

Each Bidder, shall pay the applicable Margin Amount, with the submission of the Bid cum Application Form draw a cheque or demand draft for the maximum amount of his/ her Bid in favour of the Escrow Account of the Escrow Collection Bank(s) (for details please see the sub-section titled "Payment Instructions" beginning on page 257 of the Red Herring Prospectus) and submit the same to the member of the Syndicate to whom the Bid is being submitted. Bid cum Application Forms accompanied by cash shall not be accepted. The maximum Bid price has to be paid at the time of submission of the Bid cum Application Form based on the highest bidding option of the Bidder.

The members of the Syndicate shall deposit the cheque or demand draft with the Escrow Collection Bank(s), which will hold such monies for the benefit of the Bidders till the Designated Date. On the Designated Date, the Escrow Collection Bank(s) shall transfer the funds equivalent to the size of the Issue from the Escrow Account, as per the terms of the Escrow Agreement, into the Public Issue Account with the Banker(s) to the Issue. The balance amount after transfer to the Public Issue Account shall be held in the Refund Account for the benefit of the Bidders who are entitled to refunds. No later than 15 days from the Bid/Issue Closing Date, the Escrow Collection Bank(s) shall refund all amounts payable to unsuccessful Bidders and also the excess amount paid on bidding, if any, after adjustment for allotment to the Bidders.

Each category of Bidders i.e. QIB Bidders, Non Institutional Bidders, Retail Individual Bidders and Bidders under the Employees Reservation Portion would be required to pay their applicable Margin Amount at the time of the submission of the Bid cum Application Form. The Margin Amount payable by each category of Bidders is mentioned in the section titled "Issue Structure" beginning on page 40 of the Red Herring Prospectus. Where the Margin Amount applicable to the Bidder is less than 100% of the Bid Amount, any difference between the amount payable by the Bidder for Equity Shares allocated at the Issue Price and the Margin Amount paid at the time of Bidding, shall be payable by the Bidder no later than the Pay-in-Date, which shall be a minimum period of two days from the date of communication of the allocation list to the members of the Syndicate by the BRLMs. If the payment is not made favouring the Escrow Account within the time stipulated above, the Bid of the Bidder is liable to be cancelled. However, if the members of the Syndicate do not waive such payment, the full amount of payment has to be made at the time of submission of the Bid cum Application Form.

Where the Bidder has been allocated lesser number of Equity Shares than he or she had bid for, the excess amount paid on bidding, if any, after adjustment for allocation, will be refunded to such Bidder within 15 days from the Bid/Issue Closing Date, failing which our Company shall pay interest at 15% per annum for any delay beyond the periods as mentioned above.

ELECTRONIC REGISTRATION OF BIDS

(a) The Members of the Syndicate will register the Bids using the on-line facilities of BSE and NSE. There will be at least one on-line connectivity in each city, where a stock exchange is located in India and where Bids are being accepted.

(b) BSE and NSE will offer a screen-based facility for registering Bids for the Issue. This facility will be available on the terminals of the Members of the Syndicate and their authorised agents during the Bidding Period. Syndicate Members can also set up facilities for off-line electronic registration of Bids subject to the condition that they will subsequently upload the off-line data file into the on-line facilities for book building on a half hourly basis. On the Issue/Bid Closing Date, the Members of the Syndicate shall upload the Bids till such time as may be permitted by the Stock Exchanges.

(c) The aggregate demand and price for Bids registered on the electronic facilities of BSE and NSE will be uploaded on a half hourly basis, consolidated and displayed on-line at all bidding centers. A graphical representation of consolidated demand and price would be made available at the bidding centers during the Issue/Bidding Period.

(d) At the time of registering each Bid, the members of the Syndicate shall enter the following details of the investor in the on-line system:

- Name of the investor (Investors should ensure that the name given in the Bid cum Application Form is exactly the same as the Name in which the Depository Account is held. In case the Bid cum Application Form is submitted in joint names, investors should ensure that the Depository Account is also held in the same joint names and are in the same sequence in which they appear in the Bid cum Application Form.)
- Investor Category – Individual, Corporate, NRI, FII, or Mutual Fund etc.
- Numbers of Equity Shares bid for.
- Bid Amount
- Bid cum Application Form number.
- Whether payment is made upon submission of Bid cum Application Form.
- Margin Amount; and
- Depository Participant Identification Number and Client Identification Number of the demat account of the Bidder.

(e) A system generated TRS will be given to the Bidder as a proof of the registration of each of the bidding options. It is the Bidder's responsibility to obtain the TRS from the members of the Syndicate. The registration of the Bid by the member of the Syndicate does not guarantee that the Equity Shares shall be allocated either by the members of the Syndicate or our Company.

(f) Such TRS will be non-negotiable and by itself will not create any obligation of any kind.

(g) The permission given by BSE and NSE to use their network and software of the Online IPO system should not in any way be deemed or construed to mean that the compliance with various statutory and other requirements by our Company and/or the BRLMs are cleared or approved by BSE and NSE; nor does it in any manner warrant, certify or endorse the correctness or completeness of any of the compliance with the statutory and other requirements nor does it take any responsibility for the financial or other soundness of our Company, our Promoter, our management or any scheme or project of our Company.

(h) It is also to be distinctly understood that the approval given by BSE and NSE should not in any way be deemed or construed that this Red Herring Prospectus has been cleared or approved by the BSE and NSE; nor does it in any manner warrant, certify or endorse the correctness or completeness of any of the contents of this Red Herring Prospectus; nor does it warrant that the Equity Shares will be listed or will continue to be listed on the BSE and NSE.

BUILD-UP OF THE BOOK AND REVISION OF BIDS

(a) Bids registered by various Bidders through the Members of the Syndicate shall be electronically transmitted to the BSE or NSE mainframe on a regular basis.

(b) The book gets built up at various price levels. This information will be available with the BRLMs on a regular basis.

(c) During the Bidding Period, any Bidder who has registered his or her interest in the Equity Shares at a particular price level is free to revise his or her Bid within the Price Band using the printed Revision Form, which is a part of the Bid cum Application Form.

(d) Revisions can be made in both the desired number of Equity Shares and the Bid Amount by using the Revision Form. Apart from mentioning the revised options in the revision form, the Bidder must also mention the details of all the options in his or her Bid cum Application Form or earlier Revision Form. For example, if a Bidder has Bid for three options in the Bid cum Application Form and he is changing only one of the options in the Revision Form, he must still fill the details of the other two options that are not being revised, in the Revision Form. The members of the Syndicate will not accept incomplete or inaccurate Revision Forms.

(e) The Bidder can make this revision any number of times during the Bidding Period. However, for any revision(s) in the Bid, the Bidders will have to use the services of the same member of the Syndicate through whom he or she had placed the original Bid.

(f) Bidders are advised to retain copies of the blank Revision Form and the revised Bid must be made only in such Revision Form or copies thereof.

(g) Any revision of the Bid shall be accompanied by payment in the form of cheque or demand draft for the incremental amount, if any, to be paid on account of the upward revision of the Bid. The excess amount, if any, resulting from downward revision of the Bid would be returned to the Bidder at the time of refund in accordance with the terms of this Red Herring Prospectus. In case of QIB Bidders, the members of the Syndicate may at their sole discretion waive the payment requirement at the time of one or more revisions by the QIB Bidders.

(h) When a Bidder revises his or her Bid, he or she shall surrender the earlier TRS and get a revised TRS from the members of the Syndicate. It is the responsibility of the Bidder to request for and obtain the revised TRS, which will act as proof of his or her having revised the previous Bid.

(i) In case of discrepancy of data between BSE or NSE and the members of the Syndicate, the decision of the BRLMs, based on the physical records of Bid cum Application Forms, shall be final and binding on all concerned.

PRICE DISCOVERY AND ALLOCATION

(a) After the Bid Closing Date/Issue Closing Date, the BRLMs will analyse the demand generated at various price levels and discuss pricing strategy with us.

(b) Our Company in consultation with the BRLMs, shall finalise the “Issue Price”, the number of Equity Shares to be allotted in each category to Bidders.

(c) The allocation to Non-Institutional Bidders and Retail Individual Bidders of upto 10% and 30% of the Net Issue respectively, the allocation to QIBs of at least 60% of the Net Issue and to Employees Bidding under the Employees Reservation Portion, would be on proportionate basis, in the manner specified in the SEBI Guidelines and this Red Herring Prospectus, in consultation with Designated Stock Exchange, subject to valid Bids being received at or above the Issue Price.

(d) If the aggregate demand by Mutual Funds is less than 60,840 Equity Shares, the balance Equity Shares available for allocation in the Mutual Fund Portion will first be added to the QIB Portion and be allocated proportionately to the QIB Bidders. Under-subscription, if any, in the Non-Institutional and Retail Individual categories would be allowed to be met with spill over from any other category at the sole discretion of our Company and the BRLMs.

(e) Allocation to NRIs, FIIs, foreign venture capital funds Multilateral and Bilateral Development Financial Institutions registered with SEBI applying on repatriation basis will be subject to the terms and conditions stipulated by RBI while granting permission for allotment of Equity Shares to them.

(f) The BRLMs, in consultation with us, shall notify the members of the Syndicate of the Issue Price and allocations to their respective Bidders, where the full Bid Amount has not been collected from the Bidders.

(g) Our Company reserves the right to cancel the Issue any time after the Bid/Issue Opening Date without assigning any reasons whatsoever. In terms of the SEBI DIP Guidelines, QIB Bidders shall not be allowed to withdraw their Bid after the Bid/Issue Closing Date.

SIGNING OF UNDERWRITING AGREEMENT AND ROC FILING

- Our Company, the BRLMs and the Syndicate Members shall enter into an Underwriting Agreement on finalisation of the Issue Price and allocation(s) to the Bidders.
- After signing the Underwriting Agreement, our Company would update and file the updated Red Herring Prospectus with RoC, which then would be termed 'Prospectus'. The Prospectus would have details of the Issue Price, Issue size, underwriting arrangements and would be complete in all material respects.

FILING OF THE PROSPECTUS WITH THE ROC

We will file a copy of the Prospectus with the Registrar of Companies, Maharashtra, Mumbai in terms of Section 56, Section 60 and Section 60B of the Companies Act.

ANNOUNCEMENT OF PRE-ISSUE ADVERTISEMENT

Subject to Section 66 of the Companies Act, our Company shall after receiving final observations, if any, on this Red Herring Prospectus from SEBI, publish an advertisement, in the form prescribed by the SEBI DIP Guidelines in an English national daily with wide circulation, one Hindi National newspaper and a regional language newspaper with wide circulation at Mumbai.

ADVERTISEMENT REGARDING ISSUE PRICE AND PROSPECTUS

We will issue a statutory advertisement after the filing of the Prospectus with the RoC. This advertisement, in addition to the information that has to be set out in the statutory advertisement, shall indicate the Issue Price. Any material updates between the date of Red Herring Prospectus and the date of Prospectus will be included in such statutory advertisement.

ISSUANCE OF CONFIRMATION OF ALLOCATION NOTE (CAN)

(a) Upon approval of the basis of allotment by the Designated Stock Exchange, the BRLMs or Registrar to the Issue shall send to the members of the Syndicate a list of their Bidders who have been allocated Equity Shares in the Issue. The approval of the basis of allocation by the Designated Stock Exchange for QIB Bidders may be done simultaneously with or prior to the approval of the basis of allocation for the Retail Individual and Non-Institutional Bidders. However, Bidders should note that our Company shall ensure that the date of Allotment of the Equity Shares to all Bidders, in all categories, shall be done on the same date.

(b) The BRLMs or members of the Syndicate would despatch a CAN to their Bidders who have been allocated Equity Shares in the Issue. The despatch of a CAN shall be deemed a valid, binding and irrevocable contract for the Bidder to pay the entire Issue Price for all the Equity Shares allocated to such Bidder. Those Bidders who have not paid the entire Bid Amount into the Escrow Account at the time of bidding shall pay in full the Allocation Amount payable into the Escrow Account by the Pay-in Date specified in the CAN.

(c) Bidders who have been allocated Equity Shares and who have already paid the Bid Amount into the Escrow Account at the time of bidding shall directly receive the CAN from the Registrar to the Issue subject, however, to realisation of his or her cheque or demand draft paid into the Escrow Account. The despatch of a CAN shall be deemed a valid, binding and irrevocable contract for the Bidder to pay the entire Issue Price for the allotment to such Bidder.

DESIGNATED DATE AND ALLOTMENT OF EQUITY SHARES

(a) Our Company will ensure that the allotment of Equity Shares is done within 15 days of the Bid/Issue Closing Date. After the funds are transferred from the Escrow Account to the Public Issue Account on the Designated Date, we would allot the Equity Shares to the allottees. Our Company would ensure the credit to the successful Bidders depository account. Allotment of the Equity Shares to the allottees shall be within two working days of the date of allotment. In case, our Company fails to make allotment or transfer within 15 days of the Bid/Issue Closing Date, interest would be paid to the investors at the rate of 15% per annum

(b) In accordance with the SEBI DIP Guidelines, 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, if they so desire, as per the provisions of the Companies Act and the Depositories Act.

Investors are advised to instruct their Depository Participant to accept the Equity Shares that may be allocated to them pursuant to this Issue.

GENERAL INSTRUCTIONS

Do's:

(a) Check if you are eligible to apply;

(b) Read all the instructions carefully and complete the Resident Bid cum Application Form (white in colour) or Non-Resident Bid cum Application Form (blue in colour) and Employee Reservation Portion Bid cum application form (pink in colour) as the case may be;

(c) Ensure that the details about Depository Participant and beneficiary account are correct as allotment of Equity Shares will be in the dematerialised form only;

(d) Investor must ensure that the name given in the Bid cum Application Form is exactly the same as the Name in which the Depository Account is held. In case the Bid cum Application Form is submitted in joint names, it should be ensured that the Depository Account is also held in the same joint names and are in the same sequence in which they appear in the Bid cum Application Form;

(e) Ensure that the Bids are submitted at the bidding centers only on forms bearing the stamp of a member of the Syndicate;

(f) Ensure that you have been given a TRS for all your Bid options;

(g) Submit revised Bids to the same member of the Syndicate through whom the original Bid was placed and obtain a revised TRS;

(h) Ensure that the Bid is within the Price Band;

(i) Ensure that you mention your Permanent Account Number (PAN) allotted under the I.T. Act where the maximum Bid for Equity Shares by a Bidder is for a total value of Rs. 50,000 or more. The copy of the PAN card or the PAN allotment letter should be submitted with the application form; and

(j) If you have mentioned "Applied For" or "Not Applicable" in the Bid cum Application Form in the section dealing with PAN number, ensure that you submit Form 60 or 61, as the case may be, together with permissible documents as address proof.

(k) Ensure that Demographic details (as defined herein below) are updated true and correct in all respects.

Dont's:

(a) Do not Bid for lower than the minimum Bid size;

(b) Do not Bid/ revise Bid Amount to less than the lower end of the Price Band or higher than the higher end of the Price Band;

(c) Do not Bid on another Bid cum Application Form after you have submitted a Bid to the members of the Syndicate;

(d) Do not pay the Bid Amount in cash;

(e) Do not send Bid cum Application Forms by post; instead submit the same to a member of the Syndicate only;

(f) Do not Bid at Cut Off Price (for QIB Bidders, Non-Institutional Bidders and Bidders under the employee portion, for whom the bid amount exceeds Rs. One Lakh);

(g) Do not Bid at Bid Amount exceeding Rs. 100,000 (for Retail Individual Bidders);

(h) Do not fill up the Bid cum Application Form such that the Equity Shares bid for exceeds the Issue Size and/ or investment limit or maximum number of Equity Shares that can be held under the applicable laws or regulations or maximum amount permissible under the applicable regulations;

(i) Do not submit Bid accompanied with Stockinvest.

(j) Do not submit GIR number instead of PAN as Bid is liable to be rejected on this ground.

(k) Do not submit the Bid without the QIB Margin Amount, in case of a Bid by a QIB.

INSTRUCTIONS FOR COMPLETING THE BID CUM APPLICATION FORM

Bidders can obtain Bid cum Application Forms and / or Revision Forms from the members of the Syndicate.

BIDS AND REVISIONS OF BIDS

Bids and revisions of Bids must be:

(a) Made only in the prescribed Bid cum Application Form or Revision Form, as applicable (white colour for Resident Indians, blue colour for NRI, FII or foreign venture capital fund registered with SEBI applying on repatriation basis).

(b) Completed in full, in BLOCK LETTERS in ENGLISH and in accordance with the instructions contained herein, in the Bid cum Application Form or in the Revision Form. Incomplete Bid cum Application Forms or Revision Forms are liable to be rejected.

(c) For Retail Individual Bidders, the Bid must be for a minimum of nine Equity Shares and in multiples of nine thereafter subject to a maximum Bid Amount of Rs.100,000.

(d) For Bidders under the Employees Reservation Portion, the Bid must be for a minimum of nine Equity Shares and in multiples of nine thereafter subject to a maximum of 51,000 Equity Shares.

