RED HERRING PROSPECTUS
April 03, 2015
Please read Section 32 of the Companies Act, 2013
Book Built Issue

VRL LOGISTICS LIMITED

(The Company was originally incorporated as a private limited company under the name of "Vijayanand Roadlines Private Limited" on March 31, 1983 under the Companies Act, 1956. The Company became a deemed public limited company with effect from July 1, 1994. Pursuant to a special resolution passed by the shareholders in an Extraordinary General Meeting held on February 14, 1997, the status of the Company was changed from a deemed public limited company to a public limited company. The name of the Company was changed to "VRL Logistics Limited" and a fresh certificate of incorporation consequent to the change of name was issued by the Registrar of Companies, Karnataka on August 25, 2006. For changes in the Company's name and registered office see "*History and Certain Corporate Matters*" on page 184 of this Red Herring Prospectus). The corporate identity number of the Company is U60210KA1983PLC005247.

Registered Office: R.S. No. 351/1, Varur Post Chabbi Taluk Hubli, District Dharwad, Hubballi 581 207, Karnataka, India; **Telephone**: +91 836 2237 607; **Facsimile**: +91 836 2237 614

Corporate Office: Giriraj Annexe, Circuit House Road, Hubballi 580 029, Karnataka, India; **Telephone**: +91 836 2237 511; **Facsimile**: +91 836 2256 612

Contact Person and Compliance Officer: Mr. Aniruddha A. Phadnavis; **Email**: investors@vrllogistics.com; **Website**: www.vrlgroup.in

THE PROMOTERS OF THE COMPANY: DR. VIJAY SANKESHWAR AND MR. ANAND SANKESHWAR.

PUBLIC ISSUE OF UP TO [●] EQUITY SHARES OF FACE VALUE OF ₹ 10 EACH ("EQUITY SHARES") OF VRL LOGISTICS LIMITED ("COMPANY" OR "ISSUER") FOR CASH AT A PRICE OF ₹ [●] PER EQUITY SHARE (INCLUDING A SHARE PREMIUM OF ₹ [●] PER EQUITY SHARE) AGGREGATING UP TO ₹ [●] MILLION CONSISTING OF A FRESH ISSUE OF [●] EQUITY SHARES AGGREGATING TO ₹ 1,170 MILLION (THE "FRESH ISSUE") AND AN OFFER FOR SALE OF UP TO 17,116,000 EQUITY SHARES BY THE SELLING SHAREHOLDERS (AS DEFINED BELOW) AGGREGATING UP TO ₹ [●] MILLION (THE "OFFER FOR SALE" AND TOGETHER WITH THE FRESH ISSUE, THE "ISSUE"). THE ISSUE WILL CONSTITUTE AT LEAST 25% OF THE FULLY DILUTED POST-ISSUE PAID-UP EQUITY SHARE CAPITAL OF THE COMPANY.
THE FACE VALUE OF EQUITY SHARES IS ₹ 10 EACH. THE PRICE BAND AND THE MINIMUM BID LOT WILL BE DECIDED BY OUR COMPANY AND THE SELLING SHAREHOLDERS IN CONSULTATION WITH THE GLOBAL CO-ORDINATORS AND BOOK RUNNING LEAD MANAGERS ("GCBRLMS") AND ADVERTISED IN AN ENGLISH NATIONAL DAILY NEWSPAPER, A HINDI NATIONAL DAILY NEWSPAPER AND A KANNADA DAILY NEWSPAPER EACH WITH WIDE CIRCULATION, (KANNADA BEING THE REGIONAL LANGUAGE OF KARNATAKA, WHERE OUR REGISTERED OFFICE IS LOCATED) AT LEAST FIVE WORKING DAYS PRIOR TO THE BID/ISSUE OPENING DATE.

THE FACE VALUE OF THE EQUITY SHARES IS ₹ 10 EACH AND THE ISSUE PRICE IS [●] TIMES THE FACE VALUE OF THE EQUITY SHARES.

In case of revision in the Price Band, the Bidding Period shall be extended for three additional Working Days after revision of the price band, subject to the Bidding Period not exceeding 10 Working Days. Any revision in the Price Band, and the revised Bidding Period, if applicable, shall be widely disseminated by notification to the BSE Limited ("**BSE**") and the National Stock Exchange of India Limited ("**NSE**"), by issuing a press release and also by indicating the change on the website of the GCBRLMs, and at the terminals of each of the Syndicate Members and by intimation to Self Certified Syndicate Banks ("**SCSBs**") and Registered Brokers.

The Issue is being made in terms of Rule 19(2)(b) of the Securities Contract (Regulation) Rules, 1957, as amended ("**SCRR**") read with Regulation 41 of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009, as amended ("**SEBI Regulations**"), and through a 100% Book Building Process wherein 50% of the Issue shall be allocated on a proportionate basis to Qualified Institutional Buyers ("**QIBs**") ("**QIB Portion**"). The Company and the Selling Shareholders may, in consultation with the GCBRLMs, allocate, up to 60% of the QIB Portion to Anchor Investors at the Anchor Investor Issue Price on a discretionary basis in accordance with SEBI Regulations ("**Anchor Investor Portion**"). One-third of the Anchor Investor Portion shall be reserved for allocation to domestic Mutual Funds only, subject to valid Bids being received from domestic Mutual Funds at or above the Anchor Investor Issue Price. In the event of under-subscription or non-allocation in the Anchor Investor Portion, the balance Equity Shares shall be added to the remaining QIB Portion ("**Net QIB Portion**"). Further, 5% of the Net QIB Portion shall be available for allocation on a proportionate basis to Mutual Funds only and the remainder of the Net QIB Portion shall be available for allocation on a proportionate basis to all QIBs, including Mutual Funds, subject to valid Bids being received at or above the Issue Price. The unsubscribed portion in the Mutual Fund reservation will be available for allocation to QIBs. Further, not less than 15% of the Issue shall be available for allocation on a proportionate basis to Non Institutional Bidders and not less than 35% of the Issue shall be available for allocation on a proportionate basis to Retail Individual Bidders, subject to valid Bids being received at or above the Issue Price. All Bidders other than Anchor Investors may participate in this Issue through an Application Supported by Blocked Amount ("**ASBA**") process by providing the details of their respective bank accounts in which the corresponding Payment Amount will be blocked by the Self Certified Syndicate Banks ("**SCSBs**"). QIBs (except Anchor Investors) and Non-Institutional Bidders are mandatorily required to utilise the ASBA process to participate in the Issue. For details, see "*Issue Procedure*" on page 402 of this Red Herring Prospectus.

RISKS IN RELATION TO FIRST ISSUE

This being the first public issue of our Company, there has been no formal market for the Equity Shares of our Company. The face value of the Equity Shares is ₹ 10 and the Floor Price is [●] times the face value and the Cap Price is [●] times the face value. The Issue Price (determined by our Company and the Selling Shareholders in consultation with the GCBRLMs as stated under "*Basis for Issue Price*" on page 110 of this Red Herring Prospectus) should not be taken to be indicative of the market price of the Equity Shares after the Equity Shares are listed. No assurance can be given regarding an active or sustained trading in the Equity Shares or regarding the price at which the Equity Shares will be traded after listing.

GENERAL RISKS

Investments in equity and equity-related securities involve a degree of risk and investors should not invest any funds in the 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 the Issue. For taking an investment decision, investors must rely on their own examination of the Company and the Issue, including the risks involved. The Equity Shares offered in the Issue have not been recommended or approved by the Securities and Exchange Board of India ("**SEBI**"), nor does SEBI guarantee the accuracy or adequacy of the contents of this Red Herring Prospectus. Specific attention of the investors is invited to "*Risk Factors*" on page 16 of this Red Herring Prospectus.

COMPANY'S AND SELLING SHAREHOLDERS' ABSOLUTE RESPONSIBILITY

The Company, having made all reasonable inquiries, accepts responsibility for and confirms that this Red Herring Prospectus contains all information with regard to the Company and the Issue that is material in the context of the Issue, that the information contained in this Red Herring Prospectus is true and correct in all material aspects and is not misleading in any material respect, that the opinions and intentions expressed herein are honestly held and that there are no other facts, the omission of which makes this Red Herring Prospectus as a whole or any of such information or the expression of any such opinions or intentions misleading in any material respect. Each Selling Shareholder accepts responsibility only for statements made expressly by such Selling Shareholder in this Red Herring Prospectus in relation to itself in connection with the Offer for Sale and the Equity Shares offered by it in the Offer for Sale. NSR certifies that all statements and undertakings made by NSR in this Red Herring Prospectus about or in relation to itself and the Equity Shares of the Company sold by it in the Offer for Sale, are true and correct. NSR assumes no responsibility for any other statements including any and all of the statements made by or relating to the Company or its business in the Red Herring Prospectus.

LISTING

The Equity Shares offered through the Red Herring Prospectus are proposed to be listed on the BSE and the NSE. The Company has received in-principle approvals from BSE and NSE for the listing of the Equity Shares pursuant to letters dated February 5, 2015 and January 13, 2015, respectively. For the purposes of the Issue, BSE shall be the Designated Stock Exchange.

GLOBAL CO-ORDINATORS AND BOOK RUNNING LEAD MANAGERS

ICICI Securities Limited
ICICI Centre, H.T. Parekh Marg, Churchgate,
Mumbai 400 020
Tel: + 91 (22) 2288 2460 / 70
Fax: +91 (22) 2282 6580
E-mail: vrl.ipo@icicisecurities.com
Investor Grievance E-mail: customercare@icicisecurities.com
Website: www.icicisecurities.com
Contact Person: Mr. Mangesh Ghogle / Mr. Vishal Kanjani
SEBI Registration No.: INM000011179

HSBC Securities and Capital Markets (India) Private Limited
52/60, Mahatma Gandhi Road
Fort, Mumbai 400 001
Tel: + 91 (22) 2268 5555
Fax: + 91 (22) 2263 1984
E-mail: vrllogisticsipo@hsbc.co.in
Investor Grievance E-mail: investorgrievance@hsbc.co.in
Website: www.hsbc.co.in/1/2/corporate/ equitiesglobalinvestment-banking
Contact Person: Mr. Mayank Jain / Ms. Archa Jain
SEBI Registration No.: INM000010353

REGISTRAR TO THE ISSUE

Karvy Computershare Private Limited
Plot no. 17 - 24
Vittal Rao Nagar, Madhapur
Hyderabad 500 081
Tel: +91 (40) 4465 5000
Fax: + 91 (40) 2343 1551
E-mail/Investor grievance ID: vrl.ipo@karvy.com
Website: http:\\karishma.karvy.com
Contact Person: Mr. M Murali Krishna
SEBI Registration No.: INR000000221

BID/ISSUE PROGRAMME*

BID/ISSUE OPENING DATE	**April 15, 2015**	**BID/ISSUE CLOSING DATE**	**April 17, 2015**

** Our Company and the Selling Shareholders may, in consultation with the GCBRLMs, consider participation by Anchor Investors in accordance with the SEBI Regulations. The Anchor Investor Bid/Issue Period shall be one Working Day prior to the Bid / Issue Opening Date.*

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SECTION I: GENERAL

DEFINITIONS AND ABBREVIATIONS

Unless the context otherwise implies or requires, the terms and abbreviations stated hereunder shall have the meanings as assigned therewith. References to statutes, rules, regulations, guidelines and policies will, unless the context otherwise requires, be deemed to include all amendments and modifications notified thereto as of the date of this Red Herring Prospectus.

Company Related Terms

Term	Description
"Company" or the "Issuer"	VRL Logistics Limited, a public limited company incorporated under the Companies Act, 1956.
"we" or "us" or "our"	Where the context requires, the Company.
Articles or Articles of Association	The articles of association of the Company, as amended.
Auditors	The joint statutory auditors of our Company, being H. K. Veerbhaddrappa & Co., Hubli and Walker, Chandiok & Co, LLP, Mumbai.
Board of Directors or Board	The board of directors of the Company or a committee constituted thereof.
Corporate Office	The corporate office of the Company, located at Giriraj Annexe, Circuit House Road, Hubballi 580 029, Karnataka, India.
Director(s)	The director(s) of the Company.
Equity Shares	Equity shares of the Company of face value ₹ 10 each.
Group Companies	Companies, firms and ventures promoted by the Promoters of the Company irrespective of whether such entities are covered under Section 370(IB) of the Companies Act, 1956. For details, see "*Our Promoters and Group Companies*" on page 216 of this Red Herring Prospectus.
Memorandum or Memorandum of Association	The memorandum of association of the Company, as amended.
Preference Shares	0.001% compulsorily and mandatorily convertible participatory preference shares of face value of ₹ 100 each
Promoters	Dr. Vijay Sankeshwar and Mr. Anand Sankeshwar.
Promoter Group	Such persons and entities which constitute the promoter group of our Company in accordance with Regulation 2 (1)(zb) of the Securities Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009.
Registered Office	The registered office of the Company, located at R.S. No. 351/1, Varur Post Chabbi Taluk Hubli, District Dharwad, Hubballi 581 207, Karnataka, India.

Issue Related Terms

Term	Description
Allotment / Allot / Allotted	Unless the context otherwise requires, the allotment of Equity Shares to successful Bidders pursuant to the Fresh Issue and the transfer of the Equity Shares pursuant to the Offer for Sale to the successful Bidders.
Allotment Advice	The note or advice or intimation of Allotment, sent to each successful Bidder who has been or is to be Allotted the Equity Shares after approval of the Basis of Allotment by the Designated Stock Exchange.
Allottee	A Bidder to whom Equity Shares are Allotted.
Anchor Investor	A QIB, who applies under the Anchor Investor Portion in accordance with the requirements specified in the SEBI Regulations.
Anchor Investor Bidding	The date one Working Day prior to the Bid/Issue Opening Date on which Bids by

Term	Description
Date	Anchor Investors shall open and allocation to the Anchor Investors shall be completed.
Anchor Investor Allocation Price	The price at which Equity Shares will be allocated to the Anchor Investors in terms of this Red Herring Prospectus and the Prospectus.
Anchor Investor Issue Price	The final price at which Equity Shares will be issued and Allotted to Anchor Investors in terms of this Red Herring Prospectus and the Prospectus, which will be a price equal to or higher than the Issue Price but not higher than the Cap Price. The Anchor Investor Issue Price will be decided by our Company and the Selling Shareholders in consultation with the GCBRLMs.
Anchor Investor Portion	Up to 60% of the QIB Portion which may be allocated by the Company and the Selling Shareholders in consultation with the GCBRLMs, to Anchor Investors, on a discretionary basis. One third of the Anchor Investor Portion is reserved for domestive Mutual Funds, at or above the Anchor Investor Issue Price.
Application Supported by Blocked Amount / ASBA	An application, whether physical or electronic, used by an ASBA Bidder to make a Bid authorizing an SCSB to block the Bid Amount in a specified ASBA Account.
ASBA Account	Account maintained with an SCSB which will be blocked by such SCSB to the extent of the appropriate Bid Amount in relation to a Bid by an ASBA Bidder.
ASBA Bidder	Any Bidder (other than Anchor Investors) who Bids through the ASBA process in accordance with the terms of this Red Herring Prospectus and the Bid cum Application Form.
Basis of Allotment	The basis on which the Equity Shares will be Allotted to successful bidders under the Issue. For further details see, "*Issue Procedure*" on page 402 of this Red Herring Prospectus.
Bid	An indication to make an offer during the Bid/Issue Period by a Bidder (including an ASBA Bidder), or on the Anchor Investor Bidding Date by an Anchor Investor, pursuant to submission of a Bid cum Application Form, to subscribe for or purchase the Equity Shares at a price within the Price Band, including all revisions and modifications thereto, to the extent permissible under the SEBI Regulations.
Bid Amount	The highest value of the optional Bids indicated in the Bid-cum-Application Form and payable by the Bidder upon submission of the Bid.
Bid cum Application Form	The form in terms of which the Bidder shall make an Bid and which shall be considered as the application for Allotment of Equity Shares pursuant to the terms of this Red Herring Prospectus and the Prospectus.
Bidder	Any prospective investor who makes a Bid pursuant to the terms of this Red Herring Prospectus and the Bid cum Application Form, including an ASBA Bidder and Anchor Investor.
Bid/Issue Period	Except in relation to Anchor Investors, the period between the Bid/Issue Opening Date and the Bid/Issue Closing Date (inclusive of both days) and during which prospective Bidders (other than Anchor Investors) can submit their Bids, including any revisions thereof.
Bid/Issue Closing Date	Except in relation Anchor Investors, the date after which the Syndicate, Registered Brokers and SCSBs shall not accept any Bids for the Issue, which shall be notified in an English national daily newspaper, a Hindi national daily newspaper and a Kannada daily newspaper (Kannada being the regional language of Karnataka, the state where our Registered Office is located), each with wide circulation.
Bid/Issue Opening Date	Except in relation to Anchor Investors, the date on which the Syndicate, Registered Brokers and the SCSBs shall start accepting Bids for the Issue, which shall be notified in an English national daily newspaper, a Hindi national daily newspaper and a Kannada daily newspaper (Kannada being the regional language of Karnataka, the state where our Registered Office is located), each with wide circulation.
Book Building Process	The book building process as described in Schedule XI to the SEBI Regulations, in terms of which the Issue is being made.
GCBRLMs / Global Co-	The global co-ordinators and book running lead managers to the Issue, in this case

Term	Description
ordinators and Book Running Lead Managers	being I-Sec and HSBC.
Broker Centres	Broker centers notified by the Stock Exchanges, where Bidders can submit the Bid cum Application Forms to a Registered Broker. The details of such Broker Centers, along with the names and contact details of the Registered Brokers are available on the websites of the Stock Exchanges (www.nseindia.com and www.bseindia.com)
CAN / Confirmation of Allocation Note	In relation to Anchor Investors, the note or advice or intimation of allocation of the Equity Shares sent to the successful Anchor Investors who have been allocated Equity Shares on the Anchor Investor Bid/Issue Date at the Anchor Investor Issue Price, including any revisions thereof.
Cap Price	The higher end of the Price Band, above which the Issue Price and Anchor Investor Issue Price will not be finalized and above which no Bids will be accepted including any revision thereof.
CDSL	Central Depository Services (India) Limited.
Client ID	Client identification number of the Bidder's beneficiary account.
Cut-off Price	The Issue Price, as finalized by the Company and the Selling Shareholders in consultation with the GCBRLMs. Only Retail Individual Bidders are entitled to Bid at the Cut-off Price for a Bid Amount not exceeding ₹ 200,000. QIBs and Non-Institutional Bidders are not entitled to Bid at the Cut-off Price.
Demographic Details	The details of the Bidders, including the Bidder's address, name of the Bidder's father/husband, investor status, occupation and bank account details.
Depositories	NSDL and CDSL.
Depositories Act	The Depositories Act, 1996, as amended.
Depository	A depository registered with SEBI under the Securities and Exchange Board of India (Depositories and Participants) Regulations, 1996, as amended.
"Depository Participant" or "DP"	A depository participant as defined under the Depositories Act.
Designated Branches	Such branches of the SCSBs which shall collect the ASBA Bid-cum-Application Forms used by ASBA Bidders and a list of which is available at on the website of SEBI at http://www.sebi.gov.in/sebiweb/home/list/5/33/0/0/Recognised-Intermediaries or such other link as may be specified.
Designated Date	The date on which funds are transferred from the Escrow Account to the Public Issue Account or the Refund Account, as appropriate, or the funds blocked by the SCSBs are transferred from the bank accounts specified by the ASBA Bidders to the Public Issue Account, as the case may be.
Designated Stock Exchange	BSE.
"DRHP" or "Draft Red Herring Prospectus"	The draft red herring prospectus dated December 18, 2014 filed with SEBI on December 19, 2014 and issued in accordance with the SEBI Regulations, which does not have complete particulars of the price at which the Equity Shares are offered.
Eligible FPIs	FPIs from such jurisdictions outside India where it is not unlawful to make an offer / invitation under the Offer and in relation to whom this Red Herring Prospectus constitutes an invitation to purchase the Equity Shares offered thereby.
Eligible NRI	A non-resident Indian, resident in a jurisdiction outside India where it is not unlawful to make an offer or invitation under the Issue and in relation to whom this Red Herring Prospectus constitutes an invitation to subscribe for or purchase the Equity Shares.
Escrow Account	An account opened with an Escrow Collection Bank(s) and in whose favour the Bidder (excluding the ASBA Bidders) will issue cheques or drafts in respect of the Bid Amount.
Escrow Agreement	An agreement dated April 3, 2015 to be entered into among the Company, the Selling Shareholders, the Registrar to the Issue, the Escrow Collection Bank(s), the

Term	Description
	GCBRLMs, and the Syndicate Members for collection of the Bid Amounts and for remitting refunds, if any, of the amounts collected, to the Bidders (excluding the ASBA Bidders) on the terms and conditions thereof.
Escrow Collection Bank(s)	The banks that are clearing members and registered with SEBI as bankers to the issue with whom the Escrow Accounts will be opened, comprising Axis Bank Limited, HDFC Bank Limited and ICICI Bank Limited.
First Bidder	The Bidder whose name appears first in the Bid-cum-Application Form or Revision Form or the ASBA Bid-cum-Application Form or ASBA Revision Form.
Floor Price	The lower end of the Price Band, and any revisions thereof, below which the Issue Price will not be finalized and below which no Bids will be accepted and which shall not be less than the face value of the Equity Shares.
Fresh Issue	The issue of [●] Equity Shares aggregating to ₹ 1,170 million by the Company offered for subscription pursuant to this Red Herring Prospectus.
General Information Document	The General Information Document for investing in public issues prepared and issued in accordance with the circular (CIR/CFD/DIL/12/2013) dated October 23, 2013, notified by SEBI and included in "*Issue Procedure*" on page 402 of this Red Herring Prospectus.
GIR Number	General Index Registry Number.
HSBC	HSBC Securities and Capital Markets (India) Private Limited.
Indian GAAP	Generally Accepted Accounting Principles in India.
I-Sec	ICICI Securities Limited.
Issue	Public issue of up to [●] Equity Shares by our Company and the Selling Shareholders at a price of ₹ [●] per Equity Share, comprising the Fresh Issue and the Offer for Sale.
Issue Agreement	The agreement dated December 18, 2014, among the Company, the Selling Shareholders and the GCBRLMs in relation to the Issue.
Issue Price	The final price at which Equity Shares will be Allotted in the Issue, as determined by the Company and the Selling Shareholders, in consultation with the GCBRLMs, on the Pricing Date, provided however, for purposes of the Anchor Investors, this price shall be the Anchor Investor Issue Price.
Mutual Fund Portion	5% of the Net QIB Portion, equal to a minimum of [●] Equity Shares, available for allocation to Mutual Funds.
Mutual Funds	Mutual funds registered with SEBI under the Securities and Exchange Board of India (Mutual Funds) Regulations, 1996, as amended.
Net Proceeds	Proceeds of the Issue that will be available to the Company, which shall be the gross proceeds of the Issue less Issue related expenses and proceeds of the Offer for Sale.
Net QIB Proceeds	The QIB Portion, as adjusted for the number of Equity Shares allotted to the Anchor Investors under the Anchor Investor Portion.
Non-Institutional Bidders	All Bidders that are not Qualified Institutional Buyers or Retail Individual Bidders and who have Bid for an amount more than ₹ 200,000.
Non-Institutional Portion	The portion of the Issue being not less than 15% of the Issue consisting of [●] Equity Shares, available for allocation to Non-Institutional Bidders on a proportionate basis, subject to valid Bids being received at or above the Issue Price.
Non-Residents	All eligible Bidders that are persons resident outside India, as defined under FEMA, including Eligible NRIs and FIIs.
NRI or Non-Resident Indian	A person resident outside India, as defined under FEMA and who is a citizen of India or a person of Indian origin, such term as defined under the Foreign Exchange Management (Deposit) Regulations, 2000, as amended.
NSDL	National Securities Depository Limited.
NSE	National Stock Exchange of India Limited.
NSR	NSR-PE Mauritius LLC.

Term	Description
OCB or Overseas Corporate Body	A company, partnership, society or other corporate body owned directly or indirectly to the extent of at least 60% by NRIs including overseas trusts, in which not less than 60% of beneficial interest is irrevocably held by NRIs directly or indirectly and which was in existence on October 3, 2003 and immediately before such date had taken benefits under the general permission granted to OCBs under the FEMA. OCBs are not permitted to invest in the Issue.
Offer for Sale	The offer for sale of up to 17,116,000 Equity Shares aggregating up to ₹ [●] million, consisting of the offer of up to (i) 14,550,000 Equity Shares by NSR, (ii) 1,283,000 Equity Shares by Dr. Vijay Sankeshwar and (iii) 1,283,000 Equity Shares by Mr. Anand Sankeshwar.
Price Band	The price band with a minimum price (Floor Price) per Equity Share and the maximum price (Cap Price) per Equity Share to be decided by the Company and the Selling Shareholders, in consultation with the GCBRLMs, and advertised in an English national daily newspaper, a Hindi national daily newspaper and a Kannada daily newspaper (Kannada being the regional language of Karnataka, the state where our Registered Office is located), each with wide circulation, at least five Working Days prior to the Bid/Issue Opening Date, including any revisions thereof as permitted under the SEBI Regulations. The advertisement on the Price Band will appear in the same newspapers as the Bid/ Issue Opening Date and Bid/ Issue Closing Date.
Pricing Date	The date on which the Issue Price is finalized by the Company and the Selling Shareholders, in consultation with the GCBRLMs.
Prospectus	The prospectus to be filed with the RoC in accordance with Section 32 of the Companies Act, 2013 after the Pricing Date 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	The account opened with the Escrow Collection Bank(s) pursuant to Section 40(3) of the Companies Act to receive money from the Escrow Account and the SCSBs on the Designated Date.
QIBs / Qualified Institutional Buyers	A qualified institutional buyer, as defined under Regulation 2 (1)(zd) of the SEBI Regulations.
QIB Portion	The portion of the Issue being 50% of the Issue consisting of [●] Equity Shares, to be allotted to QIBs on a proportionate basis; provided that the Company and the Selling Shareholders may in consulation with the GCBRLMs, allocate up to 60% of the QIB Portion consisting of up to [●] Equity Shares to Anchor Investors on a discretionary basis in accordance with the SEBI Regulations.
Refund Account	An account opened with the Refund Bank, from which refunds (excluding refunds to the ASBA Bidders) of the whole or part of the Bid Amount, if any, shall be made.
Refund Bank	ICICI Bank Limited.
Registrar or Registrar to the Issue	Karvy Computershare Private Limited.
Restated Financial Statements or restated financial statements	Restated financial statements of assets and liabilities of the Company as at March 31, 2010, 2011, 2012, 2013 and 2014, and the nine month period ended December 31, 2014, and profits and losses and cash flows of the Company for each of the years ended March 31, 2010, 2011, 2012, 2013 and 2014, and the nine month period ended December 31, 2014 as well as certain other financial information as more fully described in the Auditors' report for such years included in this Red Herring Prospectus.
Retail Individual Bidders	Bidders (including HUFs) who have Bid for Equity Shares of an amount less than or equal to ₹ 200,000.
Retail Portion	The portion of the Issue being not less than 35% of the Issue consisting of [●] Equity Shares, available for allocation to Retail Individual Bidder(s) on a proportionate basis in accordance with the SEBI Regulations.

Term	Description
Revision Form	The form used by the Bidders (excluding ASBA Bidders) to modify the quantity of Equity Shares or the Bid Amount in any of their Bid-cum-Application Forms or any previous Revision Form(s).
RHP / Red Herring Prospectus	This red herring prospectus dated April 3, 2015 issued in accordance with Section 32 of the Companies Act, 2013, which does not have complete particulars of the price at which the Equity Shares are offered and the size of the Issue.
RoC	The Registrar of Companies, Karnataka, located at Bangalore.
RTGS	Real Time Gross Settlement.
SCRA	The Securities Contracts (Regulation) Act, 1956, as amended.
SCRR	The Securities Contracts (Regulation) Rules, 1957, as amended.
SCSBs / Self Certified Syndicate Banks	Banks which are registered with SEBI under the SEBI (Bankers to an Issue) Regulations, 1994, which offers the facility of ASBA, a list of which is available on http://www.sebi.gov.in/cms/sebi_data/attachdocs/1365051213899.html, and at such other websites as may be prescribed by SEBI from time to time.
SEBI	Securities and Exchange Board of India constituted under the SEBI Act.
SEBI Act	Securities and Exchange Board of India Act, 1992, as amended.
SEBI Regulations	The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009, as amended.
Selling Shareholders	NSR, Dr. Vijay Sankeshwar and Mr. Anand Sankeshwar.
Stock Exchanges	The BSE and the NSE.
Syndicate Agreement	The agreement dated April3, 2015 to be entered into among the Company, the Selling Shareholders and the Syndicate, in relation to the collection of Bids in the Issue (excluding Bids from the ASBA Bidders).
Syndicate Members	I-Sec and HSBC.
Syndicate or members of the Syndicate	The GCBRLMs and the Syndicate Members.
TRS or Transaction Registration Slip	The slip or document issued by any of the members of the Syndicate or an SCSB (only on demand) to a Bidder as proof of registration of the Bid.
U.S. GAAP	Generally Accepted Accounting Principles in the United States of America.
Underwriters	The GCBRLMs and the Syndicate Members.
Underwriting Agreement	The agreement dated [●] among the Underwriters, the Selling Shareholders and the Company to be entered into on finalization of the Issue Price.
VCFs	A Venture Capital Fund as defined and registered with SEBI under the AIF Regulations or the erstwhile VCF Regulations, as the case may be
Working Day	With reference to announcement of Price Band and Bid/Issue Period, any day other than Saturday or Sunday on which commercial banks are open for business in Mumbai, provided however, for the purposes of the time period between Issue Closing Date and listing, “Working Days” shall mean all days other than Sundays and bank holidays, in accordance with the SEBI circular dated April 22, 2010.

Industry Related Terms

Term	Description
AWB	Air Way Bill
BPKM	Billion passenger kilometres
BPO	Business Process Outsourcing
BTKM	Billion tonne kilometres
CCEC	Commissioner of Central Excise and Customs
CDM	Clean Development Mechanism
CEA	Central Electricity Authority
CER	Certified Emission Reductions
CERC	Central Electricity Regulatory Commission
CO_2	Carbon Dioxide

Term	Description
CRISIL	CRISIL Limited
C-WET	Centre for Wind Energy Technology
DCDR	District Consumer Disputes Redressal
DGCA	Directorate General of Civil Aviation
FTL	Full Truck Load
GPS	Global Positioning System
GoK	Government of Karnataka
HESCOM	Hubli Electricity Supply Company Limited
HCVs	Heavy Commercial Vehicles
IFRS	International Financial Reporting Standards
IIP	Index of Industrial Production
IREDA	Indian Renewable Energy Development Agency
JNNURM	Jawaharlal Nehru National Urban Renewal Mission
KSRTC	Karnataka State Road Transport Corporation
KW	Kilo Watt
KWH	Kilo Watt Hour
LCVs	Light Commercial Vehicles
LFO	Large Fleet Operator
LR	Lorry Receipt
LTL	Less-than Truck Load
MCVs	Medium Commercial Vehicles
MFO	Medium Fleet Operator
MHCVs	Medium Heavy Commercial Vehicles
MNES	Ministry of Non-Conventional Energy Sources
MSRTC	Maharashtra State Road Transport Corporation
MNRE	Ministry of New and Renewable Energy
MOU	Memorandum Of Understanding
MPC	Maruti Parcel Carriers
MT	Metric Tonne
MW	Mega Watts
NEP	National Electricity Policy
NHAI	National Highways Authority of India
NHDP	National Highways Development Project
PLF	Plant Load Factor
REC	Renewable Energy Certificate
RPO	Renewable Purchase Obligation
SEB	State Electricity Boards
SERC	State Electricity Regulatory Commission
SFO	Small Fleet Operator
SRTU	State Regulatory Transport Undertaking
STUs	State Transport Undertakings
NOC	No Objection Certificate
UNFCCC	United Nations Framework Convention on Climate Change
VAT	Value Added Tax
VER	Verified Emission Reductions
WTGs	Wind Turbine Generators

General Terms/Abbreviations

Term	Description
A/c	Account
AIFs	Alternative investment funds as defined in and registered under the AIF

Term	Description
	Regulations.
AIF Regulations	Securities and Exchange Board of India (Alternative Investment Funds) Regulations, 2012.
AGM	Annual General Meeting
AS	Accounting Standards as issued by the Institute of Chartered Accountants of India
CAGR	Compound annual growth rate, calculated by taking the n^{th} root of the total percentage growth rate, where n is the number of years in the period being considering.
"Category III Foreign Portfolio Investors" or "Category III FPIs"	FPIs who are registered as "Category III foreign portfolio investors" under the FPI Regulations.
CDSL	Central Depository Services (India) Limited.
Companies Act	Companies Act, 1956 and the rules thereunder, to the extent not repealed, and the Companies Act, 2013.
Companies Act, 1956	Companies Act, 1956, as the context requires.
Companies Act, 2013	Companies Act, 2013 and the rules thereunder, to the extent notified.
Competition Act	The Competition Act, 2002, as amended
Customs Act	The Customs Act, 1962, as amended
DIN	Director Identification Number
DIPP	The Department of Industrial Policy and Promotion, Ministry of Commerce and Industry, Government of India
DTC	Direct Taxes Code
EBITDA	Earnings before interest, taxation, depreciation and amortization
EGM	Extraordinary general meeting
EPS	Earnings per share
FCNR Account	Foreign Currency Non-Resident Account
FDI	Foreign Direct Investment, as understood under applicable Indian laws, regulations and policies
FIIs	Foreign Institutional Investors (as defined under the Securities and Exchange Board of India (Foreign Institutional Investors) Regulations, 1995, as amended) registered with SEBI.
FEMA	The Foreign Exchange Management Act, 1999, as amended, and the regulations framed there under
FIPB	Foreign Investment Promotion Board of the Government of India
Fiscal / Financial Year / FY	Unless otherwise stated, a period of twelve months ended March 31 of that particular year
FPI(s)	Foreign portfolio investors, as defined under the FPI Regulations, including FIIs and QFIs, which are deemed to be foreign portfolio investors.
FPI Regulations	Securities and Exchange Board of India (Foreign Portfolio Investors) Regulations, 2014.
FVCI(s)	Foreign venture capital investors, as defined and registered with SEBI under the FVCI Regulations.
FVCI Regulations	Securities and Exchange Board of India (Foreign Venture Capital Investor) Regulations, 2000.
FYP	Five year plans issued by the Planning Commission of India
GDP	Gross Domestic Product
GoI / Government	Government of India
HUF	Hindu Undivided Family
HY	Unless otherwise stated, a period of six months ended March 31 or September 30 of that particular year
Industrial Policy	The policy and guidelines relating to industrial activity in India issued by the Ministry of Commerce and Industry, Government of India, as updated, modified or amended from time to time

Term	Description
IPO	Initial Public Offering
IT	Information Technology
I.T. Act	The Income Tax Act, 1961, as amended
I.T. Rules	The Income Tax Rules, 1962, as amended
Listing Agreement	Equity listing agreements to be entered into by the Company with the Stock Exchanges
MAT	Minimum Alternate Tax
MICR	Magnetic Ink Character Recognition.
NAV	Net asset value
NECS	National Electronic Clearing System.
NRE Account	Non-Resident External Account
NRO Account	Non-Resident Ordinary Account
p.a.	Per annum
PAN	Permanent Account Number
P/E Ratio	Price/Earnings Ratio
PIS	Portfolio Investment Scheme
PLR	Prime Lending Rate
QFI	Qualified foreign investor, as defined under the FPI Regulations.
RBI	The Reserve Bank of India
RoNW	Return on Net Worth
Rs. / ₹ / INR	Indian Rupees
SICA	The Sick Industries Companies (Special Provisions) Act, 1985, as amended
Takeover Code	Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011, as amended
Transport Bill	Road Safety and Transport Bill, 2014
VCF Regulations	Securities and Exchange Board of India (Venture Capital Fund) Regulations, 1996.

PRESENTATION OF FINANCIAL, INDUSTRY AND MARKET DATA

Unless otherwise specified or if the context otherwise requires, all references to "India" in this Red Herring Prospectus are to the Republic of India, together with its territories and possessions, all references to the "US" or the "USA" or the "United States" or the "U.S." are to the United States of America, together with its territories and possessions.

Financial Data

Unless indicated otherwise, the financial data in this Red Herring Prospectus has been derived from the Company's audited financial statements, as of and for the fiscal years ended March 31, 2010, 2011, 2012, 2013 and 2014, prepared in accordance with Indian GAAP and the Companies Act, and restated in accordance with the SEBI Regulations, as stated in the report of our Auditors, H. K. Veerbhaddrappa & Co and Walker, Chandiok & Co., LLP.

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

There are significant differences between Indian GAAP, International Financial Reporting Standards ("**IFRS**") and U.S. GAAP. The Company has not attempted to explain those differences or quantify those differences or their impact on the financial data included herein, and you should consult your own advisors regarding such differences and their impact on our financial data. Accordingly, the degree to which the Indian GAAP restated financial statements included in this Red Herring Prospectus will provide meaningful information is entirely dependent on the reader's level of familiarity with Indian accounting practices, Indian GAAP, the Companies Act and the SEBI Regulations. Any reliance by persons not familiar with Indian accounting practices, Indian GAAP, the Companies Act and the SEBI Regulations on the financial disclosures presented in this Red Herring Prospectus should accordingly be limited.

Currency of Presentation

All references to "Rupees" or "Rs." or "₹" or "INR" are to Indian Rupees, the official currency of the Republic of India. All references to "$", "US$", "USD", "U.S.$", "U.S. Dollar(s)" or "US Dollar(s)" are to United States Dollars.

Any currency translation should not be construed as a representation that such Indian Rupee or US Dollar or other currencies could have been, or could be, converted into Indian Rupees, as the case may be, at any particular rate or at all. In this Red Herring Prospectus, the Company has presented certain numerical information in "million" units. One million represents 1,000,000.

Industry and Market Data

Unless stated otherwise, industry data used in this Red Herring Prospectus has been obtained from industry publications. Industry publications generally state that the information contained in those publications has been obtained from sources believed to be reliable but that their accuracy and completeness are not guaranteed and their reliability cannot be assured. Although the Company believes that the industry data used in this Red Herring Prospectus is reliable, it has not been verified by any independent source. In this Red Herring Prospectus, we have used market and industry data prepared by consultants and government organizations, some of whom we have also retained or may retain and compensate for various engagements in the ordinary course of business.

In accordance with the SEBI Regulations, we have included in "*Basis for Issue Price*" on page 110 of this Red Herring Prospectus and information relating to our peer group companies. Such information has been derived from publicly available sources and the Company has not independently verified such information.

Further, the extent to which the market data presented in this Red Herring Prospectus is meaningful depends on the reader's familiarity with and understanding of the methodologies used in compiling such data. There are no standard data gathering methodologies in the industry in which we conduct our business, and methodologies and assumptions may vary widely among different industry sources.

Disclaimer

CRISIL Research, a division of CRISIL Limited (CRISIL) has taken due care and caution in preparing this report (Report) based on the Information obtained by CRISIL from sources which it considers reliable (Data). However, CRISIL does not guarantee the accuracy, adequacy or completeness of the Data / Report and is not responsible for any errors or omissions or for the results obtained from the use of Data / Report. This Report is not a recommendation to invest / disinvest in any company covered in the Report. CRISIL especially states that it has no liability whatsoever to the subscribers / users / transmitters/ distributors of this Report. CRISIL Research operates independently of, and does not have access to information obtained by CRISIL's Ratings Division / CRISIL Risk and Infrastructure Solutions Ltd (CRIS), which may, in their regular operations, obtain information of a confidential nature. The views expressed in this Report are that of CRISIL Research and not of CRISIL's Ratings Division / CRIS. No part of this Report may be published/reproduced in any form without CRISIL's prior written approval.

Exchange Rates

This Red Herring Prospectus contains conversions of US$ and other currency amounts into Indian Rupees that have been presented solely to comply with the requirements of the SEBI Regulations. These conversions should not be construed as a representation that such currency amounts could have been, or can be converted into Indian Rupees, at any particular rate, or at all.

The exchange rates of US$ to INR are provided below:

(₹ per US$)

	Period end	Average(1)	High	Low
Fiscal Year:				
2010	45.14	47.42	50.53	44.94
2011	44.65	45.58	47.57	44.03
2012	51.16	47.95	54.24	43.95
2013	54.39	54.45	57.22	50.56
2014	60.10	60.50	68.36	53.74
Quarter ended:				
March 31, 2014	60.10	61.79	62.99	60.10
June 30, 2014	60.09	59.77	61.12	58.43
September 30, 2014	61.61	60.59	61.61	59.72
December 31, 2014	63.33	62.00	63.75	61.04
Month ended:				
March 31, 2014	60.10	61.01	61.90	60.10
April 30, 2014	60.34	60.36	61.12	59.65
May 31, 2014	59.03	59.31	60.23	58.43
June 30, 2014	60.09	59.73	60.37	59.06
July 30, 2014	60.25	60.06	60.33	59.72
August 31, 2014	60.47	60.90	61.56	60.43
September 30, 2014	61.61	60.86	61.61	60.26
October 31, 2014	61.41	61.34	61.75	61.04
November 30, 2014	61.97	61.70	62.10	61.39
December 31, 2014	63.33	62.75	63.75	61.85
January 31, 2015	61.76	62.23	63.45	61.41
February 28, 2015	61.79	62.04	62.43	61.68

(1) Average of the official rate for each working day of the relevant period.

Source: www.rbi.org.in

FORWARD-LOOKING STATEMENTS

All statements contained in this Red Herring Prospectus that are not statements of historical fact constitute "forward-looking statements**.**" All statements regarding our expected financial condition and results of operations, business, plans and prospects are forward-looking statements. These forward-looking statements include statements with respect to our business strategy, our revenue and profitability, our projects and other matters discussed in this Red Herring Prospectus regarding matters that are not historical facts. Investors can generally identify forward-looking statements by terminology such as "aim", "anticipate", "believe", "expect", "estimate", "intend", "objective", "plan", "project", "shall", "will", "will continue", "will pursue" or other words or phrases of similar import. All forward looking statements (whether made by us or any third party) are predictions and 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.

Forward-looking statements reflect our current views with respect to future events and are not a guarantee of future performance. These statements are based on our management's beliefs and assumptions, which in turn are based on currently available information. Although we believe the assumptions upon which these forward-looking statements are based are reasonable, any of these assumptions could prove to be inaccurate, and the forward-looking statements based on these assumptions could be incorrect.

Further, the actual results may differ materially from those suggested by the forward-looking statements due to risks or uncertainties associated with our expectations with respect to, but not limited to, regulatory changes pertaining to the industries in India in which we have our businesses and our ability to respond to them, our ability to successfully implement our strategy, our growth and expansion, technological changes, our exposure to market risks, general economic and political conditions in India, which have an impact on our business activities or investments, the monetary and fiscal policies of India, inflation, deflation, unanticipated turbulence in interest rates, foreign exchange rates, equity prices or other rates or prices, the performance of the financial markets in India and globally, changes in domestic laws, regulations and taxes, changes in competition in our industry and incidence of any natural calamities and/or acts of violence. Important factors that could cause actual results to differ materially from our expectations include, but are not limited to, the following:

- the competitive nature of the transportation industry;
- the inability to pass on any increase in operating expenses, particularly fuel costs, to our customers;
- dependence on the ability to generate sufficient freight volumes and passenger loads to achieve acceptable profit margins or avoid losses;
- competition for, and attraction and retention of, drivers;
- interruptions of operations at our Hubballi factory;
- dependence on our information technology systems and in-house technologies and systems;
- any change in government policies resulting in increases in taxes payable by us;
- our ability to retain our key managements persons and other employees;
- our dependence on third parties for adequate and timely supply of equipment and maintenance of our vehicles;
- our reliance on road network and our ability to utilize our vehicles in an uninterrupted manner;
- changes in the interest rates;
- changes in laws and regulations that apply to the industries in which we operate, such as age of vehicles plying on the road and vehicle emission norms;
- our ability to grow our business;
- our ability to make interest and principal payments on our existing debt obligations and satisfy the other covenants contained in our existing debt agreements;
- general economic, political and other risks that are out of our control; and
- concentration of ownership among our Promoters.

For a further discussion of factors that could cause our actual results to differ, see "*Risk Factors*", "*Our Business*" and "*Management's Discussion and Analysis of Financial Condition and Results of Operations*" on pages 16, 143 and 223 of this Red Herring Prospectus, respectively. Only statements and undertakings which are specifically "confirmed" or "undertaken" by NSR in this Red Herring Prospectus shall be deemed to be "statements and undertakings made by NSR".

By their nature, certain risk disclosures are only estimates and could be materially different from what actually occurs in the future. As a result, actual future gains or losses could materially differ from those that have been estimated. The Company, the Selling Shareholders, the Directors, the Syndicate and their respective affiliates or associates do not have any obligation to, and do not intend to, update or otherwise revise any statements reflecting circumstances arising after the date hereof or to reflect the occurrence of underlying events, even if the underlying assumptions do not come to fruition. In accordance with the SEBI requirements, the Company and the GCBRLMs will ensure that investors in India are informed of material developments until such time as the grant of listing and trading permissions by the Stock Exchanges. Further, in accordance with Regulation 51A of the SEBI Regulations, the Company may be required to undertake an annual updation of the disclosures made in this Red Herring Prospectus and make it publicly accessible in the manner specified by SEBI.