(e) For Non-Institutional Bidders and QIB Bidders, Bids must be for a minimum of such number of Equity Shares that the Bid Amount exceeds Rs.100,000 and in multiples of nine Equity Shares thereafter. Bids cannot be made for more than the Issue size. Bidders are advised to ensure that a single Bid from them should not exceed the investment limits or maximum number of shares that can be held by them under the applicable laws or regulations.

(f) In single name or in joint names (not more than three, and in the same order as their Depository Participant details).

(g) Thumb impressions and signatures other than in the languages specified in the Eighth Schedule to the Constitution of India must be attested by a Magistrate or a Notary Public or a Special Executive Magistrate under official seal.

Bids by Employees in the Employees Reservation Portion

Bids under Employees Reservation Portion by employees shall be made only in the prescribed Bid cum Application Form or Revision Form (i.e. pink colour) form. Employees applying in the Employees Reservation Portion should mention their employee number in the Bid cum Application Form. The following may be noted in respect of Bids by Employees in the Employees Reservation Portion:

- In case of joint Bids, the sole/first Bidder should be an Employee. Only those Bids by Employees that are at or above the Issue Price would be considered for Allocation.
- Employees who Bid for Equity Shares of or for a value of not more than Rs.100,000 in any of the bidding options can apply at the Cut off Price.
- The maximum Bid in this category by any Employee cannot exceed 51,000 Equity Shares.
- Employees can Bid in the Net Issue to the public portion and such Bids shall not be treated as multiple Bids.
- Employees should be physically present in India on the date of submission of the Bid-cum-Application Form.
- If the aggregate demand in this category is less than or equal to 51,000 Equity Shares at or above the Issue Price, full Allocation shall be made to the Employees to the extent of their demand. Under subscription, if any, in the Employees Reservation Portion will be added back to the Net Issue to the Public, and the under subscription can be met with spill over from any other category at the discretion of the Company, in consultation with the BRLMs.

• If the aggregate demand in this category is greater than 51,000 Equity Shares at or above the Issue Price, the allocation shall be made on a proportionate basis. For a description of the proportionate basis of Allocation please see the section titled “Basis of Allotment” beginning on page 262 of the Red Herring Prospectus.

Bidder’s Depository Account and Bank Details

Bidders should note that on the basis of name of the Bidders, Depository Participant’s name, Depository Participant-Identification number and Beneficiary Account Number provided by them in the Bid cum Application Form, the Registrar to the Issue will obtain from the Depository the demographic details including address, Bidders bank account details, MICR code and occupation (hereinafter referred to as ‘Demographic Details’). These Bank Account details would be used for giving refunds to the Bidders. Hence, Bidders are advised to immediately update their Bank Account details as appearing on the records of the depository participant. Please note that failure to do so could result in delays in despatch/ credit of refunds to Bidders at the Bidders sole risk and neither the BRLMs nor the Company shall have any responsibility and undertake any liability for the same. Hence, Bidders should carefully fill in their Depository Account details in the Bid cum Application Form.

IT IS MANDATORY FOR ALL THE BIDDERS TO GET THEIR EQUITY SHARES IN DEMATERIALISED FORM. ALL BIDDERS SHOULD MENTION THEIR DEPOSITORY PARTICIPANT’S NAME, DEPOSITORY PARTICIPANT IDENTIFICATION NUMBER AND BENEFICIARY ACCOUNT NUMBER IN THE BID CUM APPLICATION FORM. INVESTORS MUST ENSURE THAT THE NAME GIVEN IN THE BID CUM APPLICATION FORM IS EXACTLY THE SAME AS THE NAME IN WHICH THE DEPOSITORY ACCOUNT IS HELD. IN CASE THE BID CUM APPLICATION FORM IS SUBMITTED IN JOINT NAMES, IT SHOULD BE ENSURED THAT THE DEPOSITORY ACCOUNT IS ALSO HELD IN THE SAME JOINT NAMES AND ARE IN THE SAME SEQUENCE IN WHICH THEY APPEAR IN THE BID CUM APPLICATION FORM.

These Demographic Details would be used for all correspondence with the Bidders including mailing of 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 would not be used for these purposes by the Registrar.

Hence, Bidders are advised to update their Demographic Details as provided to their Depository Participants and ensure that they are true and correct.

By signing the Bid cum Application Form, Bidder would have deemed to have authorised the depositories to provide, upon request, to the Registrar to the Issue, the required Demographic Details as available on its records.

In case of Bidders receiving refunds through Electronic Transfer of Funds, delivery of refund orders/allocation advice/ CANs may get delayed if the same once sent to the address obtained from the Depositories are returned undelivered. In such an event, the address and other details given by the Bidder in the Bid cum Application Form would be used only to ensure dispatch of refund orders. Please note that any such delay shall be at the Bidders sole risk and neither the Company nor the Registrar nor the BRLMs shall be liable to compensate the Bidder for any losses caused to the Bidder due to any such delay or liable to pay any interest for such delay.

In case no corresponding record is available with the Depositories that matches three parameters, namely, names of the Bidders (including the order of names of joint holders), the Depository Participant’s identity (DP ID) and the beneficiary’s identity, then such Bids are liable to be rejected.

The Company at 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 the Electronic Transfer of funds, the Demographic Details given on the Bid cum Application Form should be used (and not those obtained from the Depository of the Bidder). In such cases, the Registrar shall use Demographic Details as given in the Bid cum Application Form instead of those obtained from the depositories.

BIDS BY NON RESIDENTS, NRIs, FIIs AND FOREIGN VENTURE CAPITAL FUNDS REGISTERED WITH SEBI ON A REPATRIATION BASIS

Bids and revision to Bids must be made:

(a) On the Bid cum Application Form or the Revision Form, as applicable (blue in colour), and completed in full in BLOCK LETTERS in ENGLISH in accordance with the instructions contained therein.

(b) In a single name or joint names (not more than three).

(c) NRIs for a Bid Amount of up to Rs.100,000 would be considered under the Retail Portion for the purposes of allocation and Bids for a Bid Amount of more than Rs.100,000 would be considered under Non-Institutional Portion for the purposes of allocation; by FIIs for a minimum of such number of Equity Shares and in multiples of nine thereafter that the Bid Amount exceeds Rs.100,000.For further details, please refer to the sub-section titled 'Maximum and Minimum Bid Size' beginning on page 246 of the Red Herring Prospectus. In the names of individuals, or in the names of FIIs but not in the names of minors, OCBs, firms or partnerships, foreign nationals (excluding NRIs) or their nominees.

(d) Refunds, dividends and other distributions, if any, will be payable in Indian Rupees only and net of bank charges and / or commission. In case of Bidders who remit money through Indian Rupee drafts purchased abroad, such payments in Indian Rupees will be converted into US Dollars or any other freely convertible currency as may be permitted by the RBI at the rate of exchange prevailing at the time of remittance and will be dispatched by registered post or if the Bidders so desire, will be credited to their NRE accounts, details of which should be furnished in the space provided for this purpose in the Bid cum Application Form. Our Company will not be responsible for loss, if any, incurred by the Bidder on account of conversion of foreign currency.

(e) Our Company does not require approvals from FIPB for the transfer of Equity Shares in this Issue to eligible NRIs, FIIs, foreign venture capital investors registered with SEBI and multilateral and bilateral development financial institutions. As per the RBI regulations, OCBs are not permitted to participate in the Issue.

(f) There is no reservation for Non Residents, NRIs, 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.

Equity Shares have not been registered under the US Securities Act and are not being sold in the US. The Equity Shares have not been and will not be registered under the U.S. Securities Act of 1933, as amended (the "US Securities Act"), or any state securities laws in the United States and may not be offered or sold within the United States, (as defined in Regulation S under the US Securities Act) except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act. Accordingly, the Equity Shares will be offered and sold only outside the United States in offshore transactions in compliance with Regulation S and the applicable laws of the jurisdiction where those offers and sales occur.

BIDS UNDER POWER OF ATTORNEY

In case of Bids made pursuant to a power of attorney or by limited companies, corporate bodies, registered societies, a certified copy of the power of attorney or the relevant resolution or authority, as the case may be, along with a certified copy of the Memorandum of Association and Articles 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 therefore. In case of Bids made pursuant to a power of attorney by FIIs, a certified copy of the power of attorney or the relevant resolution or authority, as the case may be, along with a certified copy of their SEBI registration certificate must be lodged along with the Bid cum Application Form. Failing this, our Company reserves the right to accept or reject any Bid in whole or in part, in either case, without assigning any reason therefore.

In case of Bids made by insurance companies registered with the Insurance Regulatory and Development Authority, a certified copy of certificate of registration issued by Insurance Regulatory and Development Authority must be lodged along with the Bid cum Application Form. Failing this, our Company reserves the right to accept or reject any Bid in whole or in part, in either case, without assigning any reason therefore.

In case of Bids made by provident funds with minimum corpus of Rs. 250 million (subject to applicable law) and pension funds with minimum corpus of Rs. 250 million, a certified copy of certificate from a chartered accountant certifying the corpus of the provident fund/ pension fund must be lodged along with the Bid cum Application Form. Failing this, our Company reserves the right to accept or reject any Bid in whole or in part, in either case, without assigning any reason therefore.

In case of Bids made by Mutual Fund registered with SEBI, venture capital fund registered with SEBI and foreign venture capital investor registered with SEBI, a certified copy of their SEBI registration certificate must be submitted with the Bid cum Application Form. Failing this, our Company reserves the right to accept or reject any Bid in whole or in part, in either case, without assigning any reason therefore.

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, subject to such terms and conditions that our Company, and the BRLMs may deem fit.

PAYMENT INSTRUCTIONS

Our Company shall open Escrow Accounts with the Escrow Collection Bank(s) for the collection of the Bid Amounts payable upon submission of the Bid cum Application Form and for amounts payable pursuant to allocation in the Issue. Each Bidder shall draw a cheque or demand draft for the amount payable on the Bid and/or on allocation as per the following terms:

PAYMENT INTO ESCROW ACCOUNT

1. The applicable Margin Amount for Non-Institutional Bidders, Retail Individual Bidders and Employees under Employee Reservation Portion is equal to 100% and while submitting the Bid cum Application Form, shall be drawn as a payment instrument for the Bid Amount in favour of the Escrow Account and submitted to the members of the Syndicate.

2. In case the above Margin Amount paid by the Bidders during the Bidding Period is less than the Issue Price multiplied by the Equity Shares allocated to the Bidder, the balance amount shall be paid by the Bidders into the Escrow Account within the period specified in the CAN which shall be subject to a minimum period of two days from the date of communication of the allocation list to the members of the Syndicate by the BRLMs.

3. The payment instruments for payment into the Escrow Account should be drawn in favour of:

   In case of QIB Bidders: "Allcargo Global Logistics Limited Escrow Account-QIB"

   In case of Non-Resident QIB Bidders: "Allcargo Global Logistics Limited Escrow Account – QIB-NR"

   In case of Resident Bidders: "Allcargo Global Logistics Limited Escrow Account-R"

   In case of Non-Resident Bidders: "Allcargo Global Logistics Limited Escrow Account-NR"

   In case of Employees bidding under the Employees Reservation Portion: "Allcargo Global Logistics Limited Escrow Account-E"

4. In case of Bids by NRIs applying on repatriation basis, the payments must be made through Indian Rupee drafts purchased abroad or cheques or bank drafts, for the amount payable on application remitted through normal banking channels or out of funds held in Non-Resident External (NRE) Accounts or Foreign Currency Non-Resident (FCNR) Accounts, maintained with banks 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.

5. In case of Bids by FIIs, the payment should be made out of funds held in Special Rupee Account along with documentary evidence in support of the remittance. Payment by drafts should be accompanied by bank certificate confirming that the draft has been issued by debiting to Special Rupee Account.

6. Where a Bidder has been allocated a lesser number of Equity Shares than the Bidder has Bid for, the excess amount, if any, paid on bidding, after adjustment towards the balance amount payable on the Equity Shares allocated, will be refunded to the Bidder from the Escrow Account of our Company.

7. The monies deposited in the Escrow Account will be held for the benefit of the Bidders till the Designated Date.

8. On the Designated Date, the Escrow Collection Banks shall transfer the funds from the Escrow Account as per the terms of the Escrow Agreement into the Public Issue Account with the Bankers to the Issue.

9. On the Designated Date and no later than 15 days from the Bid/Issue Closing Date, the Escrow Collection Bank shall also refund all amounts payable to unsuccessful Bidders and also the excess amount paid on Bidding, if any, after adjusting for allocation to the Bidders.

10. Payments should be made by cheque, or demand draft drawn on any Bank (including a Co-operative Bank), which is situated at, and is a member of or sub-member of the bankers' clearing house located at the center where the

Bid cum Application Form is submitted. Outstation cheques/bank drafts drawn on banks not participating in the clearing process will not be accepted and applications accompanied by such cheques or bank drafts are liable to be rejected. Cash/ stockinvest/money orders/ postal orders will not be accepted.

PAYMENT BY STOCKINVEST

In terms of the Reserve Bank of India Circular No. DBOD No. FSC BC 42/24.47.00/2003-04 dated November 5, 2003, the option to use the stockinvest instrument in lieu of cheques or bank drafts for payment of Bid money has been withdrawn. Hence, payment through stockinvest would not be accepted in this Issue.

SUBMISSION OF BID CUM APPLICATION FORM

All Bid cum Application Forms or Revision Forms duly completed and accompanied by account payee cheques or drafts shall be submitted to the members of the Syndicate at the time of submission of the Bid. Each member of the Syndicate may, at its sole discretion, waive the requirement of payment at the time of submission of the Bid cum Application Form and Revision Form. However, for QIB Bidders, the members of the Syndicate shall collect the Margin Amount.

No separate receipts shall be issued for the money payable on the submission of Bid cum Application Form or Revision Form. However, the collection center of the members of the Syndicate will acknowledge the receipt of the Bid cum Application Forms or Revision Forms by stamping and returning to the Bidder the acknowledgement slip. This acknowledgement slip will serve as the duplicate of the Bid cum Application Form for the records of the Bidder.

OTHER INSTRUCTIONS

Joint Bids in the case of Individuals

Bids may be made in single or joint names (not more than three). In the case of joint Bids, all payments will be made out in favour of the Bidder whose name appears first in the Bid cum Application Form or Revision Form. All communications will be addressed to the First Bidder and will be dispatched to his or her address.

Multiple Bids

A Bidder should submit only one Bid (and not more than one) for the total number of Equity Shares required. Two or more Bids will be deemed to be multiple Bids if the sole or First Bidder is one and the same. In this regard, the procedures which would be followed by the Registrar to the Issue to detect multiple applications are given below:

1. All applications with the same name and age will be accumulated and taken to a separate process file as probable multiple master.
2. In this master, a check will be carried out for the same PAN/GIR numbers. In cases where the PAN/GIR numbers are different, the same will be deleted from this master.
3. Then the addresses of all these applications from the address master will be strung. This involves putting the addresses in a single line after deleting non-alpha and non-numeric characters i.e. commas, full stops, hash etc. Sometimes, the name, the first line of address and pin code will be converted into a string for each application received and a photo match will be carried out amongst all the applications processed. A print-out of the addresses will be taken to check for common names.
4. The applications will be scanned for similar DP ID and Client ID numbers. In case applications bear the same numbers, these will be treated as multiple applications.
5. After consolidation of all the masters as described above, a print out of the same will be taken and the applications physically verified to tally signatures as also father’s/husband’s names. On completion of this, the applications will be identified as multiple applications.

In case of a Mutual Fund, a separate Bid can be made in respect of each scheme of the Mutual Funds and such Bids in respect of more than one scheme of the Mutual Funds will not be treated as multiple Bids provided that the Bids clearly indicate the scheme for which the Bid has been made.

We reserve the right to reject, in our absolute discretion, all or any multiple Bids in any or all categories.

PERMANENT ACCOUNT NUMBER OR PAN

Where Bid(s) is/are for Rs.50,000 or more, the Bidder or in the case of a Bid in joint names, each of the Bidders, should mention his/her Permanent Account Number (PAN) allotted under the I.T. Act. The copy of the PAN card or PAN allotment letter is required to be submitted with the Bid-cum-Application Form. Applications without this information and documents will be considered incomplete and are liable to be rejected. It is to be specifically noted that Bidders should not submit the GIR number instead of the PAN as the Bid is liable to be rejected on this ground. In case the Sole/First Bidder and Joint Bidder(s) is/are not required to obtain PAN, each of the Bidder(s) shall mention "Not Applicable" and in the event that the sole Bidder and/or the joint Bidder(s) have applied for PAN which has not yet been allotted each of the Bidder(s) should Mention "Applied for" in the Bid cum Application Form. Further, where the Bidder(s) has mentioned "Applied for" or "Not Applicable", the Sole/ First Bidder and each of the Joint Bidder(s), as the case may be, would be required to submit Form 60 (Form of declaration to be filed by a person who does not have a permanent account number and who enters into any transaction specified in rule 114B), or, Form 61 (form of declaration to be filed by a person who has agricultural income and is not in receipt of any other income chargeable to income tax in respect of transactions specified in rule 114B), as may be applicable, duly filled along with a copy of any one of the following documents in support of the address: (a) Ration Card (b) Passport (c) Driving License (d) Identity Card issued by any institution (e) Copy of the electricity bill or telephone bill showing residential address (f) Any document or communication issued by any authority of the Central Government, State Government or local bodies showing residential address (g) Any other documentary evidence in support of address given in the declaration. **It may be noted that Form 60 and Form 61 have been amended vide a notification issued on December 1, 2004 by the Ministry of Finance, Department of Revenue, Central Board of Direct Taxes. All Bidders are requested to furnish, where applicable, the revised Form 60 or 61, as the case may be.**

UNIQUE IDENTIFICATION NUMBER ("UIN")

With effect from July 1, 2005, SEBI has decided to suspend all fresh registrations for obtaining Unique Identification Number (UIN) and the requirement to contain/ quote UIN under the SEBI (Central Database of Market Participants) Regulations, 2003 by its circular bearing number MAPIN/Cir-13/2005.

OUR RIGHT TO REJECT BIDS

In case of QIB Bidders, Non-Institutional Bidders, Retail Individual Bidders and Bidders under the Employees Reservation Portion, we have a right to reject Bids based on technical grounds. Consequent refunds shall be made by cheque or pay order or draft and will be sent to the Bidder's address at the Bidder's risk. Bids made under the Employees Reservation Portion by any person who is not an Employee are also liable to be rejected.

GROUNDS FOR TECHNICAL REJECTIONS

Bidders are advised to note that Bids are liable to be rejected *inter alia* on the following technical grounds:

1. Amount paid does not tally with the amount payable for the highest value of Equity Shares bid for;
2. Age of First Bidder not given;
3. In case of partnership firms Equity Shares may be registered in the names of the individual partners and no firm as such shall be entitled to apply;
4. Bid by persons not competent to contract under the Indian Contract Act, 1872 including minors, insane persons;
5. PAN photocopy/PAN communication/ Form 60 or Form 61 declaration along with documentary evidence in support of address given in the declaration, not given if Bid is for Rs.50,000 or more;
6. Bank account details for refund are not given;
7. Bids for lower number of Equity Shares than specified for that category of investors;
8. Bids at a price less than lower end of the Price Band;
9. Bids at a price more than the higher end of the Price Band;
10. Bids at cut off Price by Non-Institutional and QIB Bidders;
11. Bids for number of Equity Shares, which are not in multiples of nine;

12. Category not ticked;
13. Multiple Bids as defined in this Red Herring Prospectus;
14. In case of Bid under power of attorney or by limited companies, corporate, trust etc., relevant documents are not submitted;
15. Bids accompanied by Stockinvest/money order/postal order/cash;
16. Signature of sole and / or joint Bidders missing;
17. Bid cum Application Forms does not have the stamp of the BRLMs, or Syndicate Members;
18. Bid cum Application Forms does not have Bidder's depository account details;
19. Bid cum Application Forms are not delivered by the Bidders within the time prescribed as per the Bid cum Application Forms, Bid/Issue Opening Date advertisement and the Red Herring Prospectus and as per the instructions in this Red Herring Prospectus and the Bid cum Application Forms;
20. In case no corresponding record is available with the Depositories that matches three parameters namely, names of the Bidders (including the order of names of joint holders), the Depository Participant's identity (DP ID) and the beneficiary's identity;
21. Bids for amounts greater than the maximum permissible amounts prescribed by the regulations;
22. Bids by US persons other than "qualified institutional buyers" as defined in Rule 144A of the Securities Act.
23. Bids for amounts greater than the maximum permissible amounts prescribed by the regulations.
24. Bids not duly signed by the sole/joint Bidders;
25. Bids accompanied with Stockinvests;
26. Bids by OCBs; or
27. If GIR number is mentioned instead of PAN Number.

EQUITY SHARES IN DEMATERIALISED FORM WITH NSDL OR CDSL

As per the provisions of Section 68B of the Companies Act, the allotment of Equity Shares in this Issue shall be only in a 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 agreements have been signed among our Company, the respective Depositories and the Registrar to the Issue:

(a) Agreement dated March 1, 2006 with NSDL, our Company and the Registrar to the Issue;

(b) Agreement dated April 28, 2006 with CDSL, our Company and the Registrar to the Issue.

All Bidders can seek allotment only in dematerialised mode. Bids from any Bidder without relevant details of his or her depository account are liable to be rejected.

(a) A Bidder applying for Equity Shares must have at least one beneficiary account with either of the Depository Participants of either NSDL or CDSL prior to making the Bid.

(b) The Bidder must necessarily fill in the details (including the Beneficiary Account Number and Depository Participant's identification number) appearing in the Bid cum Application Form or Revision Form.

(c) Allotment to a successful Bidder will be credited in electronic form directly to the beneficiary account (with the Depository Participant) of the Bidder.

(d) Names in the Bid cum Application Form or Revision Form should be identical to those appearing in the account details in the Depository. In case of joint holders, the names should necessarily be in the same sequence as they appear in the account details in the Depository.

(e) If incomplete or incorrect details are given under the heading 'Bidders Depository Account Details' in the Bid cum Application Form or Revision Form, it is liable to be rejected.

(f) Non-transferable allotment advice or refund orders will be directly sent to the Bidder by the Registrars to the Issue.

(g) The Bidder is responsible for the correctness of his or her Demographic Details given in the Bid cum Application Form vis-à-vis those with his or her Depository Participant.

(h) Equity Shares in electronic form can be traded only on the stock exchanges having electronic connectivity with NSDL and CDSL. All the Stock Exchanges where our Equity Shares are proposed to be listed have electronic connectivity with CDSL and NSDL.

(i) The trading of the Equity Shares of our Company would be in dematerialised form only for all investors in the demat segment of the respective Stock Exchanges.

COMMUNICATIONS

All future communications in connection with Bids made in this Issue should be addressed to the Registrar to the Issue quoting the full name of the sole or First Bidder, Bid cum Application Form number, Bidders Depository account details, number of Equity Shares applied for, date of bid form, name and address of the member of the Syndicate where the Bid was submitted and cheque or draft number and issuing bank thereof.

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

PAYMENT OF REFUND

Bidders must note that on the basis of name of the Bidders, Depository Participant's name, DP ID, Benenficiary Account number provided by them in the Bid-cum-Application Form, the Registrar will obtain, from the Depositories, the Bidders' bank account details, including the nine digit Magnetic Ink Character Recognition ("MICR") code as appearing on a cheque leaf. Hence Bidders are advised to immediately update their bank account details as appearing on the records of the Depository Participant. Please note that failure to do so could result in delays in despatch of refund order or refunds through Electronic Transfer of Funds, as applicable, and any such delay shall be at the Bidders' sole risk and neither the Company, the Registrar, Escrow Collection Bank(s), Bankers to the Issue nor the BRLM shall be liable to compensate the Bidders for any losses caused to the Bidder due to any such delay or liable to pay any interest for such delay.

Mode of making refunds

The payment of refund, if any, would be done through various modes in the following order of preference:

1. ECS - Payment of refund would be done through ECS for applicants having an account at any of the following fifteen centres: Ahmedabad, Bangalore, Bhubaneshwar, Kolkata, Chandigarh, Chennai, Guwahati, Hyderabad, Jaipur, Kanpur, Mumbai, Nagpur, New Delhi, Patna and Thiruvananthapuram. This mode of payment of refunds would be subject to availability of complete bank account details including the MICR code as appearing on a cheque leaf, from the Depositories. The payment of refunds is mandatory for applicants having a bank account at any of the abovementioned fifteen centers, except where the applicant, being eligible, opts to receive refund through direct credit or RTGS.

2. Direct Credit - Applicants having bank accounts with the Refund Banker(s) shall be eligible to receive refunds through direct credit. Charges, if any, levied by the Refund Bank(s) for the same would be borne by the Company.

3. RTGS - Applicants having a bank account at any of the abovementioned fifteen centres and whose refund amount exceeds Rs.1 million, have the option to receive refund through RTGS. Such eligible applicants who indicate their preference to receive refund through RTGS are required to provide the IFSC code in the Bid-cum-application Form. In the event the same is not provided, refund shall be made through ECS. Charges, if any, levied by the Refund Bank(s) for the same would be borne by the Company. Charges, if any, levied by the applicant's bank receiving the credit would be borne by the applicant.

4. For all other applicants, including those who have not updated their bank particulars with the MICR code, the refund orders will be despatched under certificate of posting for value upto Rs.1,500 and through Speed Post/

Registered Post for refund orders of Rs. 1,500 and above. Such refunds will be made by cheques, pay orders or demand drafts drawn on the Escrow Collection Banks and payable at par at places where Bids are received. Bank charges, if any, for cashing such cheques, pay orders or demand drafts at other centers will be payable by the Bidders.

DISPOSAL OF APPLICATIONS AND APPLICATION MONEYS AND INTEREST IN CASE OF DELAY

The Company shall ensure dispatch of Allotment advice, refund orders (except for Bidders who receive refunds through Electronic Transfer of Funds) and give benefit to the beneficiary account with Depository Participants and submit the documents pertaining to the Allotment to the Stock Exchanges within two working days of date of Allotment of Equity Shares.

In case of applicants who receive refunds through ECS, direct credit or RTGS, the refund instructions will be given to the clearing system within 15 days from the Bid/ Issue Closing Date. A suitable communication shall be sent to the bidders receiving refunds through this mode within 15 days of Bid/ Closing Date, giving details of the bank where refunds shall be credited along with amount and expected date of electronic credit of refund.

The Company shall use best efforts to ensure that all steps for completion of the necessary formalities for listing and commencement of trading at all the Stock Exchanges where the Equity Shares are proposed to be listed, are taken within seven working days of Allotment.

In accordance with the Companies Act, the requirements of the Stock Exchanges and the SEBI Guidelines, the Company further undertake that:

- Allotment of Equity Shares shall be made only in dematerialized form within 15 (fifteen) days of the Bid/Issue Closing Date;
- Dispatch of refund orders or in a case where the refund or portion thereof is made in electronic manner, the refund instructions are given to the clearing system within 15 (fifteen) days of the Bid/Issue Closing Date would be ensured; and
- The Company shall pay interest at 15% (fifteen) per annum for any delay beyond the 15 (fifteen)-day time period as mentioned above, if Allotment is not made and refund orders are not dispatched or if, in a case where the refund or portion thereof is made in electronic manner, the refund instructions have not been given to the clearing system in the disclosed manner and/or demat credits are not made to investors within the 15 (fifteen)-day time prescribed above as per the guidelines issued by the Government of India, Ministry of Finance pursuant to their letter No. F/8/S/79 dated July 31, 1983, as amended by their letter No. F/14/SE/85 dated September 27, 1985, addressed to the stock exchanges, and as further modified by SEBI's Clarification XXI dated October 27, 1997, with respect to the SEBI Guidelines.

IMPERSONATION

Attention of the applicants is specifically drawn to the provisions of sub-section (1) of Section 68 A of the Companies Act, which is reproduced below:

"Any person who:

(a) makes in a fictitious name, an application to a company for acquiring or subscribing for, any shares therein, or

(b) otherwise induces a company to allot, or register any transfer of shares, therein to him, or any other person in a fictitious name,

shall be punishable with imprisonment for a term which may extend to five years."

BASIS OF ALLOTMENT

A. For Retail Individual Bidders

- Bids received from the Retail Individual Bidders at or above the Issue Price shall be grouped together to determine the total demand under this category. The allotment to all the successful Retail Individual Bidders will be made at the Issue Price.

- The Net Issue size less allotment to Non-Institutional and QIB Bidders shall be available for allotment to Retail Individual Bidders who have bid in the Issue at a price that is equal to or greater than the Issue Price.
- If the aggregate demand in this category is less than or equal to 6,08,400 Equity Shares at or above the Issue Price, full allotment shall be made to the Retail Individual Bidders to the extent of their demand.
- If the aggregate demand in this category is greater than 6,08,400 Equity Shares at or above the Issue Price, the allotment shall be made on a proportionate basis up to a minimum of 6,08,400 Equity Shares. For the method of proportionate basis of allotment, refer below.

B. For Non-Institutional Bidders

- Bids received from Non-Institutional Bidders at or above the Issue Price shall be grouped together to determine the total demand under this category. The allotment to all successful Non-Institutional Bidders will be made at the Issue Price.
- The Net Issue size less allotment to QIBs and Retail Portion shall be available for allotment to Non-Institutional Bidders who have bid in the Issue at a price that is equal to or greater than the Issue Price.
- If the aggregate demand in this category is less than or equal to 2,02,800 Equity Shares at or above the Issue Price, full allotment shall be made to Non-Institutional Bidders to the extent of their demand.
- In case the aggregate demand in this category is greater than 2,02,800 Equity Shares at or above the Issue Price, allotment shall be made on a proportionate basis up to a minimum of 2,02,800 Equity Shares. For the method of proportionate basis of allotment refer below.

C. For QIBs

- Bids received from the QIB Bidders at or above the Issue Price shall be grouped together to determine the total demand under this category. The allotment to all the QIBs will be made at the Issue Price.
- 60% of the Net Issue size shall be available for allotment to QIBs who have bid in the Issue at a price that is equal to or greater than the Issue Price.
- In terms of Rule 19(2)(b) of the SCRR, this being an Issue for less than 25% of the post-Issue capital, the Issue is being made through the 100% Book Building Process wherein at least 60% of the Issue shall be allocated on a proportionate basis to QIB Bidders, out of which 5% of the QIB Portion shall be available for allocation on a proportionate basis to Mutual Funds only, and the remainder of the QIB Portion shall be available for allocation on a proportionate basis to all QIB Bidders, including Mutual Funds, subject to valid Bids being received at or above Issue price. If at least 60% of the Issue cannot be allocated to QIB Bidders, then the entire application money will be refunded forthwith.
- Allotment shall be undertaken in the following manner:
  - (a) In the first instance allocation to Mutual Funds for 5% of the QIB Portion shall be determined as follows:
    - (i) In the event that Mutual Fund Bids exceeds 5% of the QIB Portion, allocation to Mutual Funds shall be done on a proportionate basis for up to 5% of the QIB Portion.
    - (ii) In the event that the aggregate demand from Mutual Funds is less than 5% of the QIB Portion then all Mutual Funds shall get full allotment to the extent of valid bids received above the Issue Price.
    - (iii) Equity Shares remaining unsubscribed, if any, not allocated to Mutual Funds shall be available to all QIB Bidders as set out in (b) below;
  - (b) In the second instance allocation to all QIBs shall be determined as follows:
    - (i) 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 up to 95% of the QIB Portion.

(ii) Mutual Funds, who have received allocation as per (a) above, for less than the number of Equity Shares Bid for by them, are eligible to receive Equity Shares on a proportionate basis along with other QIB Bidders.

(iii) Under-subscription below 5% of the QIB Portion, if any, from Mutual Funds, would be included for allocation to the remaining QIB Bidders on a proportionate basis.

Except for any shares allocated to QIB Bidders due to under subscription in the Retail Portion and/or Non Institutional Portion, the aggregate allocation to QIB Bidders shall be made on a proportionate basis at least to the extent of 12,16,800 Equity Shares and in multiples of nine Equity Shares thereafter. For the method of proportionate basis of allocation refer below.

Under subscription, if any in Non Institutional Bidders or Retail Individual Bidders category would be allowed to be met with spill over from any other category at the sole discretion of our Company and the BRLMs.

D. For Employees

- Bids received from the Employees at or above the Issue Price shall be grouped together to determine the total demand under this category. The Allotment to all the Employees will be made at the Issue Price.
- If the aggregate demand in this category is less than or equal to 51,000 Equity Shares at or above the Issue Price, full allotment shall be made to the Employees to the extent of their demand.
- In case the aggregate demand in this category is greater than 51,000 Equity Shares at or above the Issue Price, allocation shall be made on a proportionate basis up to a minimum of nine Equity Shares and in multiples of nine Equity Shares thereafter. For method of proportionate basis of allocation refer below.

PROCEDURE AND TIME OF SCHEDULE FOR ALLOTMENT AND DEMAT CREDIT

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 June 1, 2006 and expire on June 6, 2006. Following the expiration of the Bidding Period, our Company, in consultation with the BRLMs, will determine the Issue Price, and, in consultation with the BRLMs, the basis of allocation and entitlement to allotment based on the bids received and subject to the confirmation by the 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 Guidelines require our Company to complete the allotment to successful bidders within 15 days of the expiration of the Bidding Period. The Equity Shares will then be credited and allotted to the investors' demat accounts maintained with the relevant depository participant. Upon approval by the Stock Exchanges, the Equity Shares will be listed and trading will commence. This typically takes three trading days from the date of crediting the investor's demat account, subject to final approval by the Stock Exchanges.