SECTION II: RISK FACTORS

RISK FACTORS

An investment in the Equity Shares involves a high degree of risk. You should carefully consider all of the information in this Red Herring Prospectus including the risks and uncertainties described below and the financial statements incorporated in this Red Herring Prospectus, before making an investment in the Equity Shares. Any potential investor in, and purchaser of, the Equity Shares should pay particular attention to the fact that we are governed in India by a legal and regulatory environment which in some material respects may be different from that which prevails in the other countries. In making an investment decision, prospective investors must rely on their own examination of the Company and the terms of the Issue, including the risks involved. If any or some combination of the following risks occur or if any of the risks that are currently not known or deemed to be not relevant or material now, actually occur, our business, prospects, financial condition and results of operations could suffer, the trading price of the Equity Shares could decline, and you may lose all or part of your investment.

We have described the risks and uncertainties that our management believes are material, but these risks and uncertainties may not be the only ones we face. Additional risks and uncertainties, including those we are not aware of or deem immaterial or irrelevant, may also result in decreased revenues, increased expenses or other events that could result in a decline in the value of the Equity Shares. Unless specified or quantified in the relevant risk factors below, we are not in a position to quantify the financial or other implication of any of the risks described in this section. You should not invest in this Issue unless you are prepared to accept the risk of losing all or part of your investment, and you should consult your tax, financial and legal advisors about the particular consequences to you of an investment in the Equity Shares.

This 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 this Red Herring Prospectus.

In this section, unless the context requires otherwise, any reference to "we", "us" or "our" or "the Company" refers to VRL Logistics Limited. Unless otherwise indicated, all financial information included herein are based on our Restated Financial Statements on page F-1 of this Red Herring Prospectus.

INTERNAL RISK FACTORS

1. ***There are outstanding criminal proceedings against one of our Promoters, Dr. Vijay Sankeshwar, and our Company, which, if finally determined against our Promoters and / or our Company, could adversely affect our business.***

Certain criminal proceedings have been filed against our Company (in the names of certain of our Directors) and against one of our Promoters, Dr. Vijay Sankeshwar. These proceedings are pending at different levels of adjudication before various courts. The criminal proceedings against Dr. Vijay Sankeshwar include, defamation proceedings in his capacity as the erstwhile printer and publisher of the Kannada daily, Vijay Karnataka. The criminal proceedings against our Company relate to contraventions of the Tamil Nadu Schedule Commodities (Regulation and Distribution by Card System) Order, 1982, the Essential Commodities Act, 1955, criminal breach of trust and cheating. See also, the section "*Outstanding Litigation and Material Developments*" beginning on page 268 of this Red Herring Prospectus. An adverse outcome in any of these proceedings could adversely affect our reputation and the reputation of our Promoters, and may have an adverse effect on our business, results of operations and financial condition.

2. ***Our Company, our Promoters and our Directors are involved in a number of legal proceedings, including certain criminal and tax proceedings, which if finally determined against us, our Promoters, or our Directors, as the case may be, could adversely affect our business, results of our operations and financial condition.***

There are outstanding legal proceedings involving our Company, our Promoters and our Directors. These proceedings are currently being adjudicated before various courts, tribunals and other forums. The following table sets out the brief details of such outstanding proceedings as on the date of this Red Herring Prospectus:

Nature of cases	Number of cases	Approximate total amount involved (₹ in millions)
Proceedings involving our Promoter and Director (Dr. Vijay Sankeshwar)		
Criminal	(Filed against Dr. Vijay Sankeshwar)- 5	NIL
	(Filed by Dr. Vijay Sankeshwar)-5	NIL
Civil	(Filed against Dr. Vijay Sankeshwar)-1	10
Tax	NIL	NIL
Statutory	NIL	NIL
Proceedings involving our Promoter and Director (Mr. Anand Sankeshwar)		
Civil	(Filed against Mr. Anand Sankeshwar)- 1	0.05
Criminal	NIL	NIL
Tax	1	0.06
Statutory	NIL	NIL
Proceedings involving our Director – Mr. Chantam K. Shetty		
Civil	1	0.05
Criminal	NIL	NIL
Tax	NIL	NIL
Statutory	NIL	NIL
Proceedings against the Company		
Criminal	9	0.91
Civil*	1171	1244.12
Writ	1	NIL
Labour	103	78.41
Consumer Cases	38	9.14
Tax	8	161.34
Proceedings by the Company		
Criminal	57	13.64
Civil	60	40.66
Tax	NIL	NIL
Labour	NIL	NIL
Consumer Cases	1	2.5
Writ	11	1.44
Proceedings involving our Group Entities **- *VRL Media***		
Civil	(Against VRL Media)- 26	1.51
	(Filed by VRL Media) - 4	11.28
Criminal	(Filed by VRL Media) - 18	4.73
	(Against VRL Media) - 7	NIL
Tax	NIL	NIL

Nature of cases	Number of cases	Approximate total amount involved (₹ in millions)
Statutory	NIL	NIL
Proceedings involving our Group Entities - Shiva Agencies		
Civil	1	NIL
Criminal	NIL	NIL
Tax	NIL	NIL
Statutory	NIL	NIL
Proceedings involving our Group Entities - Shri Ayyappa Bhakta Vrunda Trust		
Civil	NIL	NIL
Criminal	NIL	NIL
Tax	NIL	NIL
Statutory	NIL	NIL
Proceedings involving our Group Entities - Aradhana Trust		
Civil	NIL	NIL
Criminal	NIL	NIL
Tax	NIL	NIL
Statutory	NIL	NIL
Total	1529	1579.84

Note: The amounts indicated in the column above are approximate amounts, wherever quantifiable.

* *The information provided in relation to the outstanding civil matters under the Motor Vehicles Act, 1988 involving the Company is as on March 28, 2015.*

There can be no assurance that any of the above proceedings will be settled in our favour or in favour of our Directors or our Promoters or that no additional liability will arise out of these proceedings. An adverse outcome in any of these proceedings could have a material adverse effect on our Company, our Directors and/or our Promoters, as well as on our business, results of operations and financial condition. For details, please refer to the section titled "*Management's Discussion and Analysis of Financial Condition and Results of Operations*" on page 223 of this Red Herring Prospectus.

3. ***An inability to pass on any increase in operating expenses, particularly fuel costs, to our customers may adversely affect our business and results of operations.***

Fuel costs, toll charges and rent represent some of our most significant operating costs and an increase in such costs or inability to pass on such increases to our customers will adversely affect our results of operations. Our business is characterised by high fixed costs, principally due to the ownership of goods transportation vehicles and buses. In particular, the cost of fuel has increased in recent years and fluctuates significantly due to various factors beyond our control, including, international prices of crude oil and petroleum products, global and regional demand and supply conditions, geopolitical uncertainties, import cost of crude oil, government policies and regulations and availability of alternative fuels. In fiscal 2012, 2013, 2014 and in the nine months ended December 31, 2014, fuel costs represented 24.94%, 26.96%, 28.36% and 29.62%, respectively, of our total expenditure. In addition, the GoI has recently deregulated diesel prices in India removing certain subsidies on diesel prices, and the price of diesel and consequently our fuel cost, have fluctuated significantly in recent periods. Although historically we have generally been able to pass on any increases in the cost of fuel or other operating costs to our customers through periodic increases in our freight rates or bus ticket prices, there can be no assurance that we will be able to pass on any such increases in the future to our customers either wholly or in part, and our profitability and results of operations may be adversely affected.

4. ***Our success depends on our ability to generate sufficient freight volumes and passenger occupancy to achieve acceptable profit margins or avoid losses.***

Our business is dependent on the availability of sufficient freight volumes and passenger occupancy to achieve acceptable margins or avoid losses. The high fixed costs that are typical in our business do not vary significantly with variations in freight volumes or the number of passengers carried, and a relatively small change in freight volumes, passenger occupancy, freight rates or the price paid per ticket can have a significant effect on our results of operations. However, difficulties with internal processes or other external adverse influences could lead to shortfalls in revenue. As a result, the success of our business depends on our ability to optimise freight volumes, passenger occupancy and revenues. If we are unable to succeed sufficiently at any of these tasks, we may not be able to achieve acceptable operating or net profit margins, and our business, results of operations and financial condition could be adversely affected.

5. ***An inability to attract, recruit and retain a sufficient number of qualified and experienced drivers may adversely affect our business, results of operations and financial condition.***

Our goods transportation business and bus operations are significantly dependent on our ability to attract, recruit and retain a sufficient number of qualified and experienced drivers. Due to various regulatory requirements that affect availability of goods or passenger transportation drivers in India, we face significant competition in attracting, recruiting and retaining qualified and experienced drivers. A shortage of qualified drivers in the transportation industry could force us to either further increase driver compensation, which could reduce our profit margins or hire third-party owned trucks, which may not be available at commercially viable rates or at all. A shortage of drivers for our operations could affect our ability to meet goods transportation delivery schedules or provide quality services to our bus passengers. Therefore, if we are unable to attract and retain a sufficient number of qualified drivers, we could be forced to increase our reliance on hired transportation, decrease the number of pickups and deliveries we are able to make, increase the number of our idle vehicles or limit our growth, any or all of which could have a material adverse effect on our business, results of operations and financial condition.

6. ***Our business is dependent on the road network and our ability to utilize our vehicles in an uninterrupted manner. Any disruptions or delays in this regard could adversely affect us and lead to a loss of reputation and/ or profitability.***

Our business operations in the goods transportation business and bus operations are dependent on the road network. There are various factors which affect road transport such as political unrest, bad weather conditions, natural calamities, regional disturbances, fatigue or exhaustion of drivers, improper conduct of the drivers/ motormen, accidents or mishaps and third party negligence. Even though we undertake various measures to avoid or mitigate such factors to the extent possible, some of these could cause extensive damage and affect our operations and/ or condition of our fleet and thereby increase our maintenance and operational cost. Also, any such interruption or disruptions could cause delays in the delivery of our consignments to their destination and/ or also cause damage to the transported cargo. We may be held liable to pay compensation for losses incurred by our customers in this regard, and/ or losses or injuries sustained by other third parties. Further, such delays and/ or damage may cause a loss of reputation, which, over a period of time could lead to a decline in business. In the event that the goods to be delivered have a short shelf life, any delay in the delivery of such cargo could also expose us to additional losses and claims. Although, some of these risks are beyond our control, we may still be liable for the condition of such cargo and their timely delivery and any disruptions or delays could adversely affect us and lead to a loss of reputation and/or profitability.

In addition, any prolonged or significant downtime of our transportation vehicles or related equipment caused by unforeseen circumstances may cause major disruptions to our operations. For instance we experienced disruption of our services as a result of political unrest in the state of Andhra Pradesh prior to the partition and this had significant impact on our business and results of operations in fiscal 2014. In the event we are affected by such prolonged and significant downtime of our vehicles or equipment, our operations and financial performance may be materially and adversely affected.

7. ***Any interruption of operations at our Hubballi facility may adversely affect our business and results of operations.***

Our Hubballi facility in Karnataka includes a vehicle maintenance facility in addition to serving as a centralised hub for our operations. The operations at this facility is subject to compliance with applicable regulatory requirements, and further subject to various operating risks, such as the breakdown or failure of equipment, power supply or processes, natural disasters, and accidents. Any interruption of our operations at our Hubballi facility could significantly reduce our ability to perform maintenance related activities for our vehicles, such as preventive and routine maintenance and tyre repairing. Also in circumstances where our satellite workshops are unable to fulfil our maintenance or repair requirements, in the event of any interruption of our Hubballi facility, our operations may be adversely affected. If prolonged, such interruption could impact our ability to service our customers and may have a material adverse effect on our business, results of operations and financial condition.

8. ***We are dependent on various third parties for the adequate and timely supply of equipment and maintenance of our vehicles, and any delays or increases in cost related thereto may adversely affect our business.***

We are dependent upon certain key suppliers and vendors for our vehicles and equipment including our goods transportations vehicles, trucks, buses, tyres, materials required to design and build bodies for our vehicles, and associated equipment and spare parts. There can be no assurance that such suppliers will continue to supply such vehicles, equipment, spares, tyres or other materials in quantities or prices that are commercially acceptable to us or at all. Events beyond our control may have an adverse effect on the cost or availability of raw materials, components and spare parts. For example, we purchase the chassis from vehicle manufacturers and build vehicle bodies for our specific requirements using our in-house designing facility located at Hubballi, Karnataka. A significant proportion of our chassis requirements are met by Ashok Leyland Limited, which supplies chassis for our vehicles based on our specifications. In the event of any disruption in the supply of such chassis from Ashok Leyland or our other suppliers, there can be no assurance that we will be successful in sourcing similar vehicle chassis or other products from comparable suppliers on terms acceptable to us or at all. Any disruption in the supply of chassis and other equipment, spares, tyres or other materials may have a material and significant adverse effect on our business, results of operations and financial condition.

In addition, we have entered into certain arrangements with Ashok Leyland and VE Commercial Vehicles Limited pursuant to which they have established supply units within our Hubballi facility for the storage and supply of spare parts for our vehicles acquired from them. These arrangements enable us to significantly reduce inventory costs and transportation costs for spares and also enables us to ensure timeliness and certainty of spare parts supplies. Further, our Hubballi facility is designated as an authorized service centre by Ashok Leyland Limited that enables us to provide servicing and maintenance of Ashok Leyland manufactured vehicles (which represent a substantial majority of our goods transportation vehicles) even during the warranty period. This enables us to ensure quality and efficiency of maintenance services for our vehicles. In the event Ashok Leyland and/or VE Commercial Vehicles Limited or any other significant supplier discontinue our existing arrangements with such supplier, there can be no assurance that we would be able to procure similar quality vehicles, chassis, equipment, spares and other materials from a comparable supplier at commercially acceptable rates or at all.

9. ***Our Company may incur penalties or liabilities for delayed compliance with certain provisions of the Companies Act.***

Our Company has in the past not complied with certain provisions of the Companies Act in relation to inter corporate loans and investments, register of charges etc. Our Company had sought for and been granted compounding for non-compliance with certain provisions of the Companies Act. However the Company may incur penalty or liabilities with respect to non-compliances under the Companies Act that have not been compounded, as set forth below:

The Registrar of Companies at Karnataka sent our Company a show cause notice dated October 26, 2007 alleging violation of Schedule XIII and the Sections 269 and 198 of the Companies Act. Our Company responded to this notice on November 5, 2007 and no notice has been received from the Registrar of Companies at Karnataka since on these alleged non-compliances. Subsequently, our Company received a show cause notice dated August 17, 2010 from the Registrar of Companies at Karnataka alleging contravention of Sections 309 and 198 of the Companies Act as the Company paid remuneration to its directors in excess of 10% of the profits for the year ended March 31, 2006. While the Company responded to this notice on August 27, 2010 and has subsequently rectified the non-compliance by effecting recovery of the excess managerial remuneration of ₹ 3.73 million paid to the managing directors, the Company may incur penalties for both these contraventions, which include a fine of up to ₹ 5,000 and a further fine of up to ₹ 500 for each day of the contravention. For more details regarding these show cause notices, please see the section titled "*Outstanding Litigation and Material Developments – Details of past cases where penalties were imposed on the Company, Promoters, Directors, any firm where any Promoter is a partner, any HUF where any Promoter is a karta, and any trust where any Promoter is a trustee, and details of past defaults of the Company*" on page 364 of this Red Herring Prospectus.

10. ***Our funding requirements and proposed deployment of the Net Proceeds of the Issue are based on management estimates and have not been independently appraised, and may be subject to change based on various factors, some of which are beyond our control.***

Our funding requirements and the proposed deployment of the Net Proceeds of the Issue are based on management estimates, current quotations from suppliers and our current business plan, and have not been appraised by an independent entity. Furthermore, in the absence of such independent appraisal, or the requirement for us to appoint a monitoring agency in terms of the SEBI Regulations, the deployment of the Net Proceeds of the Issue is at our discretion. We may have to revise our expenditure and funding requirements as a result of variations in costs, estimates, quotations or other external factors, which may not be within the control of our management. This may entail rescheduling, revising or cancelling planned expenditure and funding requirements at the discretion of our Board. Further, current quotations from suppliers are only valid for limited periods and there can be no assurance that we will be able to obtain new quotations from these or other suppliers on the same terms.

Further we intend to utilize ₹ [●] million from the Net Proceeds of the Issue for general corporate purposes. The Net Proceeds of the Issue earmarked for general corporate purposes based on the Cap Price and Floor Price constitute [●]% and [●]% of the Net Proceeds of the Issue, respectively. The management has not made any specific commitments with respect to utilization of the Net Proceeds of the Issue that will be raised for general corporate purposes and therefore, will not be able to make adequate disclosures with regard to such utilization. See also, the segment on 'General Corporate Purpose' in the section "*Objects of the Issue*" on page 107 of this Red Herring Prospectus.

11. ***Most of our branches (including our transshipment hubs) are located at leased premises. Our operations may be materially and adversely affected if we are unable to continue to utilize any of our key branches or transshipment hubs.***

Our business and operations are significantly dependent on the hub-and-spoke operating model and the integrated consignment delivery network built around our branches and transshipment hubs across India. Most of our branches (including most of our transshipment hubs) are located at leased premises. We have entered into various lease arrangements for such branches and/or transshipment hubs. If we are unable to continue to use our branches and transshipment hubs which are located on leased premises during the period of the relevant lease or extend such lease on its expiry on commercially acceptable terms, or at all, we may suffer a disruption in our operations which could have a material and adverse effect on our business, results of operations and financial condition. In addition, some of these leases may not have been registered, which may affect the evidentiary value of such lease agreement in specific performance or other injunctive procedures in a court of law.

12. ***The construction or expansion of our transshipment hub and branch network may be delayed or affected by various other factors.***

As of December 31, 2014, we had 48 strategically located transshipment hubs across India, of which seven were situated on land owned by us. We intend to expand our existing transshipment hub operations through significant addition of logistics and storagecapacities. We also intend to increase the proportion of owned transshipment hubs at strategic locations across India to ensure stability of our future operational network. This is expected to enable us to further integrate our operations, rationalize routes, optimize load factors, increase cost efficiencies and increase freight volumes. The availability of owned transshipment hubs is also expected to enable us to better plan future expansion of our operating facilities and network. The construction or expansion of our transshipment hubs and branch network, as well as the time and costs required to complete such construction or expansion, may be adversely affected by various factors, including, but not limited to:

- availability and suitability of land for construction of transshipment hubs or other branches;
- delays or inability to obtain all necessary governmental and regulatory licenses, permits, approvals and authorizations;
- construction risks, which include delays in construction and cost overruns, inclement weather conditions, defective materials or building methods, default by contractors and other third party service and goods providers of their obligations, or financial difficulties faced by such persons, work stoppages, strikes or accidents;
- the need to incur significant pre-operating costs; and
- funding constraints for construction work and capital improvements.

In addition, expansion of our operations into other regions of India will require the commitment of additional personnel and/or equipment and vehicles, as well as management resources. An inability to complete additional transshipment hubs and branches or expand existing ones within the anticipated time frame and budget may have a material adverse effect on our business prospects and expansion strategy.For further information please see our strategy titled "Increase the proportion of owned transshipment hubs at strategic locations and expand our transshipment hub capacities" in "*Our Business – Business Strategies –*" beginning on page 150 of this Red Herring Prospectus.

13. ***We have significant ongoing funding requirements and may not be able to raise additional capital in the future. As a result we may not be able to respond to business opportunities, challenges or unforeseen circumstances.***

We may make significant investments in the acquisition of vehicles as well as establishment of transshipment hubs and branches. In addition, we also incur expenses for building the body of the vehicles and maintenance costs, such as, repairing of tyres, maintenance of engine and spare parts.

In the future, our purchases of property and vehicles may increase as we expand our fleet and the proportion of our owned transshipment hubs and branches. In fiscal 2012, 2013 and 2014 and in the nine months ended December 31, 2014, our capital expenditure (excluding capital advances) was ₹ 1,739.64 million, ₹ 470.00 million, ₹ 846.09 million and ₹502.45 million, respectively. The amount and timing of capital investments depend on various factors, including anticipated volume levels, and the price of vehicles.

While we intend to finance some of our expansion plans with the proceeds of this Issue, existing cash, cash flow from operations and available borrowings, we may require additional capital to supplement these sources from time to time and to respond to business opportunities, challenges or unforeseen circumstances. Such capital, however, may not be available when we need it, or only be available on terms that are unacceptable to us. For example, the terms of our financing arrangements could make it more difficult for us to obtain additional debt financing in the future and to pursue business opportunities. If we are unable in the future to generate sufficient cash flow from operations or borrow the necessary capital to fund our planned capital expenditures, we will be forced to limit our growth and operate our vehicles for longer periods of time. In addition, we may not be able to service our existing customers or to acquire new customers. The inability to raise additional capital on acceptable terms could have a material adverse effect on our business, results of operations and financial condition.

14. ***Claims relating to loss or damage to cargo, personal injury claims or other operating risks that are not adequately insured may adversely affect our business, results of operations and financial condition.***

Our business is subject to various risks inherent in the goods and passenger transportation industry, including potential liability to our customers which could result from, among other circumstances, personal injury to passengers or damage to property arising from accidents or incidents involving vehicles operated by us. In addition, some costs like payments to intermediaries, facilitation payments made at check posts and police authorities may expose us to claims or liability which may not be adequately covered under insurance.

In our goods transportation business, we may be exposed to claims related to cargo loss, theft and damage, property and casualty losses and general liability from our customers. We typically do not secure insurance coverage for the goods transported by us. In the event of any damage or loss of goods, we may be required to compensate our customers. While we endeavor to recover such losses, as well as related loss of freight, by auctioning the damaged goods, there can be no assurance that we will recover any such losses.

In the air chartering services business, operating non-scheduled air transport services involves many risks and hazards that may adversely affect our operations and the availability of insurance is therefore fundamental to our operations. However, insurance cover is generally not available, or is expensive, for certain risks in the air chartering business, including mechanical breakdowns. We may become subject to liability for hazards which we cannot or may not elect to insure because of high premium costs or other reasons, or for occurrences which exceed maximum coverage under our policies.

Although we attempt to limit and mitigate our liability for thefts and/or damages arising from negligent acts, errors or omissions through contractual provisions and/or insurance, the indemnities set forth in our contracts and/or our insurance may not be enforceable in all instances or the limitations of liability may not protect us from entire liability for damages.

While we maintain insurance coverage at levels and for risks that we believe are customary in the goods and passenger transportation industry in India, there can be no assurance that there will not be any claims relating to loss or damage to cargo, personal injury claims or other operating risks that are not adequately insured. There can also be no assurance that the terms of our insurance policies will be adequate to cover any such damage or loss suffered or that such coverage will continue to be available on reasonable terms or will be available in sufficient amounts to cover one or more large claims, or that the insurer will not disclaim coverage as to any future claim.

Furthermore, any accident or incident involving our vehicles, even if we are fully insured or held not to be liable, could negatively affect our reputation among customers and the public, thereby making it more difficult for us to compete effectively, and could significantly affect the cost and availability of insurance in the future. To the extent that any such uninsured risks materialize, our business, results of operations and financial condition may be materially and adversely affected.

15. ***Our indebtedness and the conditions and restrictions imposed by our financing agreements could adversely affect our ability to conduct our business and operations.***

As of December 31, 2014 we had secured long term borrowings aggregating to ₹ 2,131.30 million (excluding current maturities) and short term borrowings aggregating to ₹1,044.83 million. As of December 31, 2014, our long term borrowings (including current maturities) was ₹3,670.16 million and our long term debt-to-equity ratio was 1.09 times. Our return on net-worth percentage was 18.65% in fiscal 2014 and 21.29% in the nine months ended December 31, 2014. In addition, we may incur additional indebtedness in the future. Our indebtedness could have several important consequences, including but not limited to the following:

- a portion of our cash flow may be used towards repayment of our existing debt, which will reduce the availability of our cash flow to fund working capital, capital expenditures, acquisitions and other general corporate requirements;

- our ability to obtain additional financing in the future at reasonable terms may be affected;

- fluctuations in market interest rates may affect the cost of our borrowings, as some of our indebtedness are at variable interest rates;

- there could be a material adverse effect on our business, financial condition and results of operations if we are unable to service our indebtedness or otherwise comply with financial and other covenants specified in the financing agreements; and

- we may be more vulnerable to economic downturns.

Most of our financing arrangements are secured by our movable and immovable assets. Many of our financing agreements also include various conditions and covenants that require us to obtain lender consents prior to carrying out certain activities and entering into certain transactions. Failure to meet these conditions or obtain these consents could have significant consequences on our business and operations. Specifically, we require, and may be unable to obtain, lender consents to make any change to our share capital; effect any scheme of amalgamation or reconstruction; implement a new scheme of expansion or take up an allied line of business; enlarge the scope of our trading activities; dispose the whole or substantially the whole of any undertaking; to commit, omit any act, deed or thing whatsoever as to incur winding up or liquidation process; invest any funds by way of deposits and loans in the share capital of other company; declare dividend if any instalments towards principal or interest remains unpaid; permit withdrawals of deposits/advances by friends/relatives/family members/proprietor; and dilution of capital or sale of fixed assets. Furthermore, some of our financing arrangements permit our lenders to convert the debt into equity upon an event of default. Some of our lenders also have the right to nominate a director on our Board during the subsistence of the credit facility. For further information, see "*Financial Indebtedness*" beginning on page 258 of this Red Herring Prospectus.

There can be no assurance that we have requested or received all relevant consents from our lenders as contemplated under our financing arrangements. Any failure to comply with the requirement to obtain a consent, or other condition or covenant under our financing agreements that is not waived by our lenders or is not otherwise cured by us, may lead to a termination of our credit facilities, acceleration of all amounts due under such facilities and trigger cross default provisions under certain of our other financing agreements, and may materially and adversely affect our ability to conduct our business and operations or implement our business plans. There can also be no assurance that we will have sufficient funds at all times to repay such credit facilities and may also be subject to additional penal interest. Moreover, our ability to borrow and the terms of our borrowings depend on our financial condition, the stability of our cash flows and our capacity to service debt in a rising interest rate environment, which could have a material adverse effect on our business, results of operations and financial condition.

16. ***Disruptions or failures in our information technology systems may affect our operations. Further, our operations rely significantly on our in-house technologies and processes.***

Our business is significantly dependent on the efficient and uninterrupted operation of our information technology infrastructure that connects our various branches and transshipment hubs across India. We are dependent on our in-house technologies and processes for a number of functions, including financial and operational controls, vehicle maintenance, tracking of consignments. Our operations are vulnerable to interruption by fire, earthquake, power loss, telecommunications failure, terrorist attacks, internet failures, computer viruses, and other events beyond our control. Any breaches of our information technology systems may require us to incur further expenditure to set up more advanced security systems to prevent any unauthorized access to our networks. In the event of a significant system failure, our business could experience significant disruption which could have a material adverse effect on our business, results of operations and financial condition.

In the event that our information technology systems are unable to handle additional volume for our operations as our business and scope of services grow, our service levels, operating efficiency and future freight volumes may decline. In addition, we expect customers to continue to demand more sophisticated, fully integrated information systems from their transportation and logistics service providers. If we fail to hire qualified personnel to implement and maintain our information technology systems or fail to upgrade or replace our information technology systems to handle increased volumes, meet the demands of our customers and protect against disruptions of our operations, we may lose orders and customers which could adversely affect our business. Further, some of our existing technologies and processes in the business may become obsolete, performing less efficiently compared to newer and better technologies and processes in the future. The cost of upgrading or implementing new technologies, upgrading our existing equipment or expanding capacity could be significant and could adversely affect our results of operations.

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

We operate in a very competitive industry, dominated by a large number of unorganized players. Increased competition may lead to revenue reductions, reduced profit margins, or a loss of market share, any of which could adversely affect our business and results of operations.

There are various factors that could impair our ability to maintain our current levels of revenues and profitability in our goods transportation business, including the following:

- competition with other companies offering goods transportation services or bus operations, some of which may develop a broader coverage network, a wider range of services, and may have greater capital resources than we do;
- reduction by our competitors of their freight rates to gain business, especially during times of declining growth rates in the economy, which may limit our ability to maintain or increase freight rates, maintain our operating margins, or maintain significant growth in our business;
- solicitation by customers of bids from multiple carriers for their transportation needs and the resulting depression of freight rates or loss of business to competitors;
- development of an operational model similar to ours by a competitor with sufficient financial resources and comparable experience in the transportation services industry;
- establishment of better relationships by our competitors with their customers; and
- availability of other alternative modes of goods or passenger transportation that directly compete with our routes or geographic regions we cover.

In our bus operations business, we compete with various State owned road transport corporations and a variety of local and regional private bus operators. State owned corporations may be capable of offering more competitive rates to passengers and sustain increased fuel or other operating costs without passing them to their customers. Further, State owned corporations also offer similar services as private operators on certain routes, at competitive prices. Further, increased competition from a variety of local and regional private bus operators may result in lower sales and greater operating costs and have an adverse effect on our financial performance.

We compete with other goods and passenger transportation providers based on reliability, delivery time, security, visibility, and customer service. Our reputation is based on the level of customer service that we provide. If this level of service deteriorates, or if we are prevented from delivering our services in a timely, reliable, safe, and secure manner, our reputation and business may suffer. Our success also depends on our ability to understand the preferences of our existing and prospective customers. The growing disposable income of India’s middle and upper income classes has led to a change in lifestyle, resulting in a substantial change in the nature of their requirements. Consequently, an emerging segment of customers may prefer other modes of transport including air and rail travel. Any failure to adequately anticipate, understand and address our customer’s requirements, could adversely impact our operations, growth and profitability.

Our competitors may successfully attract our customers to their services by matching or exceeding what we offer our customers. Our competitors may also start new routes or increase the frequency in the existing routes. As pricing is a significant driver in consumer decisions in our industry, our competitors may engage in price competition. We may respond by increasing advertising and promotions, which may increase our costs. Certain of our competitors are larger than us and may have greater network, brand recognition, or financial resources available and may be able to devote greater resources to pricing and promotional programs. There can be no assurance that we will have sufficient resources to respond to competitors’ investments in service network and pricing and promotional programs.

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

18. ***We do not verify the contents of the parcels transported by us, thereby exposing us to the risks associated with the transportation of goods in violation of applicable regulations.***

We transport various goods as part of our goods transportation business, other than goods that are classified as hazardous or illegal. While we obtain a declaration from the customer regarding the contents of the parcel and its value, we do not independently verify its contents. We also do not have any equipment to enable us to verify all our consignments prior to loading such consignments on our vehicles. Accordingly, we are unable to guarantee that these parcels do not contain any hazardous or illegal goods. For example, our vehicles have in the past been confiscated by State excise departments for transporting certain illegal goods. In such circumstances, our vehicles may be confiscated, which could in turn, adversely affect our operations and reputation. In addition, our courier business could involve movement of confidential documents and information, and unauthorized disclosure of such confidential and sensitive information may result in liability for us.

Further, we are subject to a broad range of national, State and local environmental, health and safety and criminal laws and regulations including regulations in relation to storage and transport of hazardous substances such as fuel. For example, the Hazardous Substances (Classification, Packaging and Labelling) Rules, 2011, mandate specific packaging and labeling requirements in relation to certain flammable substances. Failure to comply with such requirements may expose our Company to criminal liability as well as claims from third parties. Further, in the course of our operations, we may store, transport or arrange for the storage or transportation of substances defined as hazardous under applicable laws. If any damage or injury occurs as a result of our storage or transportation of hazardous, explosive or illegal materials, including fuel, we may be subject to claims from third parties, and bear liability, for such damage or injury even if we were unaware of the presence of the hazardous, explosive or illegal materials, and this could have a material adverse effect on our business and financial condition.

19. ***We are significantly dependent on our agencies for procuring business and may not be able to exercise complete control over the services offered by them.***

As of December 31, 2014, we had 346 agencies in the goods transportation business, while we had 739 agencies and 416 prepaid agencies in our bus operations business. A significant part of our revenues are generated through our agency network across India. We are dependent on our agents for various critical elements of our business, including consignment booking and marketing activities. In the goods transportation business, several consignment booking and delivery points for goods are operated by agencies, while in the bus operations business the agents are responsible for booking seats and collecting payment from passengers. While our agreements with our agencies typically contain non-compete and non-solicitation provisions, we may not be able to restrict the ability of a former agency from competing with us following termination of such arrangements. We also typically receive financial guarantees from our agents and in case we are unable to procure the same from them in case of default we may be at a disadvantage and our results of operations may be adversely affected. The loss of some of our key agencies or a significant decrease in volume generated by our larger agencies could have a material adverse effect on our results of operation and financial condition.

In addition, our sales and marketing capabilities may be relatively limited compared to our competitors who may have their larger internal sales teams or greater financial resources than us. There can be no assurance that any marketing and sales efforts undertaken on our behalf through our agents or otherwise will be successful or will result in any significant revenues. In addition, we do not have complete control on the quality of service offered by our agencies. In the event that any of these agents is liable for any misrepresentation or miscommunication, or misuse of authority, not collecting payments on time and fraudulent practices, we could be held liable for such acts of our agents, and further our reputation could be affected, which may result in a loss of business and revenue.

20. ***Shortage of owned vehicles for use in our goods transportation operations may result in additional costs for third party hired vehicles. An inability to hire third party vehicles in such circumstances may also lead to consignment delivery delays, leading to customer dissatisfaction and loss of business.***

Although we have a large fleet of goods transportation vehicles, we also hire a significant number of vehicles for our goods transportation operations, particularly during peak periods. Third-party vehicles generally yield lower payload capacity compared to our own customised vehicles with lighter and longer bodies enabling higher payload capacity. Hiring third party vehicles also significantly increases operational expenses. In addition, availability of third-party vehicles may be uncertain during periods of high demand. In addition, we do not have any control over the servicing and maintenance of these vehicles. Any non-availability of hired trucks or other vehicles, delay in obtaining them and/ or break down, on-road repairs or service interruptions may result in loss of orders, delays in delivery of cargo which could lead to customer dissatisfaction and loss of business, which in turn could adversely affect our business, results of operations and financial condition.

21. ***Our large branch and transshipment hub network are subject to various risks relating to logistics facilities operations.***

Our large branch and transshipment hub network are subject to various risks associated with logistics facilities operations including the following:

- significant liabilities associated with the owned assets, including mortgage payments, real estate taxes, are generally fixed and need to be paid even when market conditions reduce income from our operations;
- our ability to control rents and variable operating costs;
- our ability to maintain, refurbish, expand and redevelop existing facilities; and
- our ability to maintain, and obtain insurance for, our facilities.

Any of these factors could have a material adverse effect on our business, results of operations and financial condition.

22. ***Our strategy of further expanding our operations in central and eastern India may be subject to various unfamiliar risks and may not be successful.***

Our expansion strategy contemplates expanding our operational to other geographical areas, including to central and eastern regions of India. Risks that we may face in implementing our business strategy in these markets may substantially differ from those previously experienced, thereby exposing us to new market related and customer related risks. The commencement of operations beyond our current markets is subject to various risks including unfamiliarity with pricing dynamics, competition as well as service and operational issues. We may not be able to successfully manage some or all of the risks associated with such an expansion into new geographical areas, which may place us at a competitive disadvantage, limit our growth opportunities and have a material adverse effect on our business, results of operations and financial condition.

23. ***Our inability to manage or maintain growth could disrupt our business and reduce our profitability.***

Our business and operations have experienced significant growth in recent years. Our total revenue increased at a compound annual growth rate ("**CAGR**") of 20.44% from ₹ 7,146.13 million in fiscal 2010 to ₹ 15,037.77 million in fiscal 2014, while our profit after taxation, as restated, increased at a CAGR of 18.75% from ₹ 287.54 million in fiscal 2010 to ₹ 571.76 million in fiscal 2014.The size of our fleet of vehicles for goods transportation business and our bus operations increased from 2,730 as of March 31, 2010 to 3,874 as of March 31, 2014. We have also expanded our large pan-India network of transshipment hubs and branches in recent years to 624 branches for goods transportation business as of December 31, 2014. A principal component of our strategy is to continue to grow by expanding the size and geographical scope of our businesses. This growth strategy will place significant demands on our management, financial and other resources. It will require us to continuously develop and improve our operational, financial and internal controls. Continuous expansion increases the challenges involved in financial management, recruitment, training and retaining high quality human resources, preserving our culture, values and entrepreneurial environment, and developing and improving our internal administrative infrastructure. In addition, continued expansion and diversification of our operations increases the challenges involved in:

- maintaining high levels of operational control, management and client satisfaction;
- recruiting, training and retaining sufficient skilled management, technical and operational personnel;
- operating in geographies and regions where we have limited experience;
- adhering to health, safety and environment and quality standards that meet customer expectations;
- preserving a uniform culture, values and work environment in our operations; and
- developing and improving our internal administrative infrastructure, particularly our financial, operational, communications and other internal systems.

An inability to successfully manage our growth may have a material and adverse effect on our business, results of operations and financial condition.

24. ***Employee misconduct or errors could expose us to business risks or losses that could adversely affect our business prospects, results of operations and financial condition.***

Employee misconduct or errors could expose us to business risks or losses, including regulatory sanctions, penalties and serious harm to our reputation. Such employee misconduct includes breach in security requirements, misappropriation of funds, hiding unauthorized activities, failure to observe our stringent operational standards and processes, and improper use of confidential information. It is not always possible to detect or deter such misconduct, and the precautions we take to prevent and detect such misconduct may not be effective. In addition, losses caused on account of employee misconduct or misappropriation of petty cash expenses and advances may not be receoverable, which we may result in write-off of such amounts and thereby adversely affecting our results of operations. Our employees and agents may also commit errors that could subject us to claims and proceedings for alleged negligence, as well as regulatory actions in such case, our reputation, business prospects, results of operations and financial condition could be adversely affected.

25. ***Our intellectual property rights may not be adequately protected against third party infringement and our business may be adversely affected if our brand or reputation is damaged by third parties.***

We have established a brand under the VRL logo which is registered under class 12 of the (Indian) Trademarks Act, 1999, as amended, as well as under the (Indian) Copyright Act, 1947, as amended. We also operate our passenger buses under the trade name Vijayanand Travels and also operate certain shorter distance goods transportation services within the States of Karnataka and Goa under the Maruti Parcel Carriers brand. However we have not made any application for the registration of these brands or trademarks. We are subject to the risk of brand dilution and consequently loss of revenue in case of any misuse of our brand name by our agents or any third party.

In addition, we may not be able to protect our intellectual property rights against third party infringement and unauthorized use of our intellectual property, including by our competitors. We may also be subject to claims by third parties if we use their trademark in breach of any intellectual property rights registered by such third parties. Any legal proceedings pursuant to such claims, or settlements thereunder, may divert management attention and require us to pay financial compensation to such third parties. Our inability to obtain or maintain these registrations may adversely affect our competitive business position. This may affect our brand value and consequently our business.

26. ***The increase in the age of our vehicles and an increase in the prices of new vehicles may adversely affect our business and results of operations.***

As of December 31, 2014, 67.12% of our owned goods transportation vehicles and 12.31% of our bus fleet were over five years. As the age of our fleet increases, we expect maintenance costs related to our fleet to also increase. We may also acquire new vehicles to expand our business or to manage operational efficiencies and reduce cost of maintenance. Unless we continue to expand and upgrade our fleet of goods transportation vehicles or buses and acquire such vehicles on commercially favorable terms, our aging fleet may result in increased operating and maintenance costs. In addition, passenger buses on inter-State, longer routes are allowed to operate for a maximum period of ten years. If the price of new goods transportation vehicles and passenger buses increase, we will also incur increased depreciation expenses which may adversely affect our results of operations.

27. ***If our employees were to unionize or our labour costs were to increase, our results of operations may be adversely affected.***

None of our employees is currently represented by a collective bargaining agreement and we believe that our non-unionized operations have advantages over unionized competitors in providing reliable and cost-competitive customer services, including greater efficiency and flexibility. However, we cannot assure you that our employees will not unionize, or attempt to unionize in the future, that they will not otherwise seek higher wages and enhanced employee benefits. The unionization of our employees could result in an increase in wage expenses and our cost of employee benefits, limit our ability to provide certain services to our customers, cause customers to limit their use of our services due to the increased potential for strikes or other work stoppages and result in increased expenditures in connection with the collective bargaining process, any of which could have a material adverse effect on our business, financial condition and results of operations.

In addition, we enter into contracts with independent contractors to complete specified assignments and these contractors are required to source the labour necessary to complete such assignments. Although we generally do not engage these labourers directly, it is possible under Indian law that we may be held responsible for wage payments to labourers engaged by contractors should the contractors default on wage payments. Any requirement to fund such payments will adversely affect us, our business, financial condition and results of operations. Furthermore, under the Contract Labour (Regulation and Abolition) Act, 1970, we may be required to absorb a portion of such contract labourers as permanent employees. Any order from a regulatory body or court requiring us to absorb such contract labourers may have an adverse effect on our business, financial condition and results of operations.

Further, there is a possibility that the labour costs increase disproportionately due to increase in wage/salary demand. In this event, if we are unable to pass on the increased costs to our customers, our business operations and financial condition may be adversely affected.

28. ***Our success depends upon our senior management team and skilled personnel and our ability to attract and retain such persons.***

We benefit from our relationship with our Promoters and our success depends upon the continuing services of our Promoters who have been responsible for the growth of our business and are closely involved in the overall strategy, direction and management of our business. Our Promoters have been actively involved in the day to day operations and management since the incorporation of the Company. Accordingly, our performance is heavily dependent upon the services of our Promoters. If our Promoters are unable or unwilling to continue in their present position, we may not be able to replace them easily or at all.

Our business is also significantly dependent on our Directors, senior executives and other key management personnel to implement our business strategy and manage our business operations. If any of these individuals resign or discontinue his or her service and we are unable to find a suitable replacement, our business operations and our ability to successfully implement our business strategies may be materially and adversely affected.

Our ability to successfully implement business strategies is therefore subject to our ability to attract and retain key management personnel. Competition for management and industry experts in the industry is intense. Our ability to retain experienced senior management as well as other employees will, in part, depend on us having in place appropriate remuneration and incentive schemes. There can be no assurance that the remuneration and incentive schemes we presently have in place will be sufficient to retain the services of our senior management and other skilled employees.

29. ***Risks associated with our wind power generation business.***

Our wind power generation business is subject to various operational and other risks including those identified below:

a. ***The wind power business is seasonal in nature. Changes in weather patterns may affect our ability to operate our wind power business.***

In the nine months ended December 31, 2014, our wind power business contributed 1.56% of our total revenues from operations. Our wind power business is seasonal in nature and is primarily dependent on the wind patterns at project sites conforming to the patterns that had previously been used to determine the suitability of these sites for wind power projects. Any changes in the wind patterns may adversely affect our operations as our wind turbines may not be able to produce electricity at the optimal output or at all. Climatic weather patterns, whether seasonal or for an extended period of time, that result in lower, inadequate and/or inconsistent wind speed to propel the wind turbines may render them incapable of generating adequate, or any, electrical energy.

b. ***We depend on a single customer for the sale of power generated by our wind power business.***

From the inception of our wind power generation business, all the electricity generated by our wind turbine generators in the State of Karnataka has been sold to a single customer, Hubli Electricity Supply Company Limited ("HESCOM"), pursuant to certain power purchase agreements. Our sale of wind power is entirely dependent on sales to HESCOM. HESCOM has the right to terminate the agreement in case of our failure to perform operation and maintenance activities or comply with the material obligations of the agreements, after giving us a notice and if such default is not cured within a certain period. However, in the event that HESCOM fails to pay us for a certain period, from the date of submission of the bills, we are free to sell any further electricity generated by us to any third party. In such cases, HESCOM will be entitled to levy certain additional charges on the Company. In the past there have been instances where HESCOM has failed to pay us in a timely manner and as a result of which we have been unable to service our debt in relation to the wind power business in a timely manner. We cannot assure you that we will be able to recover any monies due to us from HESCOM or such third parties in a timely manner. Any change in the financial position of HESCOM that adversely affects its ability to pay us, may further adversely affect our financial position and results of operation.

c. ***Our wind turbine generators are not under warranty. Any damage, breakdown or failure of such generators will adversely affect our results of operation.***

The warranty period on our wind turbine generators has expired and we have entered into operations and maintenance contract for upkeep of the wind turbine generators. However the operations and maintenance contract does not cover damage due to operation or management of the windmills during a fire, natural calamity, riots etc. and any damage, breakdown or failure of such generators will result in us having to incur significant expenditure to repair or replace our wind turbine generators, and could impair our ability to sell electricity in a timely manner, thereby adversely affecting our results of operations.

d. ***We rely on third party suppliers for the ongoing maintenance of our wind power generation equipment.***

We have entered into an arrangement with Suzlon Global Services Limited for maintenance of our wind power generation equipment. The arrangement may be renewed on mutually decided terms and conditions by the parties. The arrangement may also be terminated by the third party after giving a written notice in case of any default by the Company in performance of its obligations and if such default is not cured within a particular period. If Suzlon Global Services Limited becomes unwilling or unable to perform its obligations under this contract, and if we are unable to find a suitable alternative at similar costs, our wind power generation operations may suffer and our results of operations and financial condition may be adversely affected.