METHOD OF PROPORTIONATE BASIS OF ALLOTMENT

In the event of the Issue being over-subscribed, we shall finalize the basis of allotment to Retail Individual Bidders and Non-Institutional Bidders, Employees Bidding under the Employees Reservation Portion and QIBs 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 Registrar to the Issue shall be responsible for ensuring that the basis of allotment is finalized in a fair and proper manner.

The allotment shall be made in marketable lots, on a proportionate basis as explained below:

(a) Bidders will be categorized according to the number of Equity Shares applied for.

(b) The total number of Equity Shares to be allotted to each category as a whole shall be arrived at on a proportionate basis, which is the total number of Equity Shares applied for in that category (number of Bidders in the category multiplied by the number of Equity Shares applied for) multiplied by the inverse of the over-subscription ratio.

(c) Number of Equity Shares to be allotted to the successful Bidders will be arrived at on a proportionate basis, which is total number of Equity Shares applied for by each Bidder in that category multiplied by the inverse of the over-subscription ratio.

(d) In all Bids where the proportionate allotment is less than 9 Equity Shares per Bidder, the allotment shall be made as follows:

- Each successful Bidder shall be allotted a minimum of 9 Equity Shares; and
- The successful Bidders out of the total Bidders for a category shall be determined by draw of lots in a manner such that the total number of Equity Shares allotted in that category is equal to the number of Equity Shares calculated in accordance with (b) above.

(e) If the proportionate allotment to a Bidder is a number that is more than 9 but is not a multiple of 1 (which is the marketable lot), the number in excess of the multiple of 1 would be rounded off to the higher multiple of 1 if that number is 0.5 or higher. If that number is lower than 0.5, it would be rounded off to the lower multiple of 1. All Bidders in such categories would be allotted Equity Shares arrived at after such rounding off.

(f) If the Equity Shares allocated on a proportionate basis to any category are more than the Equity Shares allotted to the Bidders in that category, the remaining Equity Shares available for allotment shall be first adjusted against any other category, where the allotted shares are not sufficient for proportionate allotment to the successful Bidders in that category. The balance Equity Shares, if any, remaining after such adjustment will be added to the category comprising Bidders applying for minimum number of Equity Shares.

INTEREST IN CASE OF DELAY IN DISPATCH OF ALLOTMENT LETTERS/REFUND ORDERS

We agree that allotment of securities offered to the public shall be made not later than 15 days from the Bid/Issue Closing Date. We further agree that we shall pay interest at 15% per annum if the allotment letters/refund orders have not been dispatched to the applicants or if, in a case where the refund or portion thereof is made in electronic manner, the refund instructions have not been given to the clearing system in the disclosed manner within 15 days from the Bid/Issue Closing Date.

ISSUE PROGRAM

BID/ISSUE OPENS ON	:	June 1, 2006
BID/ISSUE CLOSES ON	:	June 6, 2006

Bids and any revision in Bids shall be accepted only between 10 a.m. and 3 p.m. (Indian Standard Time) during the Bidding Period as mentioned above at the bidding centers mentioned on the Bid cum Application Form except that on the Bid/Issue Closing Date, the Bids shall be accepted only between 10 a.m. and 1 p.m. (Indian Standard Time) or uploaded till such time as may be permitted by the BSE and NSE on the Bid/Issue Closing Date.

In case of revision in the Price Band, the Bidding/Issue Period will be extended for three additional working days after revision of Price Band. Any revision in the Price Band and the revised Bid/Issue Period, if applicable, will be widely disseminated by notification to the BSE and NSE, by issuing a press release, and also by indicating the change on the website of the BRLMs and at the terminals of the Syndicate.

Undertakings by the Company

We undertake as follows:

- that the complaints received in respect of this Issue shall be attended to by us expeditiously and satisfactorily;
- that all steps will be taken for the completion of the necessary formalities for listing and commencement of trading at all the Stock Exchanges where the Equity Shares are proposed to be listed within seven working days of finalisation of the basis of allocation;
- that funds required for making refunds to unsuccessful applicants as per the mode(s) disclosed shall be made available to the Registrar to the issue by the issuer;
- that where refunds are made through Electronic Transfer of Funds, a suitable communication shall be sent to the applicant within 15 days of the Bid/ Issue Closing Date, as the case may be, giving details of the bank where refunds shall be credited along with amount and expected date of electronic credit of refund;
- that no further issue of Equity Shares shall be made till the Equity Shares offered through the Red Herring Prospectus are listed or until the Bid monies are refunded on account of non-listing, under-subscription etc;
- that the certificates of the securities/ refund orders to non resident Indians shall be dispatched within specified time.

Utilisation of Issue Proceeds

The Board of Directors of the Company certifies that:

- all monies received out of the Fresh Issue to the public shall be transferred to a separate bank account other than the bank account referred to in sub-section (3) of Section 73 of the Companies Act;
- details of all monies utilised out of the Fresh Issue shall be disclosed under an appropriate separate head in the balance sheet of the Company indicating the purpose for which such monies have been utilised;
- details of all unutilised monies out of the Fresh Issue, if any, shall be disclosed under the appropriate separate head in the balance sheet of the Company indicating the form in which such unutilised monies have been invested;
- the Company shall not have any recourse to the Issue proceeds until the approval for trading the Equity Shares is received from the Stock Exchanges.

RESTRICTIONS ON FOREIGN OWNERSHIP OF INDIAN SECURITIES

Foreign investment in Indian securities is regulated through the Industrial Policy of the Government of India notified through press notes and press releases issued from time to time and the FEMA and circulars and notifications issued there under. While the policy of the Government prescribes the limits and the conditions subject to which foreign investment can be made in different sectors of the Indian economy, FEMA regulates the precise manner in which such investment may be made. Under the Industrial Policy of the Government, unless specifically restricted, foreign investment is freely permitted in all sectors of Indian economy up to any extent and without any prior approvals, but the foreign investor is required to follow certain prescribed procedures and reporting requirements for making such investment. **As per current foreign investment policies, foreign direct investment in any sector not included in Annexure A to Schedule 1 of the Foreign Exchange Management (Transfer or Issue of Security by a person resident Outside India) Regulations, 2000 is allowed up to 100% under the automatic route. Accordingly, 100% foreign direct investment is allowed in our Company.**

By way of Circular No. 53 dated December 17, 2003, the RBI has permitted FIIs to subscribe to shares of an Indian company in a public offer without prior RBI approval, so long as the price of equity shares to be issued is not less than the price at which equity shares are issued to residents. In our Company, as of date the aggregate FII holding cannot exceed 24% of the total issued share capital.

Subscription by NRIs/ FIIs

It is to be distinctly understood that there is no reservation for Non-Residents, NRIs and FIIs and all Non-Residents, NRI and FIIs applicants will be treated on the same basis as other categories for the purpose of allocation.

As per the RBI regulations, OCBs cannot participate in this Issue.

Equity Shares have not been registered under the US Securities Act and are not being sold in the US. The Equity Shares have not been and will not be registered under the U.S. Securities Act of 1933, as amended (the "US Securities Act"), or any state securities laws in the United States and may not be offered or sold within the United States, (as defined in Regulation S under the US Securities Act) except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act. Accordingly, the Equity Shares will be offered and sold only outside the United States in offshore transactions in compliance with Regulation S and the applicable laws of the jurisdiction where those offers and sales occur.

As per the current regulations, the following restrictions are applicable for investments by FIIs:

No single FII can hold more than 10% of the post-issue paid-up capital of our Company (2,025,585 Equity Shares). In respect of an FII investing in our Equity Shares on behalf of its sub-accounts, the investment on behalf of each sub-account shall not exceed 10% of our total issued capital or 5% of total issued capital of our Company in case such sub account is a foreign corporate or an individual.

As of now, the aggregate FII holding in our Company cannot exceed 24% of the total issued capital of our Company. With approval of our Board and that of the shareholders by way of a special resolution, the aggregate FII holding limit can be enhanced up to 100%; however till date no such resolution has been recommended to our shareholders for approval.

The above information is given for the benefit of the Bidders. Our Company and the BRLMs are not liable for any amendments or modification or changes in applicable laws or regulations, which may happen after the date of this Red Herring Prospectus. Bidders are advised to make their independent investigations and ensure that the number of Equity Shares bid for do not exceed the applicable limits under laws or regulations.

Terms of the Issue

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

Authority for the Issue

The Issue has been authorised by a special resolution adopted pursuant to Section 81(1A) of the Companies Act, at the extraordinary general meeting of the shareholders of our Company held on January 28, 2006. The Board of Directors has pursuant to a resolution dated January 25, 2006, authorized the Issue.

Ranking of Equity Shares

The Equity Shares being issued shall be subject to the provisions of our Memorandum and Articles and shall rank pari passu with the existing Equity Shares of our Company including rights in respect of dividend. The Person in receipt of allotment of Equity Shares under this Issue will be entitled to dividends and other corporate benefits, if any, declared by our Company after the date of allotment.

Face Value and Issue Price

Fresh Equity Shares with a face value of Rs. 10 each are being offered as part of the Issue at a total price of Rs. [●] per share. At any given point of time there shall be only one denomination for the Equity Shares.

Compliance with SEBI Guidelines

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

Rights of the Equity Shareholder

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

- Right to receive dividend, if declared;
- Right to attend general meetings and exercise voting powers, unless prohibited by law;
- Right to vote on a poll either in person or by proxy;
- Right to receive offers for rights shares and be allotted bonus shares, if announced;
- Right to receive surplus on liquidation;
- Right of free transferability; and
- Such other rights, as may be available to a shareholder of a listed public company under the Companies Act and our Company's Memorandum and Articles.

For a detailed description of the main provisions of our Articles relating to voting rights, dividend, forfeiture and lien and/or consolidation/splitting, please refer to the section titled "Main Provisions of our Articles of Association" on page 269 of the Red Herring Prospectus.

Market Lot and Trading Lot

In terms of Section 68B of the Companies Act, the Equity Shares shall be allotted only in dematerialised form. As per existing SEBI DIP Guidelines, the trading of our Equity Shares shall only be in dematerialised form. Since trading of our Equity Shares is in dematerialised form, the tradable lot is one Equity Share. Allotment in this Issue will be only in electronic form in multiples of one Equity Share subject to a minimum allotment of nine Equity Shares.

Jurisdiction

Exclusive jurisdiction for the purpose of this Issue is with the competent courts/authorities in Mumbai, India.

Nomination Facility to Investor

In accordance with Section 109A of the Companies Act, the sole or first Bidder, along with other joint Bidders, may nominate any one person in whom, in the event of the death of sole Bidder or in case of joint Bidders, death of all the Bidders, as the case may be, the Equity Shares allotted, if any, shall vest. A person, being a nominee, entitled to the Equity Shares by reason of the death of the original holder(s), shall in accordance with Section 109A of the Companies Act, be entitled to the same advantages to which he or she would be entitled if he or she were the registered holder of the Equity Share(s). Where the nominee is a minor, the holder(s) may make a nomination to appoint, in the prescribed manner, any person to become entitled to Equity Share(s) in the event of his or her death during the minority. A nomination shall stand rescinded upon a sale of equity share(s) by the person nominating. A buyer will be entitled to make a fresh nomination in the manner prescribed. Fresh nomination can be made only on the prescribed form available on request at the Registered Office of our Company or to the Registrar and Transfer Agents of our Company.

In accordance with Section 109B of the Companies Act, any Person who becomes a nominee by virtue of Section 109A of the Companies Act, shall upon the production of such evidence as may be required by the Board, elect either:

- to register himself or herself as the holder of the Equity Shares; or
- to make such transfer of the Equity Shares, as the deceased holder could have made.

Further, the Board may at any time give notice requiring any nominee to choose either to be registered himself or herself or to transfer the Equity Shares, and if the notice is not complied with within a period of ninety days, the Board may thereafter withhold payment of all dividends, bonuses or other moneys payable in respect of the Equity Shares, until the requirements of the notice have been complied with.

Since the allotment of Equity Shares in the Issue will be made only in dematerialised form, there is no need to make a separate nomination with us. Nominations registered with respective depository participant of the applicant would prevail. If the investors require to change their nomination, they are requested to inform their respective depository participant.

Notwithstanding anything stated above, since the Allotment in the Issue will be made only in dematerialised mode, there is no need to make a separate nomination with our Company. Nominations registered with the respective depository participant of the applicant would prevail. If the investors require to change the nomination, they are requested to inform their respective depository participant.

Minimum Subscription

If our Company does not receive the minimum subscription of 100% of the net offer to public, including devolvement of underwriters within 60 days from the Bid/Issue Closing Date, our Company shall forthwith refund the entire subscription amount received. If there is a delay beyond 8 days after our Company becomes liable to pay the amount, our Company shall pay interest prescribed under Section 73 of the Companies Act.

Subscription by Eligible Non Residents

There is no reservation for any NRIs, FIIs, foreign venture capital investors registered with SEBI and multilateral and bilateral development financial institutions and such NRIs, FIIs, foreign venture capital investors registered with SEBI and multilateral and bilateral development financial institutions will be treated on the same basis with other categories for the purpose of allocation.

As per RBI regulations, OCBs cannot participate in the Issue.

Application in Issue

Equity Shares being issued through this Red Herring Prospectus can be applied for in the dematerialised form only.

SECTION IX: DESCRIPTION OF THE EQUITY SHARES AND TERMS OF THE ARTICLES OF ASSOCIATION

Pursuant to the provisions of Schedule II of the Companies Act and the SEBI Guidelines, the main provisions of the Articles of Association relating to voting rights, dividend, lien, forfeiture, restrictions on transfer and transmission of Equity Shares and other main provisions are as detailed below. Each provision hereinbelow is numbered as per the corresponding article number in the Articles of Association and capitalized terms used in this section have the meaning that has been given to such terms in the Articles of Association of our Company

MAIN PROVISIONS OF THE ARTICLES OF ASSOCIATION

(i) PRELIMINARY

Title of Article	Article Number and contents
Table A not to apply	The regulations contained in Table A, Schedule 1, of the Companies Act, 1956 shall not apply to the Company except so far as the same are reproduced or contained in or expressly made applicable by these Articles or the Act. The regulations for the management of the Company and for the observance of the Members thereof and their representatives shall, subject to any exercise of the Company's power to modify, alter, delete, or add to its regulations, as prescribed by the Act, be such as are contained in these Articles.

(ii) Articles relating to rights of members regarding voting, dividend, lien on shares, process for modification of such rights and forfeiture of shares

VOTES OF MEMBERS

Title of Article	Article Number and contents
Votes by Members	98.Subject to the provisions of the Act, votes may be given by Members either personally or by proxy or in the case of a Member company or body corporate, by a representative duly appointed under Section 187 of the Act and Articles 97 of these Articles.
No right to vote unless calls are paid up	99. No Member shall be entitled to vote, either personally or by proxy, at any General Meeting or Meeting of a class of shareholders, either upon a show of hands or upon poll in respect of any shares registered in his name on which any calls or other sums presently payable by him have not been paid, or in regard to which the Company has, and has exercised, any right of lien.
Voting rights	100. Save as hereinafter provided, on a show of hands every Member present in person and being a holder of equity shares, shall have one vote on every resolution or question placed before the meeting, and on a poll that Member's share of the paid-up equity capital of the Company.
	101. No Member of the Company holding any preference share capital shall be entitled to vote at General Meeting of the Company except as provided by Section 87(2) of the Act.
	102. Where the Company accepts from a Member all or any part of the money due in respect of the shares held by that Member beyond the sums actually called for, the Member shall not be entitled to any voting in respect of the monies so paid.

Vote by Member Companies	103. Any company or body corporate which is Member of the Company (hereinafter referred to as a Member Company) shall be entitled, through a resolution of its Board of Directors, to authorize such person as it thinks fit to act as its representative at any meeting of the company held in pursuance of the Act. A representative duly appointed and authorized as aforesaid shall be entitled to exercise the same rights and powers, including the right to vote by proxy, which such Member Company could exercise if it were an individual Member of the Company.
Votes in respect of share of deceased Members	104. Any person entitled to transfer any shares by virtue of Article 62 of these articles may vote at a General Meeting in respect thereof in the same manner as if they were the registered holder of such shares, provided that at least 48 hours before the time of holding the meeting at which he proposes to vote, he satisfies the Board or any person authorized by the Board in that behalf of his right to such shares and furnishes such indemnity as the Board may require.
Votes by Joint Holders	105. Where there are joint registered holders of any given share, any one of such persons may vote at any meeting either personally or by proxy in respect of such shares as if that person was solely entitled thereto; and if more than one of such joint holders be present at any meeting, personally or by proxy, that one of the said persons so present whose name stands first in the Register in respect of such share shall alone by entitled to vote or speak in respect thereof.
Vote by proxy	106. On a poll votes may be given either personally or by proxy, or, in the case of a Member Company by a representative duly authorized as aforesaid. Every notice convening a meeting of the Company shall state that a Member entitled to attend and vote at the meeting is entitled to appoint a proxy to attend and vote instead of the Member and that a proxy need note be a Member of the Company.
Instrument appointing a proxy	107. 1. Subject to the provisions of the Act, the instrument appointing a proxy shall be in writing under the hand of the appointee or of his Attorney duly authorized in writing or, if such appointer is a corporation, under its common seal or the hand of its officer or an attorney duly authorized by it, a person may be appointed a proxy though he is not a Member of the Company. A proxy appointed, as aforesaid, shall not have any right to speak at any meeting. 2. The Company will send out proxy forms to members and debenture-holders in all cases, and such proxy forms shall be so worded that each Member or Debenture-holder may vote either for or against each resolution.
Instrument to be deposited at the Office	108. The instrument appointing a proxy and the power of attorney or other authority under which it is signed or a naturally certified copy of that power of authority shall be deposited at the Office not less than 48 hours before the time of holding the meeting at which the person named in the instrument proposes to vote, and in default, the instrument of proxy shall be treated as invalid. The proxy shall be in the form set out in Schedule IX of the Act.
Vote valid though authority revoked	109. A vote given in accordance with the terms of an instrument of proxy shall be valid, notwithstanding the previous death or insanity of the appointer, or revocation of the proxy, or any power or authority under which such proxy is signed or a transfer of the shares in respect of which the vote is given, provided that no intimation in writing of the death, insanity, revocation, or transfer shall have been received at the Office of the Company before the commencement of the meeting at which the proxy is used or vote is given.
Inspection of proxies	110.

	Every Member entitled to vote at a meeting of the Company on any resolution to be moved there at, shall be entitled during the period beginning twenty four hours before the time fixed for the commencement of the meeting and ending with the conclusion of the meeting to inspect the proxies lodged, at any time during the business hours of the Company provided not less than three days' notice in writing of the inspect the proxies given to the Company.
Objections regarding validity of votes	111. No objection shall be made as to validity of any vote on a show of hands or on a poll except at the meeting at which such vote shall be tendered, and every vote, whether given personally or by proxy, not disallowed at such meeting, shall be deemed valid for all purposes.
Determination by Chairman to be conclusive	112. The Chairman of a Meeting shall be the sole judge of the validity of every vote tendered on a show of hands or on poll. The Chairman shall forthwith determine the same and such determination made in good faith shall be final and conclusive.

DIVIDENDS AND CAPITALISATION OF RESERVES

Title of Article	Article Number and contents
Dividends in proportion to amount paid up	166. Subject to the provision of Section 205 of the Act, the proper and prudent management of the business of the Company and tax considerations, all monies reasonably available for distribution to share holder shall be distributed by way of dividend.
	167. The profit of the Company shall, subject to any special right relating thereto created or authorized to be created by these Articles and subject to the provisions of these Articles, be divisible among the members in proportion to the amount of capital paid up or credited as paid up with respect to the shares held by them. Where a dividend has been so declared, the warrant in respect thereof shall be posted within thirty days from the date of declaration to the member entitled thereto.
Dividend to be paid only out of profits	168. No dividend shall be declared or paid except out of the profits of the Company determined in accordance with the provisions of Section 205 of the Act or out of monies provided by the Central or a State Government for the payment of the dividend in pursuance of any guarantee given by such Government and no dividends shall carry interest as against the Company. The recommendation of Board as to the amount of dividends of the Company shall be conclusive.
Declaration of dividends	169. The Company in General Meeting may declare dividends to be paid to Members not exceeding the amount recommended by the Board.
Interim Dividend	170.The Board may, from time to time, pay to the Members interim dividends as appear to the Board to be justified by the profits of the Company.
Dividend to be paid in cash	171. No dividend shall be payable except in cash provided that nothing contained in this Article shall be deemed to prohibit the capitalization of profit or reserves of the Company for the purpose of issuing fully paid up bonus shares or paying up any amount for the time being unpaid on any shares held by the Members of the Company.

Payment of interest out of capital	172. Where any shares are issued for the purpose of raising money to defray the expenses of the construction of any works or building or the provision of any plant which cannot be made profitable for a lengthy period, the Company may pay interest on such of that share capital as is for the time being paid up for the period, at the rate, and subject to the conditions and restrictions provided by Section 208 of the Act.
Set off of dividend against call	173. Any General Meeting declaring a dividend may, on the recommendation of the board of Directors make a call on the Members of such amount as the meeting fixes, but so that the call on each Member shall not exceed the dividend payable and the dividend may, if so arranged between the Company and the Members be set of against the call.
Capital paid up in advance not to earn dividend	174. Where capital is paid in advance of calls the same may carry interest, but such capital while carrying interest shall not confer a right to participate in profits.
Retention of dividends	175. The Board may hold in abeyance the dividends or other monies payable upon shares in respect of which any person is under this Articles hereof, entitled to become a Member or to transfer the shares, until such person shall become a Member in respect of such shares or shall duly transfer the same.
Restrictions payment of dividends	176. No Member shall be entitled to receive payment of any interest or dividend in respect of his share or shares or otherwise, either alone or jointly with any other person or persons, and the Board may deduct from the dividend payable to any Member all sums of money presently payable to the Company on account of calls or otherwise in relation to the Shares of the Company.
No right to dividends	177. A transfer of shares shall not confer the right to any dividend declared thereon before the registration of the transfer.
Dividend to joint holders	178. Any one of several persons who are registered as the joint holders of any share may give effectual receipts for all dividends and payments on account of dividends in respect of such share.
Dividend warrant	179. Any dividend payment in cash in respect of a share may be paid by cheque or warrant sent through the post to the registered address of the holder or in the case of joint holders to the registered address of the holder who is first named in the register and every cheque or warrant shall be made payable to the order of the person to whom it is sent.
Unpaid or Unclaimed dividends	180. 1. Where the Company has declared a dividends but which has not been paid or the dividend warrant in respect thereof have not been posted within 30 days from the date of the 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, transfer the amount of dividend which remains unpaid or in relation to which no dividend warrant have been posted within the said period of 30 days to a special account called the Unpaid Dividend Account to be opened by the Company on its behalf in any Scheduled Bank according to the provisions of Section 205A of the Act.

	2. 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 they became due for payment, shall be transferred by the Company to Investor Education and Protection Fund. No claims shall lie against the Fund or the Company in respect of individual amounts which were unclaimed and unpaid for a period of seven years from the dates that they first became due for payment and no payment shall be made in respect of any such claims. 3.The Company will not forfeit unclaimed dividends before the claim becomes barred by law and that such forfeiture, when effected, will be annulled in appropriate cases.4. No unclaimed or unpaid dividend shall be forfeited by the Board
Capitalization of profits	181. (a) Any General Meeting may, upon the recommendation of the Board, resolve that any amount for the time being standing to the credit of any profit or loss account or reserve account or any capital redemption reserve account or otherwise available for distribution as dividends (including any profit actually realized from the sale of the assets of the Company or representing premium received on the issue of shares and standing to the credit of the share premium accounts) shall be capitalized and distributed amongst the Members who would have been entitled to receive the same if distributed by way of dividend and in the same proportions. (b) All or any part of such capitalized amount shall be applied, on behalf of such shareholders, in paying up in full either at par or at such premium as the resolution may provide, any fully paid-up in full either at par or at such premium as the resolution may provide, any fully paid-up bonus share or unissued shares of the Company or towards payments of any amounts for the time being unpaid on any shares or debentures held by such Members in full satisfaction of their interest in the said capitalized sum.
	LIEN
Title of Article	**Article Number and contents**
Share to be forfeited in case of default	47. If the requirement of any such notice are not complied with, any share in respect of which the notice has been given may at any time thereafter be forfeited by a resolution of the Board to that effect. Such forfeiture shall include all dividends declared in respect of the forfeited shares, and not actually paid before the forfeiture.
Notice of forfeiture to Member	48. When any share shall have been so forfeited, notice of the forfeiture shall be given to the Member in whose name it stood immediately prior to the forfeiture, and an entry of the forfeiture, with the date thereof, shall forthwith be made in the Register of Members, but no forfeiture shall be in any manner invalid by any omission or neglect to give such notice or to make such entry as aforesaid.
Forfeited share to become property of the Company.	49. Any share so forfeited shall thereupon become the property of the Company and may be sold, re-allotted or otherwise disposed of either to the original holder thereof or to any other person upon such terms and in such manner as the Board may think fit. Upon any sale, re-allotment or other disposal, the certificates stand cancelled and Directors shall be entitled to issue duplicate certificates in respect of the said shares to the person entitled thereto.

Power to annul forfeiture	50. Until any shares so forfeited shall be sold, re-allotted or otherwise dealt with as aforesaid, the forfeiture thereof may, at discretion and by a resolution of the Board, be remitted as a matter of grace and favour, and not as of right, on payment of the monies owing thereon to the Company at the time of forfeiture thereof with interest up to the time of actual payment thereof if the Board shall think fit to receive the same, or on any other terms which the Board may deem fit.
Member's liability after forfeiture	51. Any Member whose shares have been forfeited shall, notwithstanding, be liable to pay the Company all calls, installments, interest expenses or other monies owing upon or in respect of such shares on the date of forfeiture together with interest thereon from the date of forfeiture until payment, at such rate as the Board may determine.
Effect of forfeiture	52. The Forfeiture of a share shall involve the extinction of all interest in, and of all claims and demands against the Company in respect of the forfeited share, and all other right incidental to the share, except only such rights as are expressly provided by these Articles.

	MODIFICATION OF RIGHTS
Title of Article	**Article Number and contents**
Modification of rights	17. If at any time the share capital is divided into different classes, the rights and privileges attached to any class of shares (unless otherwise provided by the terms of issue of the shares of that class) may, subject to the provisions of Section 106 and 107 of the Act, be modified or varied with the consent in writing of the holders of not less than three-fourth in nominal value of the issued shares of that class, or as sanctioned by a resolution passed at a separate meeting of the holders of share of that class and supported by the votes of the holders of not less than three-fourth in nominal value of the issued shares of the class. mutatis mutandis, to representing proxy at least one-third of the issued equity shares of the class.

(iii) Other provisions of Articles of Association

CAPITAL AND INCREASE AND REDUCTION OF CAPITAL	
Title of Article	**Article Number and contents**
Share Capital	4. The authorized share capital of the Company is Rs.21,00,00,000/- (Rupees Twenty one Crores only) divided into 2,10,00,000 (Two Crore ten lakhs) Equity Shares of Rs. 10/- (Rupees Ten only) each with rights, privileges and conditions attaching thereto as are provided by the regulations of the Company from time to time being with power to increase or reduce its capital or divide the capital into several classes and to attach thereto respectively such preferential, deferred, qualified or other special rights, privileges or conditions as regards payment of dividend, distribution of assets, repayments or reduction of capital, voting or otherwise sub-divide them as may be determined by or in accordance with the Regulations of the Company and to vary, modify or abrogate and such rights, privileges or conditions or restrictions in such manner as may for the time being be permitted by the Regulations of the Company.

Share Capital under the control of the Directors	5. 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 (including any shares forming part of any increased Capital of the Company) shall be under the control of the Board who may 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 (Subject to compliance with the provisions of Section 78 of the Act) or at a discount (subject to compliance with the provisions of Section 79 of the Act) and at such times as they may think fit and proper, and with the sanction of the Company in General Meeting to give to any person or persons the option or right to call for any shares consideration as the Directors think fit, and may issue and allot shares in the Capital of the company on payment in full or part of any property sold and transferred or for any services rendered to the company in the conduct of its business and any shares which may so be allotted may be issued as fully paid up shares. Provided that option or right to call of shares shall not be given to any person or persons without the sanction of the Company in the General Meeting.
Redeemable Preference Shares	6. Subject to the provisions of Section 80 of the Act, the Company shall have the power to issue preference shares carrying a right of redemption or liable to be redeemed at the option of the Company, and the Board may, subject to the provisions of the Act and if these Articles, exercise such power in any manner prescribed by the resolution authorizing the issue of such shares.
Cumulative Convertible Preference Shares	7. The Company may, subject to the provisions to the said Act, issue Cumulative convertible Preference Shares and may convert such Cumulative Convertible Preference Shares into Equity Shares of the Company on such terms and conditions as the Board may deem fit.
Increase of Capital	8. The Company may, by Ordinary Resolution in General Meeting, increase the authorized share capital by the creation of new shares of such amount and to be divided into shares of such respective amounts, as the resolutions shall prescribe. Subject to the provisions of the Act and these Articles, the new shares shall be issued upon such terms and conditions and with such rights and privileges attached thereto, and in particular, with such preferential or qualified right to dividends and in the distribution of assets of the Company, as the resolution shall provide and if no direction is given by such resolution as may be determined by the Board.
Further Issue of Share Capital	9. Where at any time after the expiry of two years from the formation of the Company or at any time after the expiry of one year from the allotment of shares in the Company made for the first time after its formation, whichever is earlier, it is proposed by the Company to issue any new or additional shares, whether out of unissued share capital or out of increased share capital then: (a) Such further shares shall be offered to the Members who, on the date of the offer, are holders of the equity shares of the Company, in proportion as nearly as circumstances admit, to the capital paid up on those shares at that date. (b) Such offer shall be made by a notice specifying the number of shares offered and limiting a time not less than thirty days from the date of the offer and the offer if not accepted, shall be deemed to have not been declined. (c) The offer aforesaid shall be deemed to include a right exercisable by the person concerned to renounce the shares offered to them in favour of any other person and the notice referred to in sub – clause (b) hereof shall contain a statement of this right. PROVIDED THAT the Directors may decline, without assigning any reason to allot any shares to any person in whose favour any member may renounce the shares offered to him.

	(d) After expiry of the time specified in the aforesaid notice or on receipt of earlier intimation from the person to whom such notice is given that he declines to accept the shares offered, the Board of Directors may dispose of them in such manner and to such person (s) as they may think, in their sole discretion, fit.
	10. Notwithstanding anything contained in clause (9) thereof, the further shares aforesaid may be offered to any persons (whether or not those persons include the persons referred to in clause (a) of clause (9) hereof in any manner whatsoever.
	(a) 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 the general meeting (including the casting vote, if any, of the Chairman) by the members who, being entitled to do so, vote in person or proxy, exceeds 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.
	11. Nothing in clause (c) of (9) hereof shall be deemed; (i) To extend the time within which the offer should be accepted; or (ii) To authorize any person to exercise the right of renunciation for a second time on the ground that the person in whose favour the renunciation was first made has declined to take the shares comprised in the renunciation.
	12. Nothing in this Article shall apply to the increase of the subscribed capital of the Company caused by the exercise of an option attached to the debenture issued or loans raised by the Company: (i) To convert such debentures or loans into shares in the Company; or (ii) To subscribe for shares in the Company (whether such option is conferred in these Articles or otherwise).
	PROVIDED THAT the terms of issue of such debentures or the terms of such loans include a term providing for such option and such term: (i) Either has been approved by the Central Government before the issue of the debentures or the raising of the loans or is in conformity with Rules, if any, made by that Government in this behalf; and (ii) In this case of debentures or loans or other than debentures issued to or loans obtained from Government or any institution specified by the Central Government in this behalf, has also been approved by a special resolution passed by the Company in General Meeting before the issue of the debentures or raising of the loans. (iii) Subject to the provisions of the Act, the Company may issue shares with differential voting rights as to dividend, voting or otherwise.
New shares to rank equally with existing shares	13. Except as otherwise provided by the conditions of issue, or by these Articles, any capital raised by the creation of new shares shall be considered part of the original capital and shall be subject to the provisions herein contained with reference to the payment of calls and installment, transfer and transmission, forfeiture, surrender, lien, voting and otherwise.

Reduction of capital	14. The Company may, from time to time and subject to the provisions of Section 78 and Section 100 to 105 (inclusive) of the Act and of these Articles, by Special Resolution, reduce its share capital and any capital and any capital redemption, reserve fund account or share premium account in any manner for the time being authorized by law, and, in particular, the capital may be paid off on the footing that it may be called up again or otherwise, This Article shall not derogate from any power that the Company may otherwise have under the provision of the Act.
Subdivision, consolidation and cancellation of shares	15. The Company in General Meeting may alter the conditions of its Articles for the following purposes: a. To consolidate and divide all or any of its share capital into shares of larger amount than its existing shares; b. To subdivide the existing shares or any of them into shares of smaller amount than is fixed by the Memorandum of Association and these Articles, subject to the provisions of Act, and c. To cancel any shares which at the date of the passing of the resolution have not been taken or agreed to be taken by any person.
Rights on subdivision of preference shares	16. Where any share capital is subdivided, the Company in General Meeting, may subject to the provisions of Section 85, 87 and 106 of the Act, determine that as between the holders of the shares resulting from such subdivision, 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 reduces share from which it was derived.