30. ***Risks associated with our air charter business.***

Our air charter business, which contributed 0.69% of our total revenues from operations in the nine months ended December 31, 2014, is subject to various operational and other risks including the following:

a. ***Our reputation, operations and financial condition could be negatively affected in the event of an accident or a disruptive or dangerous incident involving our aircraft.***

An accident involving our aircraft could negatively affect our reputation and involve repair or replacement of a damaged aircraft and its consequential temporary or permanent loss from service, and significant potential claims if any persons are injured or killed.

b. ***Our air charter business is dependent on two aircrafts. Any damage to the aircrafts or permanent loss of its service, could adversely affect our results of operation.***

Our air charter business is dependent on the two aircrafts we own. Any damage to the aircrafts, or any breakdown or failure of any of its parts, could result in its temporary or permanent loss of service, adversely affecting or causing cessation of operations. Further we may also face difficulty in relation to procuring spare parts for our two aircrafts as a result of which our operations may be adversely affected.

c. ***We are dependent on third parties for maintenance and other operations in respect of our air charter business.***

We rely on various third party service providers in connection with the maintenance of our aircraft, ground-handling and marketing activities. Any delay or failure to obtain such services as required for our air charter business, on commercially acceptable terms or at all, may adversely affect our air charter operations.

d. ***If we fail to comply with airworthiness requirements, licenses to operate our aircrafts may be suspended.***

Any failure to comply with any DGCA and/or manufacturer regulations or airworthiness requirements could lead to our aircrafts being grounded. Any non-compliance or delay in complying with applicable regulatory requirements may result in levying of penalties against us, which may affect our operations.

e. ***Air charter operations involve risks that may not be covered by our insurance or may increase the cost of our insurance.***

Operations of aircrafts involve some degree of risk. Hazards, such as accidents, adverse weather conditions, collisions and fires, are inherent in furnishing air charter services and can cause personal injury and loss of life, severe damage to and destruction of property and equipment, and suspension of operations. As a result of these and other factors, we may not be able to maintain adequate insurance in the future at rates we consider reasonable. While we believe that we are adequately covered by insurance in light of our historical need for insurance coverage, the loss of this coverage or the loss, expropriation or confiscation of, or severe damage to, our aircrafts could adversely affect our operations and revenues from the air charter business. Aviation insurers could further increase their premiums in the event of additional terrorist attacks, hijackings, airline crashes or other events adversely affecting the aviation industry. Significant increases in insurance premiums could increase our costs and adversely affect our operations and revenues from the air charter business. As a result of these and other factors, no assurance can be given that we will be able to maintain adequate insurance in the future at rates we consider reasonable.

There can be no assurance that any claim under the insurance policies maintained by us will be honoured fully, in part or in time. To the extent that we suffer loss or damage that is not covered by insurance or exceeds our insurance coverage, our results of operations and cash flows may be adversely affected.

f. ***Air charter service business is heavily regulated and requires various approvals, licenses, registrations and permissions.***

The aviation industry is heavily regulated in many jurisdictions including India. We require various approvals, licenses, registrations and permissions for our air charter business activities. Each authority may impose its own requirements or delay or refuse to grant renewal of the permission/license which has already been granted before. For example the DGCA recently proposed, and subsequently withdrew, a notification regarding classification of operators with a minimum of three aircraft as scheduled operators. We cannot assure you that such requirements will not be imposed in the future or that we will be able to comply with such requirements. Our air charter business, operations and related financials could be adversely affected if we fail to obtain such approvals, licenses, registrations and permissions, in a timely manner or at all.

31. ***Any delay or non-payment by our customers may adversely affect our results of operations.***

We have a large and diverse base of customers in our goods transportation business, developed around our hub-and-spoke operating model, and serve a diverse mix of end consumers in various industry verticals. We typically render our services to our customers on a transaction by transaction basis, rather than under agreed terms of any kind of on-going contractual relationship. No single customer accounted for more than 1.00% of our revenue from goods transportation business in fiscal 2014.

A significant percentage of our customers, many of who are either SMEs, distributors or traders or in the unorganized sector, follow the “To Pay” payment option, in which the customer does not pay the charges at the time of booking but the person to whom the goods are to be delivered (i.e. consignee) is required to pay our freight upon collection of the goods. This payment option represented 57.93%, 55.90%, 59.20% and 59.16% of our revenues from goods transportation services in fiscal 2012, 2013, 2014 and in the nine months ended December 31, 2014, respectively. In addition, we provide credit facilities under our "Ongoing Account" payment option to certain of our customers, primarily large enterprises that are high volume and regular customers. Although historically the amount of non-payment by our customers have not been significant, there can be no assurance that there will not be any significant payment defaults by our customers in the future, which could affect our business, results of operations and financial condition.

32. ***Our Promoters, Directors and key managerial personnel have interest in our Company other than reimbursement of expenses incurred or normal remuneration or benefits.***

Certain of our Directors (including our Promoters) and Key Management Personnel are interested in our Company, in addition to regular remuneration or benefits and reimbursement of expenses, to the extent of their shareholding in our Company. As on February 28, 2015, our Promoters held 76.72% of the issued equity share capital of the Company. There can be no assurance that our Promoters and our Key Management Personnel will exercise their rights as shareholders to the benefit and best interests of our Company. Following the completion of the Issue, our Promoters will hold [●]% of the equity share capital of the Company and continue to retain a significant control of the Company, including being able to control the composition of our Board of Directors, determine decisions requiring simple or special majority voting of shareholders, relating to any sale of all or substantially all of our assets, timing and distribution of dividends and the election or termination of appointment of our officers, and our other shareholders may be unable to affect the outcome of such voting. Our Promoters may take or block actions with respect to our business or influence the material policies of the Company which may conflict with the best interests of the Company or that of the other shareholders. Further, this control could delay, defer or prevent a change in control of the Company, impede a merger, consolidation, takeover or other business combination involving the Company, or discourage a potential acquirer from making a tender offer or otherwise attempting to obtain control of the Company even if it is in the Company's best interest.

33. ***We have entered into certain transactions with related parties in the past and may continue to do so in the future. These transactions or any future transactions with our related parties could potentially involve conflicts of interest.***

We have entered into certain transactions with related parties, including our Promoters and Group Companies and may continue to do so in the future. These transactions entered into with, amongst others, our Promoters and Group Companies typically relate to sale and purchase of property, payments of royalties for use of Company's logo, payment of rental for use of property etc. These transactions or any future transactions with our related parties could potentially involve conflicts of interest.

While we believe that all such transactions have been conducted on an arms-length basis, there can be no assurance that we would not have achieved more favorable commercial terms with other parties. Furthermore, we may enter into related party transactions in the future, and such transactions may potentially involve conflicts of interest. There can be no assurance that such transactions, individually or in the aggregate, will not have an adverse effect on our results of operations and financial condition. For more information see "*Related Party Transactions*" on page 220 of this Red Herring Prospectus.

34. ***The requirements of being a public listed company may strain our resources and impose additional requirements.***

With the increased scrutiny of the affairs of a public listed company by shareholders, regulators and the public at large, we will incur significant legal, accounting, corporate governance and other expenses that we did not incur in the past. We will also be subject to the provisions of the listing agreements signed with the Stock Exchanges which require us to file unaudited financial results on a quarterly basis. In order to meet our financial control and disclosure obligations, significant resources and management supervision will be required. As a result, management's attention may be diverted from other business concerns, which could have an adverse effect on our business and operations. There can be no assurance that we will be able to satisfy our reporting obligations and/or readily determine and report any changes to our results of operations in a timely manner as other listed companies. In addition, we will need to increase the strength of our management team and hire additional legal and accounting staff with appropriate public company experience and accounting knowledge and we cannot assure that we will be able to do so in a timely manner.

35. ***Our liquid transportation business has certain inherent risks including in relation to the carriage of hazardous materials.***

We own certain vehicles to provide services for transportation of liquid substances such as fuel which catersmainly to oil supply companies. In fiscal 2012, 2013, 2014 and in the nine months ended December 31, 2014 our revenues from the liquid transportation services was ₹ 11.46 million, ₹ 21.24 million, ₹ 27.28 million and ₹ 18.99 million, respectively, and contributed 0.13%, 0.22%, 0.24% and 0.20%, respectively, of our revenue from goods transportation business in these periods.

The operation of liquid tankers is inherently risky especially if we are transporting liquids such as fuel. All risks may not be adequately insured against, and any particular claim may not be paid by insurance. Further stringent environmental regulations have led to increased costs for, and in the future may result in the lack of availability of, insurance against risks of environmental damage or pollution. In addition our liquid transportation operations will be affected by extensive and changing national and local environmental protection laws and regulations including those governing hazardous discharges to air and water, and the handling and disposal of hazardous substances and wastes. Many of these requirements are designed to reduce the risk of pollution due to accidental leakage or spillage of fuel. We would also be required to incur substantial expenses in complying with these laws and regulations, including expenses for changes in operating procedures.

Under local and national laws, we could incur material liabilities, including cleanup obligations, in the event that there is a release of fuel or other hazardous substances from our vehicles or otherwise in connection with our operations. We could also become subject to personal injury or property damage claims relating to the release of or exposure to hazardous materials associated with our operations. In addition, failure to comply with applicable laws and regulations may result in administrative and civil penalties, criminal sanctions or the suspension or termination of our liquid transportation operations, including, in certain instances, seizure or detention of our liquid transportation vehicles.

36. ***Our ability to pay dividends in the future will depend upon future earnings, financial condition, cash flows, working capital requirements, capital expenditures and restrictive covenants in our financing arrangements.***

The amount of our future dividend payments, if any, will depend upon various factors including our future earnings, financial condition, cash flows, working capital requirements and capital expenditures. There can be no assurance that we will be able to declare dividends. Any future determination as to the declaration and payment of dividends will be at the discretion of our Board of Directors and will depend on various factors. Accordingly, realisation of a gain on shareholder investments will depend on the appreciation of the price of the Equity Shares. There is no guarantee that our Equity shares will appreciate in value.

37. ***Our Promoters have extended personal guarantees in connection with certain of our debt facilities. There can be no assurance that such personal guarantees will be continued to be provided by our Promoters in the future.***

Some of our Promoters have provided personal guarantees in connection with certain of our financing arrangements. For further information, see "*Financial Indebtedness*" on page 258 of this Red Herring Prospectus. There can be no assurance that our Promoters will continue to provide such personal guarantees for our debt facilities in the future or that our lenders will continue to extend our current or comparable financing arrangements in the absence of such personal guarantees from our Promoters. Our ability to service our debt obligations will depend entirely on the cash flow generated by our business in the future. In addition, in the event that any personal guarantees provided by our Promoters are invoked and the Promoters are not able to meet their guarantee requirements, then legal proceedings may be initiated against them and they may not be able to effectively manage the operations of our Company.

38. ***Our statutory auditors' report on our audited financial statements highlights various matters relating to the Companies (Auditors' Report) Order, 2003.***

Our statutory auditors have highlighted certain matters relating to the Companies (Auditors' Report) Order, 2003 in our restated financial statements included herein, primarily relating to dues outstanding in respect of income tax, sales tax, service tax, excise duty other statutory payments on account of any dispute. For further information, see Annexure 5 - Note 18 of our restated financial statements on page F-18 of this Red Herring Prospectus.

39. ***We have certain contingent liabilities and our financial condition and profitability may be adversely affected if any of these contingent liabilities materialize.***

As of December 31, 2014, our contingent liabilities as indicated in our Restated Financial Statements were as follows:

Particulars	**Amount (₹ million)**
A. Claims against the Company not acknowledged as debts	
Income tax matters	53.08
Customs duty	69.49
PF and ESIC matters	1.29
Other contractual matters	31.89
B. Disputed claims pending in courts	60.33
C. Guarantees given by bank on behalf of Company	4.05
Total	220.13

If any of these contingent liabilities materialize, our results of operations and financial condition may be adversely affected. For further information, see Annexure 5 – Note 3 of our financial statements on page F-14 of this Red Herring Prospectus.

40. ***We are subject to risks arising from interest rate fluctuations, which could adversely affect our business, financial condition and results of operations.***

Interest rates for borrowings have been volatile in India in recent periods. Our operations are funded to a significant extent by debt and increases in interest rate (and consequent increase in the cost of servicing such debt) may have an adverse effect on our results of operations and financial condition. Our current debt facilities carry interest at variable rates as well as fixed rates. Although we may in the future engage in interest rate hedging transactions or exercise any right available to us under our financing arrangements to terminate the existing debt financing arrangement on the respective reset dates and enter into new financing arrangements, there can be no assurance that we will be able to do so on commercially reasonable terms, that our counterparties will perform their obligations, or that these agreements, if entered into, will protect us adequately against interest rate risks.

41. ***One of the Group Companies of our Promoters have incurred losses and had negative cash flows in the last three years.***

Our Group Company, VRL Media Limited, commenced commercial operations with effect from April 1, 2012 and had incurred losses in the initial period of its commercial operations in the last three fiscals and also had negative net worth as per the last disclosed financial statement. The details of loss incurred by VRL Media Limited for the preceding three fiscals are as follows:

(₹in millions)

Group Company Name	**Losses for**		
	Fiscal 2014	**Fiscal 2013**	**Fiscal 2012**
VRL Media Limited	(491.27)	(398.33)	(28.49)

For further details on the financial information of our Group Companies, see the section "*Promoters and Group*

Companies" on page 216 of this Red Herring Prospectus.

42. ***There may be potential conflicts of interest if our Promoters or Directors are involved in any business activities that compete with or are in the same line of activity as our business operations.***

There may be potential conflicts of interest if our Promoters or Directors are involved in any business activities that compete with or are in the same line of activity as our business operations. Some of our Promoters or non-executive Directors may be involved in one or more ventures which are, or may also be on the board of certain companies which are engaged, in businesses similar to the business of our Company. Further there is no assurance that our Directors will not provide competitive services or otherwise compete in business lines in which we are already present or will enter into in future. Such factors may have an adverse effect on our results of operations and financial condition.

43. ***The unsecured loans taken by our Promoters may be recalled by the lenders at any time.***

Our Promoters have taken unsecured loans. Such loans may not be repayable in accordance with any agreed repayment schedule and may be recalled by the relevant lenders at any time. Any such unexpected demand for repayment may have a material adverse effect on the business, cash flows and financial condition of the borrower against which repayment is sought.The recalling of any such unsecured loans, including on account of any default of repayment, may affect the reputation of our Promoters and in turn affect the trading of the Equity Shares. The recalling of any such unsecured loans may also lead to the Promoters divesting their stake in our Company to meet the requirements of repayment of such loans. Further, the potential financial strain caused by recalling of such unsecured loans, may lead to our Promoters failing to subscribe to any future capital issues of our Company and a consequent dilution of their stake in our Company. Additionally, diversion of resources of our Promoters, including monetary resources and time may have a material adverse effect on the business and operations of our Company.

44. ***We may undertake strategic acquisitions or investments, which may prove to be difficult to integrate and manage or may not be successful.***

In the future, we may consider making strategic acquisitions of other companies whose resources, capabilities and strategies are complementary to and are likely to enhance our business operations. There can be no assurance that we will identify suitable acquisition or investment opportunities, or that if we do identify suitable opportunities, that we will complete those transactions on terms commercially acceptable to us or at all. The inability to identify suitable acquisition opportunities or investments or the inability to complete such transactions may materially and adversely affect our competitiveness and growth prospects. If we complete such an acquisition, we could face difficulty in integrating the acquired operations. In addition, key personnel of the acquired entity may decide not to work for us. These difficulties could disrupt our ongoing business, distract our management and employees and increase our expenses. There can be no assurance that we will be able to achieve the strategic purpose of such acquisition or operational integration or our targeted return on investment.

45. ***Changes in existing emission and vehicle age norms may lead to part or all of our fleet of vehicles becoming un-roadworthy.***

Any change in the existing norms for vehicle emissions and age of vehicles, including implementation of more stringent Bharat Stage V emission norms or a restriction on the use of commercial vehicles above the age of certain years, including pursuant to judicial rulings, revised legislations and international treaties, such as the United Nations Framework Convention on Climate Change, to which India is a signatory, may require us to comply with such stringent norms. While currently, there is no bar on the plying of vehicles compliant with earlier Bharat Stage emission norms, such as Bharat Stage I or Bharat Stage II emission norms, implementation of higher norms, may lead to some or all of our fleet of vehicles being declared not road-worthy. Further, failure to meet such higher emission norms may also result in some or all or our vehicles becoming declared not road-worthy. There can be no assurance that our vehicles will be able to meet such emission compliance norms partially or at all. Failure to meet such emission norms may cause us to incur substantial costs in replacement and upgrading of our fleet of vehicle, which may have a material adverse effect on our business and results of operations.

EXTERNAL RISK FACTORS

46. ***Our business is subject to certain taxes, which may significantly affect our profits.***

Our business is subject to a multiplicity of taxes as taxes are levied at the national level, State level and at the local administration level. The taxes and levies include income tax, value added tax, service tax, stamp duty, motor vehicle tax, octroi and other special taxes and surcharges (such as tolls by the local body) which are introduced on a temporary or permanent basis from time to time. Moreover, the central and state tax scheme in India is extensive and subject to change from time to time. The central or state government may in the future increase the corporate income tax it imposes. Any such future increases or amendments may affect the overall tax efficiency of companies operating in India and may result in significant additional taxes becoming payable. Additional tax exposure could adversely affect our business and results of operations.

47. ***The transportation industry is affected by numerous factors that are beyond our control which may have an adverse impact on our business, results of operations and financial condition.***

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

48. ***The decrease in or elimination of government initiatives and incentives relating to renewable energy sources and in particular to wind energy, may have an adverse effect on the demand for wind power.***

In recent years, governments in many countries, including India, have enacted legislation or have established policies that support the expansion of renewable energy sources, such as wind power and such support has been a significant contributing factor in the growth of the wind power industry. Support for investments in wind power is provided through fiscal incentive schemes or public grants to the owners of wind power systems, for example through preferential tariffs or tax incentives. In addition, the governments of some countries also prescribe specified levels of electricity that utilities are required to obtain from renewable energy sources. Further, international attention being paid to reducing carbon dioxide emissions and the possibility of trading carbon dioxide emission quotas taking place has led to extra duties being applied to those sources of energy, primarily fossil fuels, which cause carbon dioxide pollution.

These factors have indirectly supported and encouraged the expansion of power generated from renewable energy and in turn, the wind power industry in general. In the past, the decrease in, or elimination of, direct or indirect government support schemes for renewable energy including wind power has had a negative impact on the market for wind power. There can be no assurance that any such government support will continue at the same level or at all. If direct and indirect government support for wind power was terminated or reduced, this would make producing electricity from wind power less competitive, and may have an adverse effect on our wind power business.

49. ***As a Company engaged in the business of providing air chartering services, we may not be able to issue equity shares or instruments convertible into equity shares beyond a certain percentage without prior FIPB approval.***

Foreign investment in Indian securities is governed by the provisions of the FEMA read with the applicable FEMA Regulations. 100% FDI is allowed in the "courier services for carrying packages, parcels and other items which do not come within the ambit of the Indian Post Office Act, 1898" without prior approval of the FIPB. Further up to 100% foreign investment is permitted in wind power generation and hospitality business, without prior approval of the FIPB. For the "non-scheduled air transport service/ non-scheduled airlines, chartered airline, and cargo airlines", FDI is allowed up to 74% (49% under the automatic route, and beyond that up to 74%, with the prior approval of the FIPB).

Foreign direct investment in the Company exceeding 49% of the Company's share capital requires prior FIPB approval. Such a requirement to obtain prior FIPB approval for any foreign investment in the Company may prevent the Company from raising funds by issue of shares or convertible securities to persons resident outside India, reduce our operational flexibility or prevent us from entering into a transaction that is in the best interest of our shareholders.

Further, inability to comply with the terms and conditions of any approval of the FIPB may result in the permission being revoked and could also subject our Company to penalties, which could adversely affect our operations and financials as well as negatively impact our reputation.

50. ***Political, economic or other factors that are beyond our control may have an adverse impact on our business and results of operations.***

Our performance and growth are dependent on the health of the Indian economy. Any slowdown in the Indian economy could materially and adversely impact our business, our results of operations and our financial condition. The following external risks may have an adverse impact on our business and results of operations should any of them materialize:

- Political instability, resulting from a change in the government or a change in the economic and deregulation policies may adversely affect economic conditions in India in general and our business in particular;
- A change in government policy towards the logistics sector in India;
- A slowdown in economic growth in India may adversely affect the demand for goods and passenger transportation in India and consequently our business and results of operations. The growth of our business and our financial performance is linked to the performance of the overall Indian economy;
- Civil unrest, acts of violence, terrorist attacks, regional conflicts of situations or war involving India, or other countries may adversely affect the financial markets which may impact our business. Such incidents may impact economic growth or create a perception that investment in Indian companies involves a higher degree in risk which may reduce the value of the Equity Shares;
- Natural disasters in India may disrupt or adversely affect the Indian economy, on the health of which our business depends.
- Any downgrading of India's sovereign rating by international credit rating agencies may negatively impact our business, credit ratings and access to capital. In such an event, our ability to grow our business and operate profitably may be severely constrained; and
- Instances of corruption in India have the potential to discourage investors and derail the growth prospects of the Indian economy. Corruption creates economic and regulatory uncertainty and may have an adverse effect on our business, profitability and results of operations.

The Indian economy has sustained periods of high inflation. Should inflation continue to increase sharply, our profitability and results of operations may be adversely impacted. High rates of inflation in India may increase our employee costs, decrease the disposable income available to our customers and decrease our operating margins, which may have an adverse effect on our profitability and results of operations.

51. ***Financial instability in other countries may cause increased volatility in Indian financial markets. In the event that the current difficult conditions in the global credit markets continue or if there are any significant financial disruption, such conditions could have an adverse effect on our business, future financial performance and the trading price of the Equity Shares.***

The Indian market and the Indian economy are influenced by economic and market conditions in other countries, particularly emerging market countries in Asia. Financial turmoil in Europe and elsewhere in the world in recent years has affected the Indian economy. Although economic conditions are different in each country, investors' reactions to developments in one country can have adverse effects on the securities of companies in other countries, including India. Recently, the currencies of a few Asian countries including India suffered depreciation against the US Dollar owing to amongst other reasons, the announcement by the US government reducing its quantitative easing measures. A loss of investor confidence in the financial systems of other emerging markets may cause increased volatility in Indian financial markets and, indirectly, in the Indian economy in general. Any worldwide financial instability could also have a negative impact on the Indian economy. Financial disruptions may occur again and could harm our business, future financial performance and the prices of the Equity Shares.

The global credit and equity markets have experienced substantial dislocations, liquidity disruptions and market corrections in recent years. In the past, liquidity and credit concerns and volatility in the global credit and financial markets were experienced by major US and European financial institutions. These and other related events may have a significant impact on the global credit and financial markets as a whole, including reduced liquidity, greater volatility, widening of credit spreads and a lack of price transparency in global credit and financial markets. In response to such developments, legislators and financial regulators in the United States and other jurisdictions, including India, have implemented a number of policy measures designed to add stability to the financial markets. However, the overall impact of these and other legislative and regulatory efforts on the global financial markets is uncertain, and they may not have the intended stabilising effects, and therefore, if such liquidity and credit concerns, financial volatility or disruptions occur again, our business, our future financial performance and the prices of the Equity Shares could be adversely affected. Further, in the event that the current difficult conditions in the global credit markets continue or if there are any significant financial disruption, such conditions could have an adverse effect on our business, future financial performance and the trading price of the Equity Shares.