SHARES CERTIFICATES AND DEMATERIALISATION

Title of Article	Article Number and contents
Return of allotments	18. The Company shall comply with the provision of the Act regarding allotment of its shares.
Board may accept surrender of shares	19. Subject to the provision of Section 100 to 104 of the Act, the Board may accept from any Member on such terms and conditions as may be agreed, as surrender of all or any of the shares held by the Members.
Payment of calls	20. If, by the conditions of allotment of any share, the whole or part of the issue price thereof is payable by installments every such installment shall, when due, be paid to the Company by the person who for the time being is the registered holder of the share or his legal representative.
Company not to purchase its shares	21. Except as permitted by Section 77 of the Act, no funds of the Company shall be employed directly or indirectly for the purchase of any shares of the Company and the Company shall not give any financial assistance for or in connection with the purchase or subscription of any shares in the Company. 22. The Company may, by special resolution, purchase its own securities or other securities, subject to such limits and on such terms and conditions specified under Section 77 A and other applicable provisions of the Act and rules or regulations framed there under.

Trusts not recognized	23. The Company shall be entitled to treat the Member registered in respect of any share as the absolute owner thereof and shall not recognize the holding of any share upon trust or any equitable claim or interest in any such share on the part of any other person except as otherwise provided in these Articles or as required by law or when ordered by court of competent jurisdiction.
Membership of Company	24. An Application for share in the Company, signed by or on behalf of an applicant, followed by an allotment of shares shall constitute an acceptance of shares for purposes of these Articles, and every person who thus or otherwise accepts any shares and whose name appears on the Register of Members shall for the purpose of these Articles be a Member.
Liability of Members	25. Every Member or his heirs, executors or administrators shall pay to the Company the proportion of the capital represented by his share or shares, which may for the time being remain unpaid thereon in such amount, at all such time or times and in such manner as the Board of Directors shall from time to time determine in accordance with these Articles.
Joint Ownership	26. Unless otherwise determined by the Board, not more than two persons shall be registered jointly as Members in respect of any shares.27.The Share Certificate(s) in respect of Shares jointly owned and any dividend, interest or other monies payable in respect of such shares (including all notices in respect thereof) shall be sent to the first holders of the shares.
Sums payable in respect of shares	28. The sum which the Board shall require or direct to be paid by way of call or otherwise, in respect of the allotment of any shares shall immediately on the insertion of the name of the allottee in the Register of Members becomes a debt due to and recoverable by the Company from the allottee thereof, and shall be paid by the allottee accordingly.
Right to Share Certificates	29. Every member shall be entitled, without payment, to one or more certificates in marketable lots, for all the shares of each class or denomination registered in his name, or if the Directors so approve (upon paying such fees as the Board 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 one month 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 certificates of shares shall be under the seal of the Company and shall specify the number and distinctive numbers of shares in respect of which it is issued and amount paid –up thereon and shall be in such from as the Board 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.
Duplicate Share Certificate	30. The Certificates of title to shares and duplicates thereof shall be issued under the Seal of the Company and signed by two Directors or persons acting on behalf of the Directors under a duly registered Power of Attorney, and the Secretary of the Company or such other person appointed by the Board for the purpose, provided that at least one of the aforesaid two Directors shall be a persons other than a managing or whole-time Directors. A Director may sign a share certificate by affixing his signature thereon by any machine, equipment or other mechanical device.

Issue of New Certificate in place of one Defaced, Lost or Destroyed	31. If any certificate be worn out, defaced, mutilated or torn or if there be no further space on the back thereof for endorsement of transfer, then upon production and surrender thereof to the Company, a new certificate may be issued in lieu thereof, and if any certificate lost or destroyed then upon proof thereof to the satisfaction of the Company and on execution of such indemnity as the Company deem adequate, being given, an a new certificate in lieu thereof shall be given to the party entitled to such lost or destroyed certificate. Every certificate under the Articles shall be issued without payment of fees if the Directors so decide, or on payment of such fees (not exceeding Rs. 2/- for each certificate) as the Board 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 Board shall comply with such Rules or Regulation or requirements of any Stock Exchange or the Rules made under the Act or the rules made under Securities Contracts (Regulation) Act, 1956 or any other Act, or rules applicable in this behalf. The provisions of this Article shall mutatis mutandis apply to debentures of the Company.
Dematerialisation of Securities	32. (A) For the Purpose of this Article: "SEBI" means the Securities and Exchange Board of India established under Section 3 of the Securities and Exchange Board of India Act, 1992. Depositories Act: 'Depositories Act' means the Depositories Act, 1996, and any statutory modification or re-enactment thereof for the time being in force. Depository: 'Depository' means a Company formed and registered under the Companies Act, 1956 (1 to 1956) (the Act) and which has been granted a certificate of registration under sub-section (1A) of Section 12 of the Securities and Exchange Board of India Act, 1992 (15 of 1992). Bye-laws: Bye-laws means bye-laws made by a Depository under clause (c) of sub-section (1) of Section 2 of the Depositories Act, 1996. Beneficial Owner: 'Beneficial Owner' means the beneficial owner as defined in clause (a) of sub-section (1) of Section 2 of the Depositories Act, 1996. Member: 'Member' means a person who holds any shares in the Company and includes a duly registered holder from time to time of the shares of the Company and every person holding Equity Share Capital of the Company and a person whose name is entered as a beneficial owner in the records of a Depository shall be deemed to be a member of the Company "Participant" means a person registered as such under Section 12 A of the Securities and Exchange Board of India Act, 1992. Record: 'Record' means and include the records maintained in the form of books or stored in a computer or in such other form as may be determined by the regulations made in this respect. "Regulations" means the regulations made by SEBI.
Security	'Security' means such security as may be defined and specified under Securities Contract Regulation Act. Words imparting the singular number also include the plural number and vice-versa. Word importing persons include corporations. Words and expressions used but not defined in the Act but defined in the Depositories Act shall have the same meaning respectively assigned to them in that Act.

	(B) Either the Company or the investor may exercise an option to issue, deal in, hold the securities (including shares) with a Depository in electronic form and the certificate in respect thereof shall be dematerialized, in which event the rights and obligations of the parties concerned and the matters connected therewith or incidental thereof, shall be governed by the provisions of the Depositories Act, as amended from time to time or any statutory modification thereof or reenactment thereof. (C) Notwithstanding anything contained in these Articles, the Company shall be entitled to dematerialise or rematerialise its shares, debentures and other securities (both existing and future) held by it with the Depository and to offer its shares, debentures and other securities for subscription in a dematerialised form pursuant to the Depositories Act, 1996 and the rules framed there under, if any. (D) Every person subscribing to securities offered by the Company shall have the option to receive the security certificates or to hold the securities with a Depository. If a person opts to hold his security with a Depository, the Company shall intimate such Depository of the details of allotment of the Security and on receipt of the information, the Depository shall enter in its records the name of the allottee as the Beneficial Owner of the security. (E) All securities held by a Depository shall be dematerialised and shall be in a fungible form. Nothing contained in Sections 153, 153A, 153B, 187A, 187B, 187C and 372 of the Act shall apply to a depository in respect of the securities held by it on behalf of the beneficial owner. (F) (i) Notwithstanding anything to the contrary contained in the Depositories Act or these Articles, a Depository shall be deemed to be the registered owner for the purpose of effecting transfer of ownership on behalf of the beneficial owner. (ii) Save as otherwise provided in (i) above, the Depository as a registered owner of the securities shall not have any voting rights or any other right in respect of the securities held by it. (iii) Every person holding securities of the Company and whose name is entered as a beneficial owner in the records of the Depository shall be deemed to be a member of the Company. The beneficial owner of the securities shall be entitled to all the rights and benefits and be subject to all the liabilities in respect of his securities held by a Depository. (G) Except as ordered by any Court of competent jurisdiction or as required by any law, the Company shall be entitled to treat the person whose name appears on the Register of Members as the holder of any share or where the name appears as the Beneficial Owner of the shares in the records of the Depository as the absolute owner thereof and accordingly shall not be bound, to recognized any benami trust or equitable, contingent, future or partial interest in any share, or (except only as is by these Articles otherwise expressly provided) any right in respect of a share other than an absolute right thereof in accordance with these Articles on the part of any other person whether or not it has express or implied notice thereof, but the Board shall be entitled at their sole discretion to register any share in the joint names of any two or more persons or the survivor or survivors of them. (H) Every Depository shall furnish to the Company information about the transfer of securities in the name of the Beneficial Owner at such interval and in such manner as may be specified by the bye-laws and the Company in that behalf. (I) Upon receipt of certificates of securities on surrender by a person who has entered into an agreement with the Depository through a Participant the Company shall cancel such certificates and shall also inform the Depository accordingly.

	(J) If a Beneficial Owner seeks to opt out of a Depository in respect of any security, the Beneficial Owner shall inform the Depository accordingly. The Depository shall on receipt of information as above make appropriate entries in its records and shall inform the Company. The Company shall within thirty (30) days of the receipt of intimation from the Depository and on fulfillment of such conditions and payment of such fees as may be specified by the regulations, issue the certificate of securities to the Beneficial Owner or the transferee, as the case may be. (K) Notwithstanding anything in the Act, or these Articles, to the contrary, where securities are held in a Depository, the records of the beneficial ownership may be served by such Depository on the Company by means of electronic mode or by delivery of floppies or discs. (L) Except as specifically provided in these Articles, the provisions relating to joint holders of shares, calls, lien on shares, forfeiture of shares and transfer and transmission of shares shall be applicable to shares held in Depository so far as they apply to shares in physical form subject to the provisions of the Depository Act. (M) Notwithstanding anything in the Act, or these Articles, where securities are dealt with by a Depository, the Company shall intimate the details thereof to the Depository immediately on allotment of such securities. (N) The shares in the capital shall be numbered progressively according to their several denominations provided, however, that the provisions relating to progressive numbering shall not apply to the shares of the Company which are dematerialized or may be dematerialized in future or issued in future in dematerialized form except in the manner hereinabove mentioned, no share shall be sub-divided. Every forfeited or surrendered share held in material form shall continue to bear the number by which the same was originally distinguished. (O) The Company shall cause to keep a Register and Index of Members and Register and Index of Debenture holders in accordance with Section 151 and 152 of the Act, respectively, and the Depositories Act, with details of shares and debentures held, material and dematerialized forms in any media as may be permitted by law including in any form of electronic media. The Register and Index of Beneficial Owners maintained by a Depository under Section 11 of the Depositories Act shall be deemed to be Register and Index of Members and Register and Index of Debenture holders, as the case may be, for the purpose of the Act. The Company shall have the power to keep in any state or country outside India a branch Register of Members resident in that state or country. (P) The Company shall keep a Register of Transfer and shall have recorded therein fairly and distinctly particulars of every transfer or transmission of any share held in material form.
Issue of new certificates	33. If any certificate of any share or shares be surrendered to the Company for subdivision or consolidation or if any certificate be defaced torn, decrepit or worn out, then upon surrender thereof to the Company, and if any certificate be lost or destroyed, then, upon proof thereof to the satisfaction of the Directors may order such certificate to be cancelled and issue a new certificate in lieu thereof to the registered holder of such shares. For every certificate issued under this Articles, there shall be paid to the Company a fee not exceeding such amount as the Board may prescribe from time to time. The Company may also, on any issue of shares or debentures pay such brokerage as may be lawful.

Certificates regarding jointly owned shares	34. The Company shall not be bound to issue more than one certificate in respect of any share jointly held by several Members and delivery of a share certificate to one of the several joint holders shall be sufficient delivery to all such Members and unless otherwise required, shall be delivered to the Members whose name appears first in the Register.
	CALLS
Title of Article	**Article Number and contents**
Calls	35. The Board may, from time to time, subject to the terms on which any shares may have been issued and subject to the sanction of the members in a general meeting and to the provisions of Section 91 of the Act, make such calls as they thinks fit upon the Members in respect of any money unpaid on the shares held by them. A call may be made payable by installment and may be revoked or postponed as the Board may determine.
Date of call	36. A call shall be deemed to have been made at the time when the resolution of the Board authorizing such call was passes and may be made payable by the Members on a subsequent date to be specified by the Directors.
Notice of call	37. Not less than 30 days' notice shall be given in respect of any call and the notice shall specify the place and the time of payment, the amount called on the shares and the person to which such sum shall be paid.
Extension of time for making the payment of call	38. The Board may, from time to time, at discretion, extend the time fixed for the payment of any call, and may extend such time as to all payments of any call for any of the Member/Debenture holder shall be entitled to such extension save as a matter of grace and favor.
Interest payable on call or installment	39. If any Member/Debenture holder fails to pay any call due from him on the date appointed for payment thereof, or any such extension thereof as aforesaid, he shall be liable to pay interest on the same from the day appointed for the payment thereof to the time of actual payment at such rate as shall, from time to time be fixed by the Board. 40. The Board shall be at liberty to waive payment of any such interest wholly or in part.
Suit for recovery of calls	41. On the trial or hearing of any action or suit brought by the Company against any member or their representative to recover any money due to the Company in respect of their share, it shall be sufficient to show: a. That the name of the defendant is, or was, when the claim arose, in the Register as a holder or one of the several holders of the shares in respect of which such claim is made, b. That the amount claimed is not entered as paid in the books of the Company, that the resolution making the call is duly recorded in the minute Book, and it shall not be necessary to prove the appointment of the Board who made such call, nor that a quorum was present at the Board Meeting at which any call was made, that the meeting at which any call made was duly convened or constituted, nor any other matter whatsoever, but the proof of matters aforesaid shall be conclusive evidence of the debt.

Payment in Anticipation of call may carry interest	42. The Board may, if they think fit, subject to the provisions of section 92 of the Act, agree to and receive from any member willing to advance the same whole or any part of the moneys due upon the shares held by him beyond the sums actually called for, and upon the amount so paid or satisfied in advance, or so much thereof as from time to time exceeds the amount of the calls then made upon the shares in respect of which such advance has been made, the Company may pay interest at such rate, as the member paying such sum in advance of calls shall not confer a right to participate in profits or dividend. The Board may at any time repay the amount so advanced. The members shall not be entitled to any voting rights in respect of the moneys so paid by him until the same would but for such payment, become presently payable. The provisions of these Articles shall mutatis mutandis apply to the calls on debentures of the Company.
Liability of joint holder	43. The Joint holder of a share shall severally, as well as jointly, be liable for the payment of all installments and calls due in respect thereof.
Sums deemed to be calls	44. Any sum which, by the terms of issue of shares becomes payable on allotment or at fixed date whether on account of the nominal value of the shares or by way of premium, shall for the purpose of these Articles be deemed to be a call duly made and payable on or before the day fixed for the payment of the same. In case of non-payment of any such sum all the relevant provisions of these Articles shall apply as to payment of interest, expenses, forfeiture, or otherwise as if such sum had become payable by virtue of a call duly made and notified.

TRANSFER AND TRANSMISSION OF SHARES

Title of Article	**Article Number and contents**
Board may refuse to register transfers	58. Subject to the provision of Section 111 of the Act and Section 22 A of the Securities Contract (Regulation) Act, 1956, and the Listing Agreement the Directors may, at their own absolute and uncontrolled discretion and by giving reasons, decline to register or acknowledge any transfer of shares whether fully paid or not and the right of refusal, shall not be affected by the circumstances that the proposed transferee is already a member of the Company but in such cases, the 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 other person or persons indebted to the lien on the shares. Transfer of shares/ debentures in whatever lot shall not be refused.
Transfer Register	59. The Company shall keep a "Register of Transfers" and therein shall be fairly and distinctly entered particulars of every transfer or transmission of any share.
Form of Transfer etc	60. The instrument of transfer of any share shall be in writing in the prescribed form and all the provisions of Section 108 of the Act shall be duly complied, with in respect of all transfer of shares and registration thereof.

	61. No fee shall be charged for registration of the transfer or transmission, probate, succession certificate and Letter of administration, certificate of Death or Marriage, Power of Attorney or similar other document.
	62. Every instrument of transfer shall be executed both by the transferor and the transferee and attested and the transferor shall be deemed to remain the holder of such share until the name of the transferee shall have been entered in the Register of Members in respect thereof.
	63. Every instrument of transfer shall be presented to the Company duly stamped for registration accompanied by the certificate or certificates of the share or shares proposed to be transferred or such evidence as the Board may required to prove the title of the transferor. The transferor's right to transfer the shares, and generally under and subject to such conditions and regulations as the Board may from time to time prescribe and every registered instrument of transfer shall remain in the custody of the Company until destroyed by order of the Board.
	64. No share shall under any circumstances be transferred to a minor, insolvent or person of unsound mind.
	65. Where in the case of partly paid share, an application for registration of transfer of shares is made by the transferor, the Company shall give notice of the application to the transferee in accordance with the provisions of Section 110 of the Act.
Death of joint holder of share	66. In case of the death of any one or more of the persons named in the Register of Members as the joint holder of any share, the first holder or survivor shall be the only person recognized by the Company as having any title to or interest in such share, but nothing herein contained shall be taken to release the estate of a deceased joint holder held by such joint holder jointly with any other person.
Title to share of deceased Member	67. The executors or administrators or holders of a Succession Certificate or the legal representative in respect of the shares of a deceased Member not being one of two or more joint holder shall be the only person recognized by the Company as having any title to the shares registered in the name of such Member, and the Company shall not be bound to recognize such executors, or administrators or legal representative shall have first obtained Probate or Letters of Administration or Succession Certificate, as the case may be, from a duly constituted Court in the Union of India; provided that in any case where the Board in its absolute discretion thinks fit, the Board may dispense with production of probate or Letter of Administration or Succession Certificate, upon such terms as to indemnify or otherwise as the Board in its absolute discretion may think necessary and register any person who claims to be absolutely entitled to the shares standing in the name of a deceased Member, as a Member.
Transmission of Shares	68. Any person becoming entitled to shares inconsequence of the death, lunacy, bankruptcy, insolvency, dissolution, winding up or liquidation of any Member or by any lawful means other than by a transfer in accordance with these Articles shall be required to transfer his shares in accordance with the provisions of these Articles.