52. ***Changing laws, rules and regulations and legal uncertainties, including adverse application of corporate and tax laws, may adversely affect our business, financial condition, results of operations and prospects.***

The regulatory and policy environment in which we operate is evolving and subject to change. There can be no assurance that the GoI may not implement new regulations and policies which will require us to obtain approvals and licenses from the GoI and other regulatory bodies or impose onerous requirements, conditions, costs and expenditures on our operations. Any such changes and the related uncertainties with respect to the implementation of the new regulations may have a material adverse effect on our business, financial condition and results of operations. In addition, we may have to incur capital expenditures to comply with the requirements of any new regulations, which may also materially harm our results of operations.

The GoI has introduced the Road Safety and Transport Bill, 2014 (the "Transport Bill") which seeks to amend and replace the Motor Vehicles Act, 1988, to provide a comprehensive framework for goods transportation and passenger transportation activities in India. The Transport Bill proposes a unified, transparent and single-window driver licensing system with simplified procedures, reduced requirements for driving licenses issued for commercial drivers, automated driving tests, unified biometric systems, and adoption of technology based driver testing facilities. The Transport Bill also proposes a unified vehicle registration system, simpler online transfers of vehicles across various States in India, a simplified system of vehicular and transport permits and single portal clearances for the goods transportation industry. The Transport Bill also proposes a two-tier permit system - at the national and intra-State levels for the passenger transportation industry, and also develop and regulate various public passenger transport schemes. The Transport Bill also proposes stringent penalties for violation, and a graded point system for fines. The Transport Bill also proposes a comprehensive framework for prevention of overloading of goods vehicles, development of a pan-India freight network, establishment of integrated freight transport hubs as well as inter-modal transport facilities.

While we believe that the Transport Bill, if signed into law and implemented effectively, will significantly affect our business and operations, it is currently unclear when and in what form the Transport Bill will finally be signed into law.

Please see the section titled "*Regulations and Policies*" on page 170 of this Red Herring Prospectus for details of certain laws currently applicable to us. Any changes to such laws, including the instances briefly mentioned below, may adversely affect our business, financial condition, results of operations and prospects, to the extent that we are unable to suitably respond to and comply with such changes in applicable law and policy:

- A majority of the provisions and rules under the Companies Act, 2013 have recently been notified and have come into effect from the date of their respective notification, resulting in the corresponding provisions of the Companies Act, 1956 ceasing to have effect. The Companies Act, 2013 has brought into effect significant changes to the Indian company law framework, such as in the provisions related to issue of capital, disclosures in prospectus, corporate governance norms, audit matters, related party transactions, introduction of a provision allowing the initiation of class action suits in India against companies by shareholders or depositors, a restriction on investment by an Indian company through more than two layers of subsidiary investment companies (subject to certain permitted exceptions), prohibitions on loans to directors, conditions governing investments by a company in another company or extension of loan from a company to another and insider trading and restrictions on directors and key managerial personnel from engaging in forward dealing. We are also required to spend 2.00% of our average net profits during three immediately preceding financial years towards corporate social responsibility activities. Further, the Companies Act, 2013 imposes greater monetary and other liability on us and our directors for any non-compliance. The Companies Act, 2013 also provides for specific compliance requirements such as obtaining prior approval from the audit committee, board of directors and shareholders of a company for undertaking related party transactions. To ensure compliance with the requirements of the Companies Act, 2013, we may need to allocate additional resources, which may increase our regulatory compliance costs and divert management attention.

  The Companies Act, 2013 introduced certain additional requirements which do not have corresponding equivalents under the Companies Act, 1956. Accordingly, we may face challenges in interpreting and complying with such provisions due to limited jurisprudence on them. In the event that our interpretation of such provisions of the Companies Act, 2013 differs from, or contradicts with, any judicial pronouncements or clarifications issued by the Government of India in the future, we may face regulatory actions or we may be required to undertake remedial steps. Additionally, some of the provisions of the Companies Act, 2013 overlap with other existing laws and regulations (such as the corporate governance norms and insider trading regulations). We may face difficulties in complying with any such overlapping requirements. Further, we cannot currently determine the impact of provisions of the Companies Act, 2013 which are yet to come in force. Any increase in our compliance requirements or in our compliance costs may have an adverse effect on our business and results of operations.

- The GoI proposes to revamp the implementation of direct taxes by way of the introduction of the Direct Taxes Code (the "**DTC**"). If the DTC is passed in its present form by both houses of the Indian Parliament and approved by the President of India and then notified in the Gazette of India, the tax impact discussed in this Red Herring Prospectus will likely be altered by the DTC.

- The General Anti Avoidance Rules ("**GAAR**") have recently been notified by way of an amendment to the Income Tax Rules, 1962, and are scheduled to come into effect from April 1, 2016. While the intent of this legislation is to prevent business arrangements set up with the intent to avoid tax incidence under the Income Tax Act, certain exemptions have been notified, viz., (i) arrangements where the tax benefit to all parties under the business arrangement is less than ₹ 30 million, (ii) where Foreign institutional Investors ("**FIIs**") have not taken benefit of a double tax avoidance tax treaty under Section 90 or 90A of the Income Tax Act and have invested in listed or unlisted securities with SEBI approval, (iii) where a non-resident has made an investment, either direct or indirect, by way of an offshore derivative instrument in an FII, or (iv) where any income is accruing from transfer of investments made before August 30, 2010, provided in all cases that the GAAR will apply to any business arrangement pursuant to which tax benefit is obtained on or after April 1, 2015, irrespective of the date on which such arrangement was entered into.

- Certain recent changes to Indian income tax law provide that income arising directly or indirectly through the sale of a capital asset, including shares, will be subject to tax in India, if such shares derive indirectly or directly their value substantially from assets located in India and whether or not the seller of such shares has a residence, place of business, business connection, or any other presence in India. The term "substantially" has not been defined. Further, the applicability and implications of the changes are largely unclear. Due to these recent changes, investors may be subject to Indian income taxes on the income arising directly or indirectly through the sale of our Equity Shares. Further, changes in capital gains tax or tax rates on capital market transactions or sale of shares could affect investor returns.

- The GoI has recently released safe harbour rules with respect to acceptance by the Indian tax authorities of declared transfer prices for certain types of international transactions (including intra-group loans and corporate guarantees and for the manufacture and export of core and non-core automotive components) between an eligible assessee and its associated enterprises, either or both of which are not Indian residents. The benefit, if any, that we may derive from the application of such rules in the future is unclear.

- The GoI is also proposing an amendment to Indian securities laws to provide greater powers to SEBI to curb irregularities and frauds in the Indian capital markets (including the power to seek telephonic records to check insider trading and to carry out search and seizure operations), and an act for protection of whistle blowers (that has been accorded assent by the President of India on May 9, 2014 but has not been notified yet), so as to enhance corporate governance in India.

- SEBI has pursuant to a notification dated January 7, 2014 notified the Securities and Exchange Board of India (Foreign Portfolio Investors) Regulations, 2014, whereby amongst other things, existing FIIs, sub-accounts and QFIs are proposed to be merged into a new investor category, foreign portfolio investors.

We have not determined the impact of these recent and proposed laws and regulations on our business. Uncertainty in the applicability, interpretation or implementation of any amendment to, or change in, governing law, regulation or policy in the jurisdictions in which we operate, including by reason of an absence, or a limited body, of administrative or judicial precedent may be time consuming as well as costly for us to resolve and may impact the viability of our current business or restrict our ability to grow our business in the future. Further, if we are affected, directly or indirectly, by the application or interpretation of any provision of such laws and regulations or any related proceedings, or are required to bear any costs in order to comply with such provisions or to defend such proceedings, our business and financial performance may be adversely affected.

53. ***A decline in India's foreign exchange reserves may affect liquidity and interest rates in the Indian economy, which could adversely affect us.***

A decline in India's foreign exchange reserves could impact the valuation of the Rupee and could result in reduced liquidity and higher interest rates which could adversely affect our financial condition. A future material decline in these reserves could result in reduced liquidity and higher interest rates in the Indian economy which in turn, could adversely affect our business and future financial performance.

54. ***Trade deficits could have a negative impact on our business. If India's trade deficits increase or become unmanageable, the Indian economy, and therefore our business, future financial performance and the trading price of the Equity Shares could be adversely affected.***

India's trade relationships with other countries can influence India economic conditions. India's trade deficit in the first half of the current fiscal (April-September of 2013-14) was US$80,130 million. In Fiscal 2013, the trade deficit was US$190,920 million compared to US$183,260 million in Fiscal 2012. The large trade deficit neutralises the surpluses in India's invisibles, which are primarily international trade in services, income from financial assets, labour and property and cross border transfers of workers' remittances in the current account, resulting in a current account deficit. If India's trade deficits increase or become unmanageable, the Indian economy, and therefore our business, future financial performance and the trading price of the Equity Shares could be adversely affected.

55. ***Significant differences exist between Indian GAAP and other accounting principles, such as U.S. GAAP and IFRS, which may be material to the financial statements prepared and presented in accordance with Indian GAAP contained in this Red Herring Prospectus. The effects of the planned adoption of "Indian Accounting standards converged with IFRS" ("IND-AS") are uncertain.***

Our restated financial statements contained in this Red Herring Prospectus have been prepared and presented in accordance with Indian GAAP and no attempt has been made to reconcile any of the information given in this Red Herring Prospectus to any other principles or to base it on any other standards. Indian GAAP differs from accounting principles and auditing standards with which prospective investors may be familiar in other countries, such as U.S. GAAP and IFRS. Significant differences exist between Indian GAAP and U.S. GAAP and IFRS, which may be material to the financial information prepared and presented in accordance with Indian GAAP contained in this Red Herring Prospectus. Accordingly, the degree to which the financial information included in this Red Herring Prospectus will provide meaningful information is dependent on the investor's familiarity with Indian GAAP and the Companies Act. Any reliance by persons not familiar with Indian GAAP on the financial disclosures presented in this Red Herring Prospectus should accordingly be limited.

The Ministry of Corporate Affairs has announced a road map for the adoption of/convergence with International Financial Reporting Standards ("**IFRS**"). This convergence has been notified by the GoI. Further, the MCA has, on February 25, 2011, notified that IND - AS will be implemented in a phased manner and the date of such implementation will be notified at a later date. As at the date of this Red Herring Prospectus, the MCA has not notified the date of implementation of IND - AS. Because many details of IND - AS are yet to be finalised, there is a significant lack of clarity regarding the convergence and implementation process. In addition, there is no significant body of established practice regarding IND - AS implementation and application and there is a shortage of experienced accounting personnel familiar with IFRS accounting standards. Therefore, we have not clearly determined the impact that implementation and application of IND - AS will have on our financial reporting. There can be no assurance that our financial condition, results of operations, cash flows or changes in shareholders' equity will not appear materially worse under IND - AS than under current Indian GAAP. In our transition to IND - AS reporting, we may encounter difficulties in the on-going process of implementing and enhancing its management information systems. Moreover, our transition may be hampered by increasing competition and increased costs for the relatively small number of IND - AS experienced accounting personnel available as more Indian Companies begin to prepare financial statements.

56. ***We cannot guarantee the accuracy of statistical, financial and other data or information in this Red Herring Prospectus which may be incomplete or unreliable.***

Certain data relating to our business, matters relating to India, its economy or the industries in which we operate as contained in this Red Herring Prospectus are subject to the caveat that the statistical and other data upon which such discussions are based may be incomplete or unreliable which have been assessed and quantified internally by our Company as no other credible third party sources are available for such data. We have not independently verified data from industry publications and other sources and therefore cannot assure that they are complete or reliable. The assessment of the data is based on our understanding, experience and internal estimates of our business. Although we believe that the data can be considered to be reliable, their accuracy, completeness and underlying assumptions are not guaranteed and their dependability cannot be assured. Statistical and other information in this Red Herring Prospectus relating to our business, matters relating to India, the Indian economy or the industries in which we operate have been derived from various government and other publications that we believe to be reliable. While our directors have taken reasonable care in the reproduction of the information, the information has not been prepared or independently verified by us, each of the GCBRLMs or any of our or their respective affiliates or advisors and, therefore, we make no representation or warranty, express or implied, as to the accuracy or completeness of such facts and statistics, which may not be consistent with other information compiled within or outside India. Due to possibly flawed or ineffective collection methods or discrepancies between published information and market practice and other problems, the statistics herein may be inaccurate or may not be comparable to statistics produced for other economies and should not be unduly relied upon. Further, there is no assurance that they are stated or compiled on the same basis or with the same degree of accuracy as may be the case elsewhere. Statements from third parties that involve estimates are subject to change, and actual amounts may differ materially from those included in this Red Herring Prospectus.

57. ***Terrorist attacks or war or conflicts involving India or other countries could adversely affect business sentiment and the financial markets and adversely affect our business.***

Terrorist attacks and other acts of violence or war may negatively affect the Indian markets in which our Equity Shares will trade and also adversely affect the worldwide financial markets. Further we operate in international locations where there may be high security risks, which could result in harm to our employees or unanticipated cost. Such factors may also result in a loss of business confidence, make travel and other services more difficult and ultimately adversely affect our business. In addition, any deterioration in the relations between India and its neighbouring countries might result in investor concern about stability in the region, which could adversely affect the price of our Equity Shares.

India has also witnessed civil disturbances in recent years and it is possible that future civil unrest as well as other adverse social, economic and political events in India could have a negative impact on us. Such incidents could also create a greater perception that investment in Indian companies involves a higher degree of risk and could have an adverse impact on our business and the price of our Equity Shares.

Further, we cannot predict the effects on our business of heightened security measures, threatened terrorist attacks, efforts to combat terrorism, military action against a foreign state or other similar events. It is possible that one or more of these events could be directed at Indian or foreign ports, borders, railroads or highways. Heightened security measures or other events are likely to slow the movement of freight, within or across Indian States and could adversely affect our business and results of operations. Any of these events could also negatively affect the economy and consumer confidence, which could cause a downturn in the transportation industry. In addition, any deterioration in the relations between India and its neighbouring countries might result in investor concern about stability in the region, which could adversely affect the price of our Equity Shares.

58. ***An outbreak of an infectious disease or any other serious public health concerns in Asia or elsewhere could adversely affect our business. Outbreaks of infectious diseases could have an adverse impact on the Indian economy, which could adversely affect our business and thereby, our financial condition.***

The outbreak of an infectious disease or any other serious public health concern in Asia or elsewhere could have a negative impact on the global economy, financial markets and business activities worldwide, which could adversely affect our business. Incidents like the recent Ebola outbreak which has been reported across seven countries and particularly in Africa which has claimed numerous human lives has raised serious concerns about its spread globally. Historically, since late 2003, a number of countries in Asia, including India, as well as countries in other parts of the world, have had confirmed cases of the highly pathogenic H5N1 strain of avian influenza in birds and its transmission to humans, which resulted in numerous human deaths. Since April 2009, there have been outbreaks of swine flu, caused by the H1N1 virus, in certain regions of the world, including India. Such outbreaks of infectious diseases could have an adverse impact on the Indian economy, which could adversely affect our business operations and thereby, our financial condition.

59. ***Natural calamities could have a negative impact on the Indian economy and cause our business to suffer. Further our operations are sensitive to weather conditions.***

India has experienced natural calamities, such as earthquakes, tsunamis, floods and drought in the past few years, which have had an adverse impact on the Indian economy. The occurrence of any such natural calamities in the future could have a negative impact on the Indian economy and/or our operations, adversely affecting our business and the price of our Equity Shares.

Further, our operations may be adversely affected by severe weather, which may require us to evacuate personnel or curtail services, may result in damage to a portion of our fleet of vehicles or facilities resulting in the suspension of operations, and may prevent us from delivering consignments in accordance with delivery schedules or generally reduce our productivity.

60. ***The applicable competition law regime in India may adversely affect our business, results of operations and financial condition.***

The Competition Act, 2002, as amended (the "**Competition Act**"), regulates practices having or likely to have an appreciable adverse effect on competition in the relevant market in India. Under the Competition Act, any formal or informal arrangement, understanding or action in concert, which causes or is likely to cause an appreciable adverse effect on competition is considered void and results in the imposition of substantial monetary penalties. Further, any agreement among competitors which directly or indirectly involves the determination of purchase or sale prices, limits or controls production, supply, markets, technical development, investment or provision of services, shares the market or source of production or provision of services by way of allocation of geographical area, type of goods or services or number of customers in the relevant market or directly or indirectly results in bid-rigging or collusive bidding is presumed to have an appreciable adverse effect on competition. The Competition Act also prohibits abuse of a dominant position by any enterprise. If it is proven that a breach of the Competition Act committed by a company took place with the consent or connivance or is attributable to any neglect on the part of, any director, manager, secretary or other officer of such company, that person shall be guilty of the breach themselves and may be punished as an individual. If we, or any of our employees, are penalised under the Competition Act, it may have a material adverse effect on our business, results of operations and financial condition. On March 4, 2011, the government issued and brought into force the combination regulation (merger control) provisions under the Competition Act with effect from June 1, 2011. These provisions require acquisitions of shares, voting rights, assets or control or mergers or amalgamations that cross the prescribed asset and turnover based thresholds to be mandatorily notified to and pre-approved by the Competition Commission of India (the "**CCI**"). Additionally, on May 11, 2011, the CCI issued Competition Commission of India (Procedure in regard to the transaction of business relating to combinations) Regulations, 2011, as amended, which sets out the mechanism for implementation of the merger control regime in India.

The Competition Act aims to, among others, prohibit all agreements and transactions which may have an appreciable adverse effect on competition in India. Consequently, all agreements entered into by us could be within the purview of the Competition Act. Further, the CCI has extra-territorial powers and can investigate any agreements, abusive conduct or combination occurring outside India if such agreement, conduct or combination has an appreciable adverse effect on competition in India. However, we cannot predict the impact of the provisions of the Competition Act on the agreements entered into by us at this stage. However, if we are affected, directly or indirectly, by the application or interpretation of any provision of the Competition Act, or any enforcement proceedings initiated by the CCI, or any adverse publicity that may be generated due to scrutiny or prosecution by the CCI or if any prohibition or substantial penalties are levied under the Competition Act, it would adversely affect our business, results of operations and prospects.

61. ***There may be independent press coverage about our Company and this Issue, and we strongly caution the investors not to place reliance on any information contained in press articles, including, in particular, any financial projections, valuations or other forward - looking information, and any statements that are inconsistent with the information contained in this Red Herring Prospectus.***

There may be press coverage about our Company and this Issue, that may include financial projections, valuations and other forward-looking information, as well as statements that are inconsistent or conflict with the information contained in this Red Herring Prospectus. We do not accept any responsibility for the accuracy or completeness of such press articles, and we make no representation or warranty as to the appropriateness, accuracy, completeness or reliability of any of the projections, valuations, forward-looking information, or of any assumptions underlying such projections, valuations, forward-looking information or any statements are inconsistent or conflict with the information contained in this Red Herring Prospectus, included in or referred to by the media.

62. ***A slowdown in economic growth in India or in the States in India in which we operate, could cause our business to suffer.***

We currently derive all our revenue from our operations in India, which are spread across India, and consequently, our performance and the quality and growth of our businesses are dependent on the health of the overall Indian economy and the economy of the States in India in which we operate. India's economy could be adversely affected by a general rise in interest rates, weather conditions adversely affecting agricultural produce, commodity and energy prices or various other factors. Any slowdown in the Indian economy or in the States in India in which we operate or future volatility in global commodity prices could adversely affect the policy of the various governments towards infrastructure, which may in turn adversely affect our financial performance.

While economic conditions affect most companies, the transportation industry is cyclical and susceptible to trends in economic activity. The most significant of these factors are recessionary economic cycles, changes in customers' inventory levels, excess truck capacity in comparison with transportation demand, and downturns in customers' business cycles, as also the following external risks may have an adverse impact on our business and results of operations should any of them materialize:

- Political instability, resulting from a change in the government or a change in the economic and deregulation policies may adversely affect economic conditions in India in general and our business in particular;
- The Government has traditionally exercised and continues to exercise a significant influence over many aspects of the Indian economy. Further, our business is also impacted by regulations and conditions in the various states in India where we operate. Our businesses, and the market price and liquidity of our securities, may be affected by changes in exchange rates and controls, interest rates, government policies, taxation, social and ethnic instability and other political and economic developments in or affecting India. In recent years, India has been following a course of economic liberalisation and our business could be significantly influenced by economic policies followed by the Government. However, we cannot assure you that such policies will continue in the future. Government corruption, scandals and protests against certain economic reforms, which have occurred in the past, could slow the pace of liberalisation and deregulation. The rate of economic liberalisation could change, and specific laws and policies affecting foreign investment, currency exchange rates and other matters affecting investment in India could change as well. A significant change in India's economic liberalisation and deregulation policies, in particular those relating to the businesses in which we operate, could disrupt business and economic conditions in India generally and our businesses in particular;
- A slowdown in economic growth in India may adversely affect the demand for our services and consequently our business and results of operations. The growth of our business and our financial performance is linked to the performance of the overall Indian economy;
- Civil unrest, acts of violence, terrorist attacks, regional conflicts of situations or war involving India, or other countries may adversely affect the financial markets which may impact our business. Such incidents may impact economic growth or create a perception that investment in Indian companies involves a higher degree in risk which may reduce the value of the Equity Shares;
- Natural disasters in India may disrupt or adversely affect the Indian economy, on the health of which our business depends; and
- Instances of corruption in India have the potential to discourage investors and derail the growth prospects of the Indian economy. Corruption creates economic and regulatory uncertainty and may have an adverse effect on our business, profitability and results of operations.

The Indian economy has sustained periods of high inflation. Should inflation continue to increase sharply, our profitability and results of operations may be adversely impacted. High rates of inflation in India may increase our employee costs, decrease the disposable income available to our customers and decrease our operating margins, which may have an adverse effect on our profitability and results of operations. In addition, owing to the capital-intensive nature of our business, it may be difficult to adjust to shifting volume levels.

63. ***Any downgrading of our debt ratings or of India's sovereign debt rating could adversely affect our business.***

Any downgrading of our credit ratings may increase interest rates on our outstanding debt, increase interest rates for refinancing our outstanding debt, which would increase our financing costs, and adversely affect our ability to raise new capital on a competitive basis, which may adversely affect our profitability and future growth. In addition, any adverse revisions to India's credit ratings for domestic and international debt by international rating agencies may adversely impact our ability to raise additional financing and the interest rates and other commercial terms at which such financing is available. This could have a material adverse effect on our capital expenditure plans, business and future financial performance and our ability to fund our growth in future.

64. ***Public companies in India, including our Company, may be required to prepare financial statements under***

IFRS, or a variation thereof, and/or Indian Accounting Standards ("IND-AS"). The transition to IND-AS in India is still unclear and we may be adversely affected by this transition.

Public companies in India, including our Company, may be required to prepare annual and interim financial statements under IFRS or a variation thereof. The ICAI has released a near-final version of INDAS titled "First time Adoption of Indian Accounting Standards". Further, the MCA has, on February 25, 2011, notified that IND-AS will be implemented in a phased manner and the date of such implementation will be notified at a later date. As at the date of this Red Herring Prospectus, the MCA has not notified the date of implementation of IND-AS. There is no significant body of established practice for forming judgments regarding its implementation and application yet. Additionally, IND-AS has fundamental differences with IFRS and therefore financial statements prepared under IND-AS may be substantially different from financial statements prepared under IFRS. We cannot assure you that our financial condition, results of operations, cash flow or changes in shareholders' equity will not appear materially different under IND-AS from that under Indian GAAP or IFRS.