Right to receive dividends	69. Subject to the right of the Board to retain such dividends or money as hereinafter provided, a person entitled to a share by transmission shall be entitled to receive, and may give a discharge for any dividends or other monies payable in respect of the share.
Notice prohibiting registration of as transfer	70. The Company shall incur no liability or responsibility whatsoever in consequence of its registering or giving effect to any transfer of shares, made or purporting to be made by any apparent legal owner thereof (as shown or appearing in the Register of Members) to the prejudice of persons having or claiming any equitable right, title or interest to or in the same shares, notwithstanding that the Company may have had notice of such equitable right, title or interest or notice prohibiting registration of such transfer, and the Company shall not be bound or required to give effect to any notice which may be given to it of any equitable right, title or interest, or be under any liability whatsoever for refusing neglecting to do so although it may have been entered to in any book of the Company.

BORROWING POWERS

Title of Article	**Article Number and contents**
Power to borrow	71. Subject to the provisions of Section 292 and 293 of the Act and these Articles, the Board may, from time to time, at their discretion, by a resolution passed at a meeting of the Board, accept deposits from Members, either in advance of calls or otherwise, and generally raise or borrow or secure the payment of monies for the purposes of the company, not exceeding the aggregate of the paid-up-capital of the Company and its free reserves set apart for any specific purpose, provided however, where the monies to be borrowed together with the monies already borrowed (apart from temporary loans obtained from the Company's lender in the ordinary course of business) exceed the aforesaid aggregate, the Board shall not borrow such monies without the consent of the Company by Ordinary Resolution in General Meeting. The payment or repayment of any monies borrowed may be secured in such manner and upon such terms and conditions in all respects as the Board may think fit and, in particular, by the issue of bonds or debentures of the Company, or any mortgage, charge, or other security on all or any part of the undertaking or property of the Company (both present and future).
Conditions for borrowing	72. The Board may, by a resolution passes at the meeting of the Board, raise or secure the payment or repayment of any monies borrowed in such manner and upon such terms and conditions in all respects as they think fit and, in particular, by the issue of bonds, or debentures of the company or any mortgage, charge or other security on all or any part of the undertaking or properly of the Company (both present and future) including its uncalled capital for the time being.
Issue of debentures at discount etc.	73. Any debenture, debenture-stock or other securities may be issued at a discount, premium or otherwise and may be issued on condition that they shall be convertible into shares of any denomination and with any privileges and conditions as to redemption, surrender, drawing, allotment of shares, attending (but not voting) at the General Meeting, and otherwise debentures with right to conversion into or allotment of shares shall be issued only with the consent of the company in the General Meeting by a special resolution.

MEETING OF MEMBERS

Title of Article	Article Number and contents
Annual General Meetings	74. The Company shall, in addition to any other meetings in each year, hold a General Meeting as its Annual General Meeting in accordance with the provisions of Section 166 of the Act, at such time and place as may be determined by the Board, and shall specify the meeting as such in the notice concerning the same. All General Meeting other than the Annual General Meetings shall be called Extraordinary General Meeting.
Extraordinary General Meetings	75. The Board may, whenever they think fit, call an Extraordinary General Meeting at such time and at such place as they may determine.
Calling of Extraordinary General Meeting	76. The Board shall, on the requisition of such number of Members as is specified in sub-section (4) of Section 169 of the Act, forthwith proceed to call an Extraordinary General Meeting of the Company, and the provisions of Section 169 of the Act shall apply to any such requisition or to any meeting called pursuant thereto.
Notice of General Meetings	77. A General Meeting of the Company may be convened by giving not less than 21 days notice in writing. A General Meeting may be convened by giving shorter notice with the consent in writing of each Shareholder or as permitted by the Act. 78. 1. Notice of every General Meeting shall be given, in the case of any Member incorporated outside India, by registered post, courier delivery and fax transmission to the address and facsimile number last provided to the Company for such purpose. The notice shall be exclusive of the day on which it is given and the day on which the meeting as aforesaid is held. The provisions of section 53(2) of the Act shall not apply to a Member incorporated outside India. Notices to other Members and to the Auditors for time being of the Company shall be given by post or personal delivery. 2. Notice may be given to members by advertisement in a newspaper in accordance with the provisions of the Act. If notice is given to the members by advertisement in a newspaper, it will be advertised in at least one leading Mumbai daily newspaper.
Contents of notice	79. Every notice of a General Meeting shall specify the place, date and time of the meeting and the proposed form of the resolutions to be passed. Where any business to be transacted at the meeting consists of “special business” as defined hereunder, there shall be annexed to the notice of the meeting an explanatory statement setting out all material facts concerning such items of business as provided in section 173(2) and (3) of the Act.
Special business	80. All business to be transacted at an Annual General Meeting shall be deemed to be special with the exception of business: a. Relating to the consideration of Accounts, Balance Sheet and Profit and Loss Statement, and the Reports of the Board and the Auditors. b. declaration of dividend c. appointment of Directors in place of those retiring d. appointment and fixation of remuneration of Directors In the case of any other meeting, all business shall be deemed special and there shall be annexed to the notice of the Meeting a statement setting out all material facts concerning each such item of special business, including, in particular, the nature of the concern or interest, if any, therein of every Director and the Manager, if any.

Quorum	81. Five members personally present shall be the quorum for a meeting of the company 82. A body corporate, being a Member, shall be deemed to be personally present it represented in accordance with Section 187 of the Act.
Resolutions at Meeting	83. All resolutions of Members shall, except as otherwise required by the Act or these Articles and without prejudice to any legal requirement for Board approval of any resolutions to be put to Members, be passed by a simple majority of the votes cast.
Chairman	84. The Chairman of the Board shall be entitled to take the chair at every General Meeting, or if there be no such Chairman, or if at any meeting the chairman of the Board is not present within 15 minutes after the time appointed for holding such meeting, or is unwilling to take the chair, the Directors present may choose one of their number to be the Chairman and if no Director be present, or if all the Directors present decline to take the chair, then the Members present shall choose one of their number to be the Chairman. No business shall be discussed at any General Meeting except the election of a Chairman while the Chair is vacant.
Meeting to be adjourned	85. If within half an hour from the time appointed for the meeting a quorum is not present, the meeting, if convened upon the requisition of Members, shall stand dissolved but, in any other case, it shall stand adjourned to the same day in the next week, at the same time and place or to such other day, time and place as the Board may determine, and if at such adjourned meeting, a quorum is not present within half an hour from the time appointed for holding the meeting, those Members who are personally present shall constitute a quorum and may transact the business for which the meeting was called.
Votes by show of hands	86. Every question submitted to a General Meeting shall be decided in the first instance by a show of hands. Members present personally or representative of a Member company or a body corporate appointed under the provisions of these Articles shall alone be entitled to vote on a show of hands.
Chairman's declaration to be conclusive	87. A declaration by the Chairman that on a show of hands a resolution has or has not been, passed either unanimously or by a particular majority, and an entry made to that effect in the Minutes Book of the Company, shall be conclusive evidence of the fact, without proof of the number or proportion of the votes cast in favour of or against such resolution.
Demand for Poll	88. Before or on the declaration of the result of the voting on any resolution on a show of hands, a poll may be ordered to be taken by the Chairman of the meeting of the Chairman's own motion, and shall be ordered to be taken by the Chairman on a demand made in that behalf: a. By any Member or Members present in person or by proxy and having not less than one-tenth of the total voting power in respect of the resolution, or b. By any Member or Members present in person or by proxy and holding shares in the Company conferring a right to vote on a resolution, being shares on which an aggregate sum of Rs. 50,000 or more has been paid up.

Taking of Poll	89. If a poll is demanded on a question of adjournment or election of a Chairman, the poll shall be taken forthwith. A poll demanded on any other question shall be taken at such time, not being later than 48 hours from the time when the demand was made, and in such manner and at such place as the Chairman of the meeting may direct. 90. The demanded for a poll shall not prevent the continuance of a meeting or the transaction of any business other than the question on which a poll has been demanded. 91. Where a poll is to be taken, the Chairman of the meeting shall appoint two scrutineers to scrutinize the vote given on the poll and to report thereon to the Chairman of the meeting, at least one of whom shall be a Member (not being an officer or an employee of the Company) present at the meeting, provided that such Member is willing to scrutinize the votes.
Right of member to use votes differently	92. On a poll taken at a meeting of the company, a Member entitled to more than one vote or that Member's proxy or other person entitled to vote for him as the case may be, need not, if such Member vote, use or cast all his votes in the same way.
Power to adjourn General Meeting	93. The Chairman, with the consent of the Members at any General Meeting, may adjourn the same, from time to time and from place to place in the city in which the Office of the Company is situated. No business shall be transacted at any adjourned meeting other than the business left unfinished at the meeting from which the adjournment took place. Except as aforesaid, it shall not be necessary to give notice of an adjournment or of the business to be transacted at an adjourned meeting.
Notice of Adjourned Meeting	94. If a General Meeting is adjourned for 30 days or more, notice of the adjourned meeting shall be given as in case of an original meeting.
Passing of Resolutions	95. Any act or resolution, which under these Articles or the Act is permitted or required to be done or passed by the Company in General Meeting, shall be sufficiently done or passed if effected by an Ordinary Resolution as defined in Section 189(1) of the Act unless either the Act or the Articles specifically require such act or resolution to be done or passed by Special Resolution as defined in Section 189(2) of the Act.
Resolutions passed at adjourned meetings.	96. Where a resolution is passed at an adjourned meeting of the Company or by the holders of any class of shares in the Company, the resolution shall, for all purposes, be treated as having been passed on the date on which it was in fact passed and shall not be deemed to have been passed on any earlier date.
Minutes of General Meeting and inspection of Minute Book	97. The Company shall cause minutes of proceeding of General Meeting to be entered in a Minute Book, and the minutes shall contain and include the matters specified in Section 193 of the Act. No report of the proceeding of any General Meeting of the Company shall be circulated or advertised at the expense of the Company unless it contains the matters required by Section 193 of the Act. The Minutes Book shall be kept at the Office and shall be open to inspection of any Member without charge as provided in Section 196 of the Act and the Members shall be furnished with a copy of any Minutes in accordance with the provisions of that Section.

DIRECTORS

Title of Article	Article Number and contents
Number of Directors	113. Subject to the provisions of Section 252 of the Act, the Company shall have at least three Directors subject to a maximum of twelve directors. The composition of the Board of Directors shall also be in accordance with the provisions of the Listing Agreement.
Election of Directors	114. Not less than two-thirds of the total number of Directors shall be elected by the Company in General Meeting and shall, save provided in the Act, be liable to retire by rotation. A retiring Director may be re-appointed.
Casual Vacancies	115. The Board of Directors shall have the power to fill in a casual vacancy in the office of any Director. The Director to be appointed in the casual vacancy shall hold office till the date the original Director in whose place he has been appointed would have held office.
Share qualification	116. A Director shall not be required to hold any shares in the capital of the Company to qualify for office.
Director's fees, etc.	117. Subject to the provisions of the Act, each Director other than a whole-time Director shall be entitled to receive out of the funds of the Company for their services, fees as may be determined by the Board, for each meeting of the Board or committee thereof attended by a Director. In addition, the Board may allow to be paid to any Director who is not a resident of the place where the office of the Company is situated or where the meeting of the Board is ordinarily held and shall come to such place for the purpose of attending a meeting of the Board, such sum as the Board may consider reasonable for travelling, boarding and other expenses.
Directors may act notwithstanding vacancy	118. The continuing Directors may at notwithstanding any vacancy in their body, but if the number of Directors falls below the quorum fixed by these Articles, the continuing Directors, may act only for the purpose of increasing the number of Directors to that fixed for the quorum or for summoning a General Meeting of the Company, but for no other purpose.
Place of Profit under the Company	119. No Director or other person referred to in Section 314 of the Act shall hold an office or place of profit under the Company except as permitted by that Section.
Disclosure of Director's interest	120. Every Director, who is in any way, whether directly or indirectly, concerned or interested (whether personally or where the Shareholder nominating such director is an interested party) in a contract or arrangement entered into, by or on behalf of the Company, shall disclose the name of their concern or interest at a meeting of the Board as required by Section 299 of the Act.
Director may become director of other companies	121 .A Director may become a director of any company promoted by this Company, or in which this Company may be interested as a promoter, shareholder or otherwise; and subject to the provisions of Section 314 of the Act, no such Director shall be accountable for any benefits received as a director or shareholder of such Company.

Interested Director not to vote	122. No Director shall, as a Director, take part in the discussion of, vote of participate on any contract or arrangement in which such Director is in any way, whether directly or indirectly, concerned or interested (whether personally or by the Shareholder nominating such Director being an interested party), nor shall that Director's presence count for the purpose of constituting a quorum except as otherwise provided in Section 300 of the Act.
Vacation of Office	123. The office of a Director shall become vacant if : a. that Director is found to be of unsound mind by a court of competent jurisdiction; b. that Director applies to be adjudicated as insolvent; c. that Director is adjudged an insolvent; d. that Director is convicted by a court of any offence involving moral turpitude and sentenced in respect thereof to imprisonment for not less than six months; e. that Director fails to pay any call in respect of shares of the Company held by that Director, whether alone or jointly with others, within six months from the last date fixed for payment of the call unless the Central Government has, by notification in the Official Gazette, removed the disqualification incurred by such failure; f. that Director is absent from three consecutive meetings of the Board of Directors, or from all meetings of the Board for a continuous period of three months, whichever is longer, without obtaining leave of absence from the Board; g. that Director acts in contravention of Section 295 or Section 299;. h. that Director become disqualified by an order of court under Section 203; i. that Director is removed in pursuance of Article 120 of these Articles; or j. having been appointed as a Director by virtue of holding any office or other employment in the Company, that Director ceases to hold such office or other employment in the Company.
Appointment of Alternate Director	124. The Board of the Company may appoint an Alternate Director to act a Director in place of a Director (hereinafter called "the Original Director") during the Original Director's absence for a period of not less than three months from the State in which the meetings of the Board are ordinarily held. Such appointee, while holding office of an Alternate Director, shall be entitled to notice of meetings of the Board and to attend and vote thereat. An Alternate Director shall not hold office as such for a period longer than that permissible to the Original Director in whose place such Alternate Director has been appointed and shall automatically vacate office if and when the Original Director returns to the said State, in which the meetings of the Board are ordinarily held. If the term of office of the Original Director expires before the Original Director returns to the said State, any provision in these Articles or the Act for the automatic reappointment of a retiring Director shall apply to the original Director and not to the Alternate Director.
Appointment of Additional Directors	125. Subject to the provisions of the Act and these Articles, the Board shall have the power, from time to time, to appoint an individual as an Additional Director, but so that the total number of Directors shall not, at any time exceed the maximum strength, if any, fixed for the Board by the Articles, such Additional Director shall hold office up to the date of next Annual General Meeting of the Company, but shall be eligible for election at that meeting as a Director.

Removal of Directors	126. The Company may, subject to the provisions of Section 284 of the Act, remove any Director before the expiration of his term of office. The general meeting, at which any such Director is removed, may appoint a person in his stead for the remainder of the term of the Director who has been so removed.
Notice of candidature of Director	127. (a) An individual shall not be eligible for election as a Director unless that individual or some other Member intending to propose that individual give notice in writing to the Company in accordance with the provisions of the Act. (b) The Company shall inform its Members of the candidature of a person for the office of a Director or the intention of a Member to propose such person as a candidate for that office, by serving individual notices on the Members not less than seven days before the Meeting. Provided that it shall not be necessary for the Company to serve individual notices upon the Members as aforesaid, if the Company advertises such candidature or intention, not less than seven days before the Meeting, in at least two newspapers circulating in the place where the Office of the Company is located, of which one is published in the English language and the other in the regional language of that place. (c) Every person (other than a Director retiring by rotation or otherwise or a person who has left at the office of the Company, a notice under section 257 of the Act signifying his candidature for the office of Directors) proposes as a candidate for the office of a Director shall sign and file with the Company his consent in writing to act as a Director, if appointed.
Meetings of Directors	128. The Board shall meet at least once in every three months, and at least four such meetings shall be held in every year. The Board shall further hold meetings as often as may be necessary for the due dispatch of its business and upon the written request of any one Director. The Directors may meet at any place for the dispatch of the business of the Board, adjourn and otherwise regulate their meetings as they deem fit. 129. Not less than seven days' written notice of every meeting of the Board shall be given to every Director of the Company, including alternate Directors, if any. The notice of meeting shall be accompanied by an agenda, giving sufficient details of the matters to be considered at the meeting.
Quorum	130. Subject to Section 287 of the Act, the quorum for a meeting of the Board shall be one-third of its total strength (any fraction contained in that one-third being round off as one), or two directors, whichever is higher. 131. If a meeting of the Board could not be held for want of quorum, then the meeting shall automatically stand adjourned till the same day in the next week, at the same time and place or if that day is public holiday, till the next succeeding day which is not a holiday, at the same time and place.
Chairman	132. The Board of Directors shall elect one of its members as the Chairman of the Board Meeting. The Chairman shall preside at all meetings of the Board of Directors and (Subject to Article 78) all members meeting.

Board may appoint Committees	133. Subject to the restrictions contained in the Act, the Board may delegate any of its powers to Committees or Sub-Committee of the Board consisting of such members of its body as it think fit, and it may, from time to time, revoke and discharge any such Committees or Sub-Committee of the Board, either wholly or in part, and either as to persons or purposes, provided that every Committee or Sub-Committee of the Board so formed shall in the exercise of the powers so delegated conform to any regulations that may, from time to time, be imposed on it by the Board. All acts done by every such Committee of the Board in conformity with such regulations and in fulfillment of the purpose of their appointment but not otherwise shall have the like force and effect as if done by the Board. The Board may subject to the provisions of the Act from time to time fix their remuneration to be paid to any member or members of their body constituting a Committee appointed by the Board in terms of these Articles and may pay the same.
Meetings of Committees	134. The meetings and proceeding of any such Committee or Sub- Committee of the Board shall be governed by the provisions herein contained for regulation the meeting and proceedings of the Directors as far as the same are applicable thereto and any additional regulations made by the Directors which are not inconsistent with these Articles.
Board's power at meeting	135. A meeting of the Directors at which a quorum is present shall be competent to exercise all or any of the authorities, powers and discretion which by or under the Act or the Articles are, for the time being, vested in or exercisable by the Board.
Decisions at Board Meetings	136. Each member of the Board of Directors shall be entitled to cast one vote with respect to any matter to be decided by the Board of Directors. A resolution of the Board of Directors shall be adopted by the affirmative vote of the majority of the Directors present at a meeting at which a quorum of the Board of Directors is present. In case of an equality of votes, the Chairman shall have a second or casting vote.
Resolution by circulation	137. Subject to the applicable provision of the Act, a resolution passed by circulation shall have the same effect as if approved at a meeting of the Board. No resolution shall be deemed to have been duly passed by the Board by circulation unless the resolution has been circulated in draft, together with the necessary papers, if any, to all the directors and / or alternate Directors and has been approved by a majority of the Directors who are entitled to vote on the resolution. Every such circular resolution so passed shall be noted at the immediately succeeding Board meeting.
Acts of Directors valid notwithstanding defective appointment	138. All acts done by any meeting of the Board or by a Committee or Sub-Committee of the Board or by any person acting as director shall, notwithstanding that it shall afterwards be discovered that there was some defect in the appointment of such Directors or Committee or person acting as aforesaid or that they or any of them were disqualified or had vacated office or that the appointment of any of them was terminated by virtue of any provision contained in the Act or in these Articles be as valid as if every such person had been duly appointed and was qualified to be a Director and had not vacated office or their appointment had not been terminated. Provided that nothing contained in this Article shall be deemed to give validity to acts done by a Director after his appointment has been shown to the Company to be invalid or to have terminated.

Minutes of Director meeting	139. The Board shall cause minutes to be kept of every meeting of the Board or Committee of the Board in accordance with Section 193 of the Act. The minutes shall contain: (a) The names of the Director present at such meeting of the Board and of any Committee (b) Particulars of all resolution and proceedings of meeting of the Board and Committee of the Board, and (c) The name of Directors, if any, dissenting from or not concurring in any resolution passed at a meeting of the Board or Committee of the Board. 140. Minutes of any meeting of the Board or Committee thereof, when kept in accordance with the provisions of Section193 of the Act, shall be evidence of the proceedings recorded in such minutes.
General power vested in Board	141. The control of the Company shall be vested in the Board, which shall be entitled to exercise all such acts and things as the Company is authorized to exercise and do and which are not exercisable by the Company in General Meeting under the Act or under the Memorandum of Association or under these Articles. The Board shall, however, exercise its power subject to the provisions of the Act, the Memorandum of Association of the Company and these Articles and any regulations made by the Company in General Meeting and which are not inconsistent with these Articles. No regulation made by the Company in General Meeting shall invalidate any prior act of the Board which would have been valid if that regulation had not been made.
Cheques, promissory notes etc	142. All cheques, promissory notes, drafts, hundies, bills of exchange and other negotiable instrument and all receipt for monies paid to the Company shall be signed, drawn, accepted, endorsed or otherwise executed, as the case may be, by such person and in such manner as the Board shall, from time to time determine.
Restriction on Power of the Board	143. The Board shall not enter into any transaction or take any action or do any other things as referred to in section 293 of the Act, except with the sanction of a resolution of the Company in General Meeting.

DOCUMENTS AND NOTICES

Title of Article	Article Number and contents
Notice	183. Subject to Article 73 a notice or other documents may be given by the Company to any Member by personal delivery or by sending it by registered post or by courier delivery or by facsimile transmission to the address and facsimile number last provided by such Member to the Company. 184. Any notice, demand or communication shall be deemed to have been duly served: a. If delivered personally or by courier, on the day of delivery; b. If sent by facsimile, on the day on which the sender receives facsimile confirmation from the recipient that it has received the sender's facsimile transmission (and, in this regard, the recipient shall be obliged to send such facsimile confirmation forthwith upon receipt of the sender's facsimile transmission); and c. If sent by registered letter, seven Business Days after posting, and in proving the same it shall be sufficient to show that the envelope containing the notice, demand or communication was correctly addressed, fully stamped and posted; and, where any notice, demand or communication is given by more than one mode, the earliest date on which it is deemed to have been duly served shall be the applicable date of service. 185. Any documents or notice to be served or given by the Company may be signed by the Secretary or a Director or some person duly authorized by the Board 186. Notice to the Company shall be sent to the Registered Office.
Notice by Advertisement	187. A notice or other document advertised in a newspaper circulating in the neighbourhood of the Office shall be deemed to be duly served on the day on which the advertisement appears, on every Member resident in India who has no registered address in India and who has not supplied to the Company an address for the sending of notices to him. Any Member resident in India who has no registered address in India shall, If so required to do by the Company, supply the Company with an address in India for the sending of notices.
Notice to Joint holders	188. A notice may be given by the company to the joint holder of a share by giving the notice to the joint holder whose name first appears in the Register in respect of shares.
Notices to persons acquiring shares on death of Member	189. A notice may be given by the Company to the persons entitled to a share in consequence of the death of Member by sending it through the mail, postage prepaid, addressed to them by name, or by the title of the representative of the deceased to the address, if any in India, supplied for the purpose by the persons claiming to be so entitled, or by giving notice in any manner in which the same might have been given if the death had not occurred.

Registers to be maintained by the Company	190. The Company shall maintain the following Register: a. A Register of Charges pursuant to Section 143 of the Act; b. A Register of Members pursuant to Section 150 and, whenever the Company has more than fifty Members, an index of Members pursuant to Section 151 of the Act; c. A Register of Debenture Holder pursuant to Section 152 and, whenever the Company has more than fifty debenture holders, an index of debenture holders pursuant to Section 152(2) of the Act; d. A Register of Contract and Agreements pursuant to Section 301 of the Act; e. A Register of Board Shareholdings pursuant to Section 307 of the Act; f. A Register of Investments not held by the Company in its own name pursuant to Section 49(7) of the Act; g. A Register of Renewed and Duplicate Certificates pursuant to Rule 7(2) of the Companies (Issue of Share Certificates) Rules, 1960; h. A Register of Loans and Investments; i. A Register of Managing Directors, Managers and Directors pursuant to Section 303 of the Act; and j. A Register of Deposits under Section 58A of the Act.
Inspection of Registers etc.	191. Where under the Act any person, whether a Member of the Company or not, is entitled to inspect any Register, return, Certificate, deed, instrument or document kept or maintained by the company, the person so entitled shall have the right to inspect the same during such business hours as may, subject to the provisions of the Act in that behalf, be determined by the Board or the Company in General Meeting, and the Company shall comply with the provisions of the Act regarding the supply copies of any such Register, return, Certificate, deed, instrument or other document.
Foreign register of Members or Debenture Holders	192. Subject to 157 and Section 158 of the Act, the Company may keep in any State or country outside India a branch register of members or debenture holders resident in that State or country.
Company to furnish copies of documents	193. The Company shall send to every Member at his request and on payment of the prescribed amount, copies of the Memorandum of Association of the Company and other documents referred to in section 39 of the Act within seven days of such request.
Authentication of documents	194. Except as otherwise expressly provided in the Act or these Articles, documents or proceedings requiring authentication by the Company may be signed by a Director, the Manager, the Secretary or other authorized officer of the Company and need not be under its Common Seal.

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 our Company or entered into more than two years before the date of the Red Herring Prospectus) which are or may be deemed material have been entered or to be entered into by our Company. These Contracts, copies of which have been attached to the copy of the Red Herring Prospectus, delivered to the RoC, Maharashtra at Mumbai for registration and also the documents for inspection referred to hereunder, may be inspected at the corporate office of our Company situated at Diamond Square, 5th Floor, CST Road, Kalina, Santacruz (East), Mumbai – 400 098 from 10.00 am to 4.00 pm on working days from the date of the Red Herring Prospectus until the Bid/Issue Closing Date.

Material Contracts

1. Letter of engagement dated November 30, 2005 to Enam Financial Consultants Private Limited, IL&FS Investsmart Limited and Inga Advisors Private Limited from our Company appointing them as the BRLMs.
2. MoU dated March 16, 2006 amongst our Company and BRLMs.
3. Letter of appointment dated December 13, 2005 from our Company for appointment of the Registrar to the Issue.
4. MoU dated December 12, 2005, between our Company and the Registrar to the Issue.
5. Escrow Agreement dated [●] between our Company, the BRLMs, the Escrow Banks, and the Registrar to the Issue.
6. Syndicate Agreement dated [●], 2006 between our Company, the BRLMs and the other members of the Syndicate.
7. Underwriting Agreement dated [●], 2006 between our Company, the BRLMs and other Syndicate Members.
8. Engagement Letter dated October 24, 2005 of M/s. Crawford Bayley & Co. as the Legal Advisors to the Issue.

Material Documents

1. Our MoA and AoA as amended from time to time.
2. Shareholders' resolution dated January 28, 2006 in relation to this Issue and other related matters.
3. Shareholders' Agreement dated December 26, 2005 with New Vernon Private Equity Limited and our Promoter.
4. Agreement dated January 10, 2006 relating to the sale and purchase of shares in Ecu Hold N.V.
5. Letter of Intent, dated January 10, 2006 and the Memorandum of Understanding dated April 15, 2006 between (i) Mr. Raymond Van Achteren, (ii) Conray NV, (a company under the laws of Belgium) (iii) Mr. Marc Van Looveren, (iv) Commercial Circle NV (a company under the laws of Belgium), (v) Mr. Kris De Witte [(i) to (v) are collectively hereinafter referred to as "Sellers"] and RMK NV (a company under the laws of Belgium) (RMK).
6. Agreement dated March 27, 2003 with Transworld Holding and others relating to acquisition by our Company of 45% of the shares of Transworld Logistics and Shipping Services, Inc.
7. Land documents dated November 2005 for acquiring land for setting up a CFS at Chennai.
8. Agreement dated October 31, 2005 with Transindia Freight Services Private Ltd. for transferring our assets and liabilities relating to our transport division in favour of the latter.
9. Agreement dated October 31, 2005 with Meridien Tradeplace Private Ltd. for transferring our assets and liabilities relating to our transport division in favour of the latter.
10. Agency agreement dated April 1, 2004 with Transindia Freight Services Private Ltd. for permitting our Company to use their MTO licence.
11. Declaration of Trust dated December 27, 2005.
12. Feasibility reports dated November 2005 for setting up of our proposed CFS at Chennai, feasibility report dated March 2006 for setting up of our proposed ICD at NCR prepared by M/s. Rakesh Garg & Associates, Chartered

Accountants and a feasibility report prepared by our Company dated March 2006 for setting up of our proposed CFS at Mundra.

13. Agreement relating to easement rights at Mundra executed between our Company and Gujarat Adani Port Ltd. dated January 2, 2006.

14. Resolutions of the IPO Committee dated March 18, 2006.

15. Copies of annual report of our Company for the years ended March 31, 2005, March 31, 2004, March 31, 2003, March 31, 2002, and March 31, 2001 and for the nine months ended December 31, 2005.

16. Report of the Statutory Auditors, M/s. Appan & Lokhandwala Associates dated March 14, 2006 for restated financial statements for the nine months ended December 31, 2005, years ended March 31, 2005, March 31, 2004, March 31, 2003, March 31, 2002, March 31, 2001 prepared as per Indian GAAP and mentioned in the Red Herring Prospectus.

17. Consent of the Statutory Auditors, M/s. Appan & Lokhandwala Associates for inclusion of their report on accounts in the form and context in which they appear in the Red Herring Prospectus.

18. Consents of Statutory Auditors, Bankers to the Company, BRLMs, Syndicate Members, Registrar to the Issue, Escrow Collection Bank(s), Banker(s) to the Issue, Legal Counsel to our Company and Underwriters, Directors of our Company, Company Secretary and Compliance Officer, as referred to, in their respective capacities.

19. Initial listing applications dated April 4, 2006 and April 6, 2006 filed with BSE and NSE respectively.

20. In-principal listing approval dated April 13, 2006 and April 18, 2006 from BSE and NSE respectively.

21. Tripartite Agreement between NSDL, our Company and the Registrar to the Issue dated March 1, 2006.

22. Tripartite Agreement between CDSL, our Company and the Registrar to the Issue dated April 28, 2006.

23. Due diligence certificate dated March 21, 2006 to SEBI from Enam Financial Consultants Private Limited and Inga Advisors Private Limited.

24. Letter from Registrar to the Issue quoting terms of appointment dated January 19, 2006.

25. SEBI observation letter No. CFD/DIL/IPO/PB/MKS/66116/2006 dated May 3, 2006.

26. Resolution passed at our Board meeting held on April 20, 2005 for appointment of Mr. Shashi Kiran Shetty as Managing Director of our Company and agreement dated December 24, 2005 specifying the terms of his appointment.

27. No objection certificates, in connection with the Issue, issued by our lenders / banks.

28. The Shloka Shetty Trust Deed dated March 1, 2006.

29. Letter dated July 8, 2004 from Mr. Shashi Kiran Shetty to our Company in relation to the land at Koproli, Uran for our CFS activities.

30. Ecu Hold Group Valuation report dated June 11, 2005 prepared by Allianz Securities Limited.

31. Lease Deed dated April 1, 2006 entered into between our Company and Mr. Shashi Kiran Shetty and Mrs. Arathi Shetty in relation to the land at Koproli, Uran for our CFS activities.

32. Leave and Licence Agreement dated April 1, 2006 entered into between our Company and Mr. Shashi Kiran Shetty and Mrs. Arathi Shetty in relation to the land at Koproli, Uran for our CFS activities.

Any of the contracts or documents mentioned in the Red Herring Prospectus may be amended or modified at any time if so required in the interest of our Company or if required by the other parties, without reference to the shareholders subject to compliance of the provisions contained in the Act and other relevant statutes.

DECLARATION

We the directors of our Company hereby declare that all the relevant provisions of the Companies Act, 1956, and the guidelines issued by the Government of India or the guidelines issued by Securities and Exchange Board of India, as the case may be, have been complied with and no statement made in the Red Herring Prospectus is contrary to the provisions of the Companies Act, 1956, the Securities and Exchange Board of India Act, 1992 or the rules made thereunder or guidelines issued, as the case may be. We further certify that all the statements in this Red Herring Prospectus are true and correct.

SIGNED BY THE DIRECTORS OF OUR COMPANY

Mr. Shashi Kiran Shetty – Director

Mrs. Arathi Shetty – Director

Mr. Kaiwan Kalyaniwala – Director

Mr. Keki Elavia – Director

Mr. Satish Gupta – Director

Mr. Mark Rubin – Director

SIGNED BY THE FINANCIAL CONTROLLER

Mr. Jatin Chokshi

SIGNED BY THE COMPANY SECRETARY AND COMPLIANCE OFFICER

Mr. Yogesh Kolwalkar

Date : May 16, 2006
Place : Mumbai

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