We are not, at present, in the process of transitioning to IFRS or IND-AS. In our transition to reporting under such new accounting standards, we may encounter difficulties in the ongoing process of implementing and enhancing our management information systems. In addition, in our transition to IFRS or IND-AS, reporting may be hampered by increasing competition and increased costs for the relatively small number of IFRS or IND-AS experienced accounting personnel available as more Indian companies begin to prepare IFRS or IND-AS financial statements.

We cannot assure you that our adoption of IND-AS will not adversely affect our reported results of operations or financial condition and any failure to successfully adopt IND-AS in accordance with the prescribed timelines may materially and adversely affect our financial position and results of operations.

65. ***Investors may not be able to enforce a judgment of a foreign court against our Company.***

The enforcement by investors of civil liabilities, including the ability to effect service of process and to enforce judgments obtained in courts outside of India may be affected adversely by the fact that we are incorporated under the laws of the Republic of India and all of our executive officers and directors reside in India. Our assets are primarily located in India, and the assets of our executive officers and directors are also primarily located in India. As a result, it may be difficult to effect service of process upon us and any of these persons outside of India or to enforce outside of India, judgments obtained against us and these persons in courts outside of India.

Section 44A of the Indian Code of Civil Procedure, 1908, as amended, provides that where a foreign judgment has been rendered by a court in any country or territory outside India, which the Government has by notification declared to be a reciprocating territory, it may be enforced in India by proceedings in execution as if the judgment had been rendered by the relevant court in India. The United Kingdom has been declared by the Government to be a reciprocating territory for the purposes of Section 44A. However, the United States has not been declared by the Government to be a reciprocating territory for the purposes of Section 44A. A judgment of a court in the United States may be enforced in India only by a suit upon the judgment, subject to Section 13 of the Indian Code of Civil Procedure, 1908, and not by proceedings in execution. The suit must be brought in India within three years from the date of the judgment in the same manner as any other suit filed to enforce a civil liability in India. Generally, there are considerable delays in the disposal of suits by Indian courts. It is unlikely that a court in India would award damages on the same basis as a foreign court if an action is brought in India. We are a limited liability company incorporated under the laws of India. All of our Directors are residents of India. All of our assets and the assets of the Directors and our key executives are located in India. As a result, it may be difficult for investors to effect service of process upon us or such persons outside India or to enforce judgments obtained against us or such parties outside India.

Furthermore, it is unlikely that a court in India would award damages on the same basis as a foreign court if an action were brought in India or that an Indian court would enforce foreign judgments if it viewed the amount of damages as excessive or inconsistent with Indian public policy. A party seeking to enforce a foreign judgment in India is required to obtain prior approval from the RBI under FEMA to repatriate any amount recovered.

66. ***Foreign investors are subject to foreign investment restrictions under Indian law that limits our ability to***

attract foreign investors, which may adversely affect the trading price of the Equity Shares.

Under the foreign exchange regulations currently in force in India, transfers of shares between non-residents and residents are freely permitted (subject to certain exceptions) if they comply with the requirements specified by the RBI. If the transfer of shares is not in compliance with such requirements or falls under any of the specified exceptions, then prior approval of the RBI or the FIPB will be required. In addition, shareholders who seek to convert the Rupee proceeds from a sale of shares in India into foreign currency and repatriate that foreign currency from India will require a no-objection or tax clearance certificate from the income tax authority. Additionally, the Indian government may impose foreign exchange restrictions in certain emergency situations, including situations where there are sudden fluctuations in interest rates or exchange rates, where the Indian government experiences extreme difficulty in stabilising the balance of payments or where there are substantial disturbances in the financial and capital markets in India. These restrictions may require foreign investors to obtain the Indian government's approval before acquiring Indian securities or repatriating the interest or dividends from those securities or the proceeds from the sale of those securities. There can be no assurance that any approval required from the RBI or any other government agency can be obtained on any particular terms or at all.

67. ***Compliance with, and changes in, environmental, health and safety laws and regulations may adversely affect our financial condition and results of operations.***

Due to the possibility of unanticipated regulatory developments, the amount and timing of future expenditures to comply with regulatory requirements may vary substantially from those currently anticipated. If there is any unanticipated change in the environmental, health and safety regulations to which we are subject, we may need to incur substantial capital expenditures to comply with such new regulations. Our costs of complying with current and future environmental, health and safety laws and our liabilities arising from failure to comply with applicable regulatory requirements may adversely affect our business, financial condition and results of operations.

68. ***Our ability to freely raise foreign currency denominated debt outside India may be constrained by Indian law. Limitations on raising foreign debt may have an adverse effect on our business, financial condition and results of operations.***

Under India's policy on external commercial borrowing, as notified by the RBI and currently in force ("ECB Policy"), external commercial borrowing by an eligible borrower is permitted under the automatic route (i.e., without prior approval of the RBI) up to US$750 million in a financial year, with a minimum average maturity of five years, for permissible end-uses specified under the ECB Policy (including investments for expansion). Further, the ECB Policy limits the all-in-cost (including the rate of interest, other fees and expenses in foreign currency except commitment fee, pre-payment fee, and fees payable in Indian Rupees) for external commercial borrowing with minimum average maturity of over five years to 500 basis points above the London Interbank Offered Rate or applicable benchmark. External commercial borrowing not complying with the requirements specified under the ECB Policy require the prior approval of the RBI, in accordance with the ECB Policy. Further, in raising funding in the international capital markets, our Company is also required to comply with the capital markets laws of countries other than India. These limitations on external commercial borrowing could constrain our ability to raise cost effective funding for implementing asset purchases, refinancing existing indebtedness, or financing acquisitions and other strategic transactions in the future, which may adversely affect our financial condition and prospects.

69. ***The investors may be restricted in their ability to exercise pre-emptive rights under Indian law and may be adversely affected by future dilution of their ownership position.***

Under the Companies Act, 2013, a company incorporated in India must offer its holders of shares pre-emptive rights to subscribe and pay for a proportionate number of shares to maintain their existing ownership percentages before the issuance of any new shares, unless the pre-emptive rights have been waived by adoption of a special resolution by holders of three-fourths of the shares which are voted on the resolution. However, if the law of the jurisdiction the investors are in does not permit them to exercise their pre-emptive rights without us filing an offering document or registration statement with the applicable authority in the jurisdiction they are in, they will be not be able to exercise their pre-emptive rights unless we make such a filing. If we elect not to make such a filing, the new securities may be issued to a custodian, who may sell the securities for the investors' benefit. The value such custodian would receive upon the sale of such securities, if any, and the related transaction costs cannot be predicted. To the extent that the investors' are unable to exercise pre-emptive rights granted in respect of the Equity Shares, their proportional interest in us would be reduced.

70. ***We may not receive final listing and trading approvals from the BSE and the NSE. An active market for the Equity Shares may not develop, which may cause the price of the Equity Shares to fall and may limit your ability to sell the Equity Shares.***

The Equity Shares currently have no trading market. In accordance with Indian law and practice, final listing and trading approval of our Equity Shares will not be applied for, or granted until after those Equity Shares have been issued and allotted. Approval will require all other relevant documents authorizing the issuing of Equity Shares to be submitted. There could be a failure or delay in listing our Equity Shares on the BSE and NSE. Any failure or delay in obtaining the approval would restrict the investors' ability to dispose of the Equity Shares. Also, no assurance can be given that an active trading market for the Equity Shares will develop or as to the liquidity or sustainability of any such market, the ability of holders of the Equity Shares to sell their Equity Shares or the price at which shareholders will be able to sell their Equity Shares. If an active market for the Equity Shares fails to develop or sustain, the trading price of the Equity Shares could fall. If an active trading market were to develop, the Equity Shares could trade at prices that may be lower than their Issue Price.

71. ***You will not be able to sell immediately on an Indian Stock Exchange any of the Equity Shares you are allotted in the Issue.***

Under the SEBI Regulations, we are permitted to list the Equity Shares within 12 working days of the Bid/Issue Closing Date. Consequently, the Equity Shares you purchase in the Issue may not be credited to your dematerialized electronic account with Depository Participants until approximately 12 working days after the Bid/Issue Closing Date. You can start trading in the Equity Shares only after they have been credited to your dematerialized electronic account and final listing and trading approvals are received from the Stock Exchanges. There can be no assurance that final listing and trading approvals will be obtained from the Stock Exchanges on time or at all. Further, there can be no assurance that the Equity Shares allocated to you will be credited to your dematerialized electronic account, or that trading in the Equity Shares will commence within the specified time periods. In addition, pursuant to India regulations, certain actions are required to be completed before the Equity Shares can be listed and trading may commence. Investors' book entry or dematerialized electronic accounts with depository participants in India are expected to be credited only after the date on which the offer and allotment is approved by our Board of Directors. There can be no assurance that the Equity Shares allocated to prospective Investors will be credited to their dematerialized electronic accounts, or that trading will commence on time after allotment has been approved by our Board of Directors, or at all.

72. ***Investors may be subject to capital gains tax in India.***

Capital gains arising from the sale of equity shares in an Indian company are generally taxable in India. Any gain realised on the sale of listed equity shares on a stock exchange held for more than 12 months will not be subject to capital gains tax in India if Securities Transaction Tax ("**STT**"), has been paid on the transaction. STT will be levied on and collected by an Indian stock exchange on which the equity shares are sold. Any gain realised on the sale of equity shares held for more than 12 months by an Indian resident, which are sold other than on a recognised stock exchange and as a result of which no STT has been paid, will be subject to capital gains tax in India. Further, any gain realised on the sale of equity shares held for a period of 12 months or less will be subject to capital gains tax in India. Capital gains arising from the sale of equity shares will be exempt from taxation in India in cases where an exemption is provided under a treaty between India and the country of which the seller is a resident. Generally, Indian tax treaties do not limit India's ability to impose tax on capital gains. As a result, residents of other countries may be liable for tax in India as well as in their own jurisdictions on gains arising from a sale of Equity Shares.

73. ***The price of the Equity Shares may fluctuate, which may make future prices of the Equity Shares difficult to predict.***

The price of the Equity Shares, like that of other logistics companies, can be volatile. Some of the factors that could affect our share price are:

- speculation in the press or investment community about, or actual changes in, our business, strategic position, market share, organizational structure, operations, financial condition, financial reporting and results, value or liquidity of our investments, exposure to market volatility, prospects, business combination or investment transactions, or executive team;
- the announcement of new acquisitions by us or our competitors;
- quarterly increases or decreases in revenue, gross margin, earnings or cash flow from operations, changes in estimates by the investment community or guidance provided by us, and variations between actual and estimated financial results; and
- announcements of actual and anticipated financial results by our competitors and other companies in our industry.

General or industry-specific market conditions or stock market performance or domestic or international macroeconomic and geopolitical factors unrelated to our performance also may affect the price of our Equity Shares. In particular, the stock market as a whole recently has experienced extreme price and volume fluctuations that have affected the market price of many companies in ways that may have been unrelated to those companies' operating performance. For these reasons, investors should not rely on recent trends to predict future share prices, financial condition, results of operations or cash flows.

74. ***Any further issue of Equity Shares by the Company or sale of Equity Shares by any of its significant shareholders may adversely affect the trading price of the Equity Shares.***

Any future issuance of the Equity Shares by the Company could dilute your shareholding. Any such future issuance of the Equity Shares or future sales of the Equity Shares by any of our significant shareholders may also adversely affect the trading price of the Equity Shares and impact our ability to raise capital through an offering of our securities. Any perception by investors that such issuances or sales might occur could also affect the trading price of the Equity Shares. Additionally, the disposal, pledge or encumbrance of our Equity Shares by any of our Company's major shareholders, or the perception that such transactions may occur may affect the trading price of our Equity Shares. No assurance may be given that our Company will not issue Equity Shares or that such shareholders will not dispose of, pledge or encumber their Equity Shares in the future. Upon completion of the Issue, 20% of our post-Issue paid-up capital held by our Promoters will be locked up for a period of three years and the entire pre-Issue equity share capital of our Company will be locked-up for a period of one year from the date of allotment of Equity Shares in the Issue. For further information, please see the Notes to the Capital Structure in the section "*Capital Structure*" on page 83 of this Red Herring Prospectus.

75. ***Conditions in and volatility of the Indian securities market may affect the price or liquidity of our Equity Shares.***

The Indian securities markets are smaller than securities markets in more developed economies. Indian stock exchanges have in the past experienced substantial fluctuations in the prices of listed securities. Further, the Indian stock exchanges have often experienced periods of significant volatility in the last few years. The Indian stock exchanges have also experienced problems that have affected the market price and liquidity of securities, such as temporary exchange closures, broker defaults, settlement delays and strikes by brokers. In addition, the governing bodies of the Indian stock exchanges have from time to time restricted securities from trading, limited price movements and restricted margin requirements. If similar problems occur in the future, the market price and liquidity of our Equity Shares could be adversely affected.

76. ***There are restrictions on daily movements in the price of the Equity Shares, which may adversely affect a shareholder's ability to sell, or the price at which it can sell, Equity Shares at a particular point in time.***

Following the Issue, we may be subject to a daily "circuit breaker" imposed by all stock exchanges in India, which does not allow transactions beyond the specified increases or decreases in the price of the Equity Shares. This circuit breaker operates independently of the index-based, market-wide circuit breakers generally imposed by SEBI on

Indian stock exchanges. The percentage limit on our circuit breakers will be set by the stock exchanges based on the historical volatility in the price and trading volume of the Equity Shares.

The Stock Exchanges will not inform us of the percentage limit of the circuit breaker in effect from time to time and may change it without our knowledge. This circuit breaker will limit the upward and downward movements in the price of the Equity Shares. As a result of this circuit breaker, no assurance can be given regarding the investors' ability to sell their Equity Shares or the price at which the investor may be able to sell their Equity Shares at any particular time.

77. ***Rights of shareholders under Indian law may be more limited than under the laws of other jurisdictions.***

The Companies Act and related regulations, the Articles of Association and the Listing Agreements to be entered into with the Stock Exchanges govern the corporate affairs of the Company. Legal principles relating to these matters and the validity of corporate procedures, directors' fiduciary duties and liabilities, and shareholders' rights may differ from those that would apply to a company in another jurisdiction. Shareholders' rights under Indian law may not be as extensive as shareholders' rights under the laws of other countries or jurisdictions. Investors may have more difficulty in asserting their rights as a shareholder than as a shareholder of a corporation in another jurisdiction.

78. ***Our Equity Shares are quoted in Indian Rupees in India, and therefore investors may be subject to potential losses arising out of exchange rate risk on the Indian Rupee and risks associated with the conversion of Indian Rupee proceeds into foreign currency.***

Investors are subject to currency fluctuation risk and convertibility risk since the Equity Shares are quoted in Indian Rupees on the Indian stock exchanges on which they are listed. Dividends on the Equity Shares will also be paid in Indian Rupees. The volatility of the Indian Rupee against the U.S. dollar and other currencies subjects investors who convert funds into Indian Rupees to purchase our Equity Shares to currency fluctuation risks.

PROMINENT NOTES:

1. Initial public offering of up to [●] Equity Shares of face value of ₹10 each of the Company for cash at a price of ₹ [●] per Equity Share (including a share premium of ₹ [●] per Equity Share) aggregating up to ₹ [●] million consisting a Fresh Issue of [●] Equity Shares aggregating to ₹ 1,170 million and an Offer for Sale of up to 17,116,000 Equity Shares by the Selling Shareholders aggregating up to ₹ [●] million. The Issue will constitute at least 25 % of the fully diluted post-issue paid-up equity share capital of the Company.

2. As at December 31, 2014, the net worth of our Company was ₹3,368.12 million, as per the Restated Financial Statements.

3. As of December 31, 2014, the net asset value per Equity Share was ₹39.38 as per the Restated Financial Statements.

4. The average cost of acquisition of the Equity Shares held by our Promoters, Dr. Vijay Sankeshwar, is ₹ 1.27 and Mr. Anand Sankeshwar, is ₹ 2.00 per Equity Share. The average cost of acquisition has been calculated by dividing the amount paid by Promoters on the Equity Shares presently held by them, by the number of Equity Shares presently held by them after considering the bonus shares if any, but without taking into account the number of Equity Shares sold by the Promoters.

5. For related party transactions and the cumulative value of such transactions, see "*Financial Statements*" on page F-69 of this Red Herring Prospectus.

6. For details of transactions in the securities of the Company by our Promoters, our Promoter Group and our Directors in the last six months, see "*Capital Structure – Notes to the Capital Structure*" on page 83 of this Red Herring Prospectus.

7. For information on changes in the Company's name and changes in objects clause of the Memorandum of Association, see "*History and Certain Corporate Matters*" on page 184 of this Red Herring Prospectus.

8. Except as disclosed in "*Our Promoters and Group Companies*", "*Our Management*" and "*Our Business*" on pages 213, 192 and 143 of this Red Herring Prospectus, respectively, none of our Promoters, our Directors nor our key management personnel have any interest in the Company except to the extent of remuneration and reimbursement of expenses and to the extent of the Equity Shares held by them or their relatives and associates or held by the companies, firms and trusts in which they are interested as directors, member, partner or trustee and to the extent of the benefits arising out of such shareholding.

9. For any clarification or information relating to the Issue, investors may contact the GCBRLMs or the Company, who will be obliged to provide such clarification or information to the investors at large. No selective or additional information would be available for a section of investors in any manner whatsoever.

10. Investors may contact the GCBRLMs, who have submitted the due diligence certificate to SEBI, for any complaint pertaining to the Issue. All grievances relating to ASBA process may be addressed to the Registrar to the Issue, with a copy to the relevant SCSBs, giving full details such as name, address of the applicants, number of Equity Shares applied for, Bid Amounts blocked, ASBA Account number and the Designated Branch of the SCSBs where the ASBA Bid-cum-Application Form has been submitted by the ASBA Bidder.

11. Neither a member of our Promoter Group nor a Director nor any relative of any Director has financed the purchase by any other person of any securities of the Company during the six months immediately preceding the date of this Red Herring Prospectus.

SECTION III: INTRODUCTION

SUMMARY OF INDUSTRY

The following is a summary of the industry overview. This summary should be read in conjunction with, and is qualified in its entirety by, more detailed information in the chapter entitled '*Industry Overview*' on page 129 of this Red Herring Prospectus.

The information in this section includes extracts from publicly available information, data and statistics and has been derived from various government publications and industry sources, including reports that have been prepared by CRISIL Limited ("CRISIL"). Unless otherwise expressly stated, all information contained in this Summary of Industry section has been derived from the report from CRISIL titled "Crisil Research - Domestic Freight Transportation Services Annual Review" ("CRISIL Research"). Neither we nor any other person connected with the Issue including NSR have independently verified this information. The data may have been re-classified by us for the purposes of presentation. Industry sources and publications generally state that the information contained therein has been obtained from sources generally believed to be reliable, but that their accuracy, completeness and underlying assumptions are not guaranteed and their reliability cannot be assured. Industry sources and publications are also prepared based on information as of specific dates and may no longer be current or reflect current trends. Industry sources and publications may also base their information on estimates, projections, forecasts and assumptions that may prove to be incorrect. Accordingly, investors should not place undue reliance on, or base their investment decision on this information.

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Overview of the Indian Economy

India is the fourth largest economy in the world, after the United States of America, European Union and China. In 2014-15, the Indian economy is poised to overcome the sub-5 per cent growth of gross domestic product (GDP) witnessed over the last two years. India's services sector that remained resilient even during and immediately after the global financial crisis buckled under the pressure of continued global and domestic slowdown, resulting in sub-normal growth in the last two years. However, early shoots of revival are visible in 2014-15 with signs of improvement in world GDP growth and trade also reflected in pick-up in some key services like transport logistics and retail trading.

Transport Sector Growth

In recent years, the accessibility, door-to-door service and reliability have earned road transportation a higher share of both passenger and freight traffic vis-à-vis other transport modes. As a result, road transportation has emerged as the dominant segment in India's transportation sector.

Both freight and passenger movements by road is expected to rapidly expand in the coming years. In particular, freight movement by road transport is expected to show robust growth over the medium term due to a number of factors, which is, substantial investment in improvement in national highway network which will facilitate speedy, reliable, door to door services and rising volumes of exports and imports. The major objective in the Twelveth Five Year Plan would be to augment the capacity of various modes of transport and set up an infrastructure comparable with best in the world. In roads, apart from completing the various phases of national highways development projects (NHDP) which are in progress, substantial progress would be made in development of expressway network to increase the mobility. Standards of maintenance of national highways would be further strengthened and a network of six-lane roads augmented and significantly increased.

The Domestic Freight Transportation Industry

Overview

Domestic freight transportation services involve the movement of goods within India. The modes of surface transport include roadways, railways, coastal and pipelines. Demand for freight transportation services depends upon the size, structure and demographic profile of the economy. Industrial and agricultural production, along with export-import trade primarily drives growth in the freight transportation industry. Among modes, this industry is dominated by roads, followed by rail. Over the years, roadways have captured a very significant share of freight on account of faster service and point-to-point connectivity. During the post reform period (1992-93 to 2004-05) volume of freight carried by road grew at an annual average rate of 6.5% compared with a growth of 3.6% in rail freight. Over the years the modal split in freight movement between rail and road has skewed in favour of road. The share of road transport in freight movement which was around 14% in 1950-51 has increased to around 61% while that of railways has fallen from more than four-fifth to less than two-fifth over the same period.

Industry structure and participants

In India, freight is transported across the country mainly through roadways, railways, coastal means and pipelines. Demand for domestic freight transport comes from industrial and agricultural goods along with export and import trade. These goods form the primary freight, calculated in terms of billion tonnes per km (BTKM), which are then transported via road, railways, ships or pipelines. Supply side drivers include, on road vehicle capacities, modal infrastructure which includes roads, rail, pipelines and coastal shipping; storage infrastructure and increasing proliferation of the hub-and-spoke model. Another key driver for the supply of freight is the availability of allied infrastructure such as warehousing, container freight stations, inland clearance depots, cold storage etc. Industrial goods and consumer products then form the redistribution freight, which is transported from hubs to spokes in the hub and spoke model. Based on the framework, a relationship between the estimated primary freight movement in the country and growth in industry and agricultural GDP has been econometrically established.

In India, bulk of freight is transported through roads, whose share in total traffic is estimated to have risen by 8.5 per cent in the last decade to about 63 per cent in 2013-14. The road freight transport segment is also deregulated and highly fragmented, with small operators having over 65-70 per cent share. High fragmentation in the industry enhances competition, offering customers better bargaining power.

The key industry participants include the transport operators which are the trucking companies, and which solicit freight and convey it from one location to another. The transport operators or freight transportation services providers can be broadly classified as small fleet operators (SFOs) owning up to five vehicles, medium fleet operators (MFOs) owning between six to 20 vehicles and large fleet operators (LFOs) owning typically over 20 vehicles.

Business Models

The FTL segment comprises of a business model wherein the LFOs have contracts with the end-user to provide door-to-door service and pay for the entire load carrying capacity of the truck (or FTL) from one location to another. The service is offered at a predetermined price and is generally used by customers/ manufacturers with large quantities of goods to be transported. On the other hand, the LTL segment service is categorized into two categories: parcel and express cargo. LTL involves partial or less than the full capacity of the truck load. In LTL operations, the customers do not hire the entire truck, and the LTL service provider aggregates consignments from various clients and sends them across to the desired destination. Unlike FTL operations, wherein the consignment originates from a single source, this arrangement requires a wider reach and adequate infrastructure.

Demand Drivers

- *Share of non-bulk traffic to increase over the next five years.* Non-bulk traffic (mostly transported by road), is expected to grow at an 8 to 10 per cent CAGR during 2013-2014 to 2018-2019, as consumption demand improves, especially for consumer durables, pharmaceuticals and automobiles. The share of the non-bulk segment in the overall primary freight traffic is thus expected to increase to 57 to 58 per cent by 2018-2019, from 47 to 48 per cent in 2008-2009.

- *Supply constraints faced by railways benefits road transportation.* As rail capacity constraints are likely to continue, road freight operators are in a better position to capitalize on incremental demand in the next 5 years. It is expected that the share of roads in the total freight to increase to over 65 per cent in 2018-2019, from 63 per cent in 2014-2015, while the share of railways is likely to decline to 26.6 per cent in 2018-2019 from 27.6 per cent in 2014-2015.

Outlook

While road freight traffic growth is expected to remain moderate in the short term, it is expected to grow at 8-9 per cent CAGR to about 2,200 BTKM in 2018-2019, from an estimated 1,500 BTKM in 2013-2014, driven by a revival in freight demand. A strong growth in non-bulk transport by road and capacity constraints faced by the Railways will enable road freight traffic to grow faster.

SUMMARY OF BUSINESS

Some of the information contained in the following discussion, including information with respect to our plans and strategies, contain forward-looking statements that involve risks and uncertainties. You should read the section "Forward-Looking Statements" for a discussion of the risks and uncertainties related to those statements and also the section "Risk Factors" for a discussion of certain factors that may affect our business, financial condition or results of operations. Our actual results may differ materially from those expressed in or implied by these forward-looking statements. Our fiscal year ends on March 31 of each year, so all references to a particular fiscal are to the twelve-month period ended March 31 of that year.

In this section, a reference to the "Company" or "we", "us" or "our" means VRL Logistics Limited.

All financial information included herein is based on our Restated Financial Statements included on page F-1 of this Red Herring Prospectus.

Overview

We believe we are one of the leading pan-India surface logistics and parcel delivery service providers. We owned and operated the largest fleet of commercial vehicles in the private sector in India (Source: Limca Book of Records, 2013, data as of May 2012). We provide general parcel and priority parcel delivery (less than truckload services, "**LTL**"), courier and full-truckload ("**FTL**") services through our widespread transportation network in 28 States and four Union Territories across India. Our operational infrastructure for the goods transportation business as of December 31, 2014 comprised 624 branches (comprising 604 leased branches and 20 owned branches) and 346 agencies across India, and of such 624 branches, 48 (41 leased branches and seven owned branches) served as strategic transshipment hubs for our operations. We believe that our differentiated service offerings, large integrated hub-and-spoke transportation network, extensive operational and maintenance infrastructure and in-house technology systems have enabled us to develop our brand across India.

Our goods transportation service business serves a broad range of industries, including the fast moving consumer goods (FMCG) sector as well as other industries including food, textiles, apparel, furniture, appliances, pharmaceutical products, rubber, plastics, metal and metal products, wood, glass, automotive parts and machinery.

We operate through a hub-and-spoke operating model which enables us to transport various parcel sizes and provide our customers with access to multiple destinations for booking and delivery of goods. Our extensive network enables us to provide "last mile" connectivity to even remote areas in India. We believe this offers our customers a compelling value proposition.

As of December 31, 2014, our goods transportation fleet included 3,546 owned vehicles. Our large fleet, most of which is owned by us, enables us to reduce our dependence on hired vehicles, retain control of the value chain and service quality, and establish a reputation for reliable and timely delivery of consignments. The variety of goods transportation vehicles in our fleet also enables us to serve a diverse mix of consignments.

Our in-house technology systems enable us to improve our service quality and consistency and increase our operating efficiency. Our centralized information technology network connects all our branches, agencies, transshipment hubs and other offices enabling seamless real time monitoring of our operations and consignment bookings and delivery status. Our centralised accounting systems also enable us to implement stringent financial controls. Our in-house vehicle body designing facility develops customized configurations to ensure higher payload capacity. Our comprehensive in-house preventive maintenance facility at Hubballi, Karnataka enables us to increase the life of our vehicles, spare parts and components.

Goods transportation is our primary business and revenue from such business in fiscal 2012, 2013, 2014 and the nine months ended December 31, 2014 was ₹ 8,585.06 million, ₹ 9,878.08 million, ₹ 11,281.15 million and ₹ 9,714.83 million, respectively, representing 75.95%, 74.52%, 75.52% and 76.27%%, respectively, of our total revenue from operations in such periods. General and priority parcel services represented 91.75%, 89.15%, 88.51% and 86.43%% of our goods transportation revenue in fiscal 2012, 2013, 2014 and the nine months ended December

31, 2014, respectively.

We also provide luxury bus services across the States of Karnataka, Maharashtra, Goa, Andhra Pradesh, Telengana, Tamil Nadu, Gujarat and Rajasthan. Our bus operations are focused on high density urban commuter cities such as Bengaluru, Mumbai, Pune, Hyderabad and Panjim, and also connect tier-2 and tier-3 cities. Our longest route of operation in India stretches from Bengaluru to Jodhpur. As of December 31, 2014, we owned and operated 455 buses (including 53 staff buses). The wide range of passenger buses in our fleet enables us to better serve the transportation requirements of various customer segments. As of December 31, 2014, we had 81 branch offices (of which 74 were leased offices and seven were owned offices), 739 agencies and 416 prepaid agencies for our bus operations business. We also provide ticketing facilities through our website www.vrlbus.in, as well as through our network of commission agents and online travel agents such as www.redbus.in, www.mybustickets.in, www.makemytrip.com, and www.abhibus.com. Revenue from our bus operations in fiscal 2012, 2013, 2014 and the nine months ended December 31, 2014 was ₹ 2,178.12 million, ₹ 2,848.38 million, ₹ 3,081.10 million and ₹ 2,559.44 million, respectively, representing 19.27%, 21.49%, 20.63% and 20.09%, respectively, of our total revenue from operations in such periods.

We also operate car carrier vehicles for transportation of cars, vehicles for liquid transportation, as well as a courier service business across the State of Karnataka. We also have minor business interests in wind power, air charter services and hospitality.

We have received various industry awards and recognition over the years, including the India Logistics Voice of Customer Award by Frost and Sullivan in 2014 for achieving excellence in logistics and Service Provider of the Year (luxury coaches) in 2013 from World Travel Brands for our bus operations. In addition, our Chairman and Managing Director, Dr. Vijay Sankeshwar and our Managing Director, Mr. Anand Sankeshwar have also received several awards in recognition of their entrepreneurship and business excellence.

As of December 31, 2014 we had 14,092 employees, including 4,506 drivers (but excluding line drivers). Our administrative team plays a central role in our operations, and is responsible for load planning, accounting, information technology, marketing and the human resources functions.

In fiscal 2012, 2013 and 2014 and in the nine months ended December 31, 2014, our total revenue was ₹ 11,352.78 million, ₹ 13,353.24 million, ₹ 15,037.77 million and ₹ 12,793.80 million, respectively, while our profit after tax and exceptional items, as restated, was ₹ 767.22 million, ₹ 457.03 million, ₹ 571.76 million and ₹ 716.90 million, respectively, in such periods.

Business Strengths

We have the following competitive strengths:

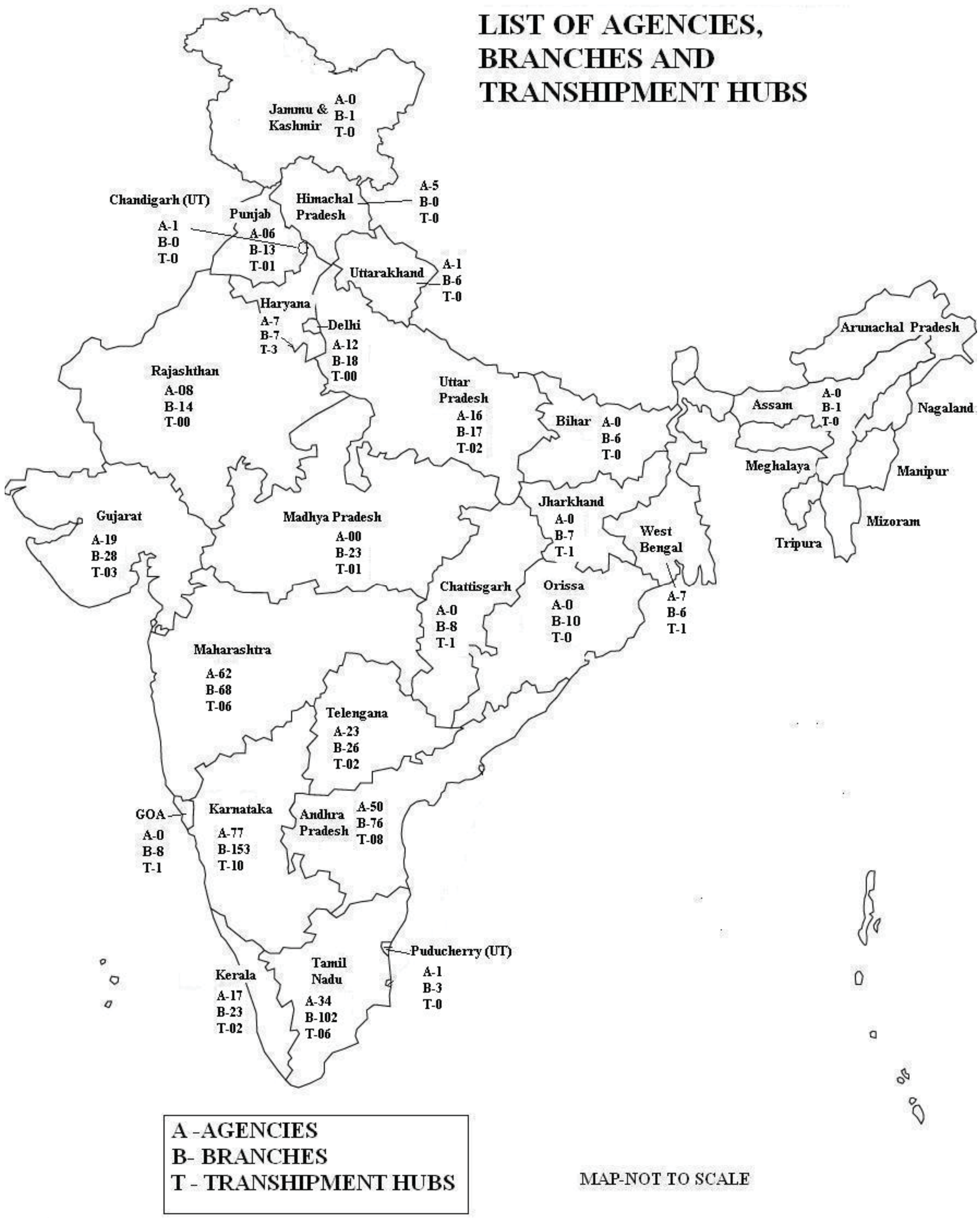
Pan-India surface logistics services provider with an established brand and one of the largest distribution networks in India

We are a pan-India surface logistics services provider and we believe that we are one of the leaders in parcel delivery services across India. We believe that our differentiated service offerings, large integrated hub-and-spoke transportation network and extensive operational infrastructure, including advanced technology systems, have enabled us to establish a leadership position in the surface logistics industry with a strong brand across India. We are an established brand name in the transportation industry in India with over 38 years of operations. We have received various industry awards and recognition over the years, including: the India Logistics Voice of Customer Award by Frost and Sullivan in 2014 for achieving excellence in logistics and Service Provider of the Year (luxury coaches) in 2013 from World Travel Brands to Vijayanand Travels for our bus operations. We believe that our ability to compete effectively is dependent on providing consistent service quality and timely services at competitive prices, thereby strengthening our brand over the years.

Our goods transportation network spans across 28 States and four Union Territories across India. Our operational infrastructure for the goods transportation business as of December 31, 2014 comprised 624 branches (comprising

604 leased branches and 20 owned branches) and 346 agencies across India, and of such 624 branches, 48 (41 leased branches and seven owned branches) served as strategic transshipment hubs for our operations. We continue to rapidly expand our network to other States in the northern and eastern regions of India, and in fiscal 2014, we added 69 branches and 12 agencies to our network. We also continue to identify strategically located properties to increase the proportion of our owned transshipment hubs and to expand our transshipment hub capacities. We believe this will also enable us to further integrate our operations, rationalize routes, optimize load factors, increase cost efficiencies and increase freight volumes. The availability of owned transshipment hubs will also enable us to better plan for future expansion of our operating facilities and network. We provide our goods transportation services over a broad range of distances from Kerala in the south to Jammu in the north, Gujarat in the west to Assam in the east.

The diagram below illustrates our goods transportation network in India and sets forth certain information relating to the State-wise number of branch offices (B), agencies (A) and transshipment hubs (T), as of December 31, 2014:



LIST OF AGENCIES, BRANCHES AND TRANSHIPMENT HUBS
Jammu & Kashmir A-0 B-1 T-0
Himachal Pradesh A-5 B-0 T-0
Chandigarh (UT) A-1 B-0 T-0
Punjab A-06 B-13 T-01
Uttarakhand A-1 B-6 T-0
Haryana A-7 B-7 T-3
Delhi A-12 B-18 T-00
Rajashthan A-08 B-14 T-00
Uttar Pradesh A-16 B-17 T-02
Bihar A-0 B-6 T-0
Arunachal Pradesh
Assam A-0 B-1 T-0
Nagaland
Meghalaya
Manipur
Tripura
Mizoram
Jharkhand A-0 B-7 T-1
West Bengal A-7 B-6 T-1
Gujarat A-19 B-28 T-03
Madhya Pradesh A-00 B-23 T-01
Chattisgarh A-0 B-8 T-1
Orissa A-0 B-10 T-0
Maharashtra A-62 B-68 T-06
Telengana A-23 B-26 T-02
GOA A-0 B-8 T-1
Karnataka A-77 B-153 T-10
Andhra Pradesh A-50 B-76 T-08
Puducherry (UT) A-1 B-3 T-0
Kerala A-17 B-23 T-02
Tamil Nadu A-34 B-102 T-06
A -AGENCIES
B- BRANCHES
T - TRANSHIPMENT HUBS
MAP-NOT TO SCALE

Our pan-India distribution network enables us to cater to a diverse mix of customers including corporate, small and medium enterprises ("SMEs"), distributors and traders. In addition, we believe that our large scale of operations result in higher freight density in various geographic regions, thereby improving our asset utilization by reducing sub-optimal vehicle loading between destinations. Our large geographic coverage and operational network also ensures that consignments are spread across various locations, and consequently any loss or damage to any consignment due to theft, fire, accidents, burglary or other such factors are relatively low.

Integrated hub-and-spoke operating model ensuring efficient consignment distribution

We believe that our integrated and widespread hub-and-spoke network enables effective consolidation and distribution of consignments of various sizes, supported by our wide geographical presence across India through our branches and agencies.

Our hub-and-spoke operating model enables us to transport various parcel sizes and provide our customers with access to multiple destinations for booking and delivery of goods, and provide "last mile" connectivity to even remote locations in India. This involves effective consolidation of goods from multiple locations at our transshipment hubs, which are continuously operated on a 24X7 basis throughout the year, and re-distribution thereof to their respective destinations, resulting in operating and cost efficiencies, optimal capacity utilization of our transportation vehicles, rationalization of routes, as well as flexibility in operation, allocation and optimal utilization of resources including manpower. This operating model also enables us to cater to a wide range of customers who require multiple pickups and delivery points, to focus our operations on aggregating parcels, and on selective routes, to combine parcel delivery (LTL) and FTL freight to maximize revenue per operating vehicle. Our expansive and integrated hub-and-spoke operating model therefore enables us to optimize our operating margins and profitability.

We believe our ability to accommodate a wide range of parcel sizes, weights and types of freight, and transport multiple types of freight over multiple destinations, enable us to meet all of our customers' transportation needs and differentiate us from our competitors.

In-house software technology capabilities

We have invested significant manpower resources in our in-house software technology capabilities and have developed scalable in-house technology systems and software. All our offices, transshipment hubs, branches and agencies are connected to our central information technology network through an ERP system facilitating real time monitoring of operations and tracking of consignments. We have implemented advanced consignment management systems to ensure real-time tracking. We have also introduced a short messaging service (SMS) system for updates to customers on arrival status for goods transportation and booking alerts, schedule alerts, boarding place alerts to our passengers in our bus operations business. In addition, we have introduced customized software alerts to track vehicle maintenance and optimize load planning. We believe that our in-house technology capabilities enable us to increase our operating efficiencies, improve service quality and maintain stringent operational and fiscal controls over branch and franchisee operations. Our bus ticketing is implemented through a centralized online system that tracks passenger occupancy, and determines anticipated demand and pricing of tickets. Ticketing is facilitated through our website www.vrlbus.in.

In recognition of our technology capabilities and application of such technology in our operations, we have been awarded the New Era Award for Technology, Innovation and Quality by Otherways Management Association, France in 2010, and the Technology Best Practices Adopter Award at Apollo-CV Awards, 2010.

Large fleet of owned vehicles ensuring reliable, quality services

As of December 31, 2014, our goods transportation fleet included 3,546 owned vehicles, of which 1,166 vehicles were less than five years, 2,375 were debt free and 1,235 were fully depreciated. As of December 31, 2014, we owned and operated 455 buses (including 53 staff buses), of which 399 were less than five years, 87 were debt free and six were fully depreciated.

We have followed a strategy of operating our own vehicles and only hire third-party goods transportation vehicles on certain routes where there is no assurance of return loads, during periods of high demand and in emergency situations. The use of third-party vehicles generally results in lower payload capacity compared to our own customised vehicles with lighter and longer bodies enabling higher payload capacity. We believe that operating our owned vehicles enables us to significantly reduce hiring and operational costs. In addition, availability of third-party vehicles may be uncertain during periods of high demand. Our large fleet of owned vehicles therefore allows us to cover a large number of routes, reduce our dependence on third party hired vehicles, improve our service quality and maintain our reputation for reliable and timely delivery of consignments. The variety of goods transportation vehicles in our fleet enables us to serve a diverse mix of consignments while our range of passenger buses enable us to serve the transportation requirements of different customer segments. In addition although our expansive operations across India are subject to various risks associated with the logistics business, as a result of our stringent operational processes we have historically faced minimal claims for damages.

Our regular and periodic preventive maintenance measures ensure longer vehicle life and provide a higher degree of performance reliability. In the passenger transportation segment, this also enables us to develop a reputation as a passenger bus operator that provides a safe, on-time, modern and comfortable travel experience.

Dedicated in-house maintenance facilities and availability of spare parts and fuel

We have developed a comprehensive preventive in-house maintenance program designed to increase the life of our vehicles. Servicing and maintenance operations are undertaken at our workshop facility in Hubballi, Karnataka with several dedicated satellite workshops in strategic locations across India, including in Delhi, Ahmedabad, Mumbai, Pune, Sholapur, Bengaluru, Salem, Perundurai, Chennai, Madurai, Mangalore, Kolkata, Vijayawada and Hyderabad. We believe that these facilities reduce expensive on-road repairs and out-of-route trips and minimize downtime due to breakdown, repairs and resulting service interruptions. We perform periodic preventive and remedial maintenance of our vehicles, and have implemented in-house software applications to track service and spare replacement. We also make efforts to ensure optimal efficiency levels by minimizing vehicle time in the workshop through time-and-motion studies as part of our maintenance procedures and efficiency enhancement studies, and have established a re-engineering department that designs and re-engineers unique solutions for vehicle components to reduce operating cost and enhance their performance. We also have a tyre repair unit at Hubballi to increase the useful life of tyres and allocate unique laser-marked identification numbers for each tyre to prevent substitution.

Our Hubballi facility is designated as an authorized service centre by Ashok Leyland Limited that enables us to provide servicing and maintenance of Ashok Leyland manufactured vehicles even during the warranty period. Ashok Leyland vehicles represent a substantial majority of our goods transportation vehicles. As a part of our authorized service centre arrangement, we are entitled to receive reimbursement of free services charges and labour charges for warranty repairs as determined by Ashok Leyland. This enables us to ensure quality and efficiency of maintenance services for our vehicles.

We have also entered into spare parts supply arrangements with Ashok Leyland Limited and VE Commercial Vehicles Limited who have set up dedicated outlets at our Hubballi facility which allows us to source spare parts at competitive rates and reduce procurement timelines. These spare parts are sourced and used as required, and we are therefore able to reduce inventory cost, cost of spare parts and associated transportation costs and ensure timely availability of genuine spares and components.

We also operate two consumer diesel pumps located at Varur and Chitradurga in the State of Karnataka to ensure quality fuel supply and reduced fuel costs. In addition, our drivers are required to purchase fuel only from certain designated pumps during transit to ensure that we procure our fuel at competitive rates and also maintain the quality of fuel. We also deploy staff at these designated pumps to supervise the refuelling procedure and this arrangement also enables us to ensure enroute compliances of our vehicles.

Dedicated in-house vehicle body design facilities

We have also developed an in-house vehicle body designing facility at Hubballi, Karnataka which is equipped to fabricate vehicles with lighter and longer bodies to carry higher payload, resulting in increased margins per vehicle.

Vehicle manufacturers supply chassis based on specifications provided by our Company, and we fabricate the bodies for vehicles specific to our requirements using our in-house designing facility. We thereby reduce the overall weight of the vehicles, which enables us to carry higher tonnage on the vehicle without violating permissible payload limits. We evaluate the purchase of chassis based on various factors including cost, useful life, warranty terms, technological advancements, expected maintenance costs, fuel economy, driver comfort and manufacturer support.

Diversified customer base and revenue sources

We serve a diverse mix of end markets across several industry sectors. In our goods transportation business, we serve a number of customers in the FMCG industry as well as in general commodities such as food, textiles, apparel, furniture, appliances, pharmaceutical products, rubber, plastics, metal and metal products, wood, glass, automotive parts and machinery.

We have a large and diverse base of customers in our goods transportation business, developed around our hub-and-spoke operating model, and serve a diverse mix of end consumers in various industry verticals. We believe that the high levels of customer retention and growth in the number of customers reflects the value proposition we provide and positions us for further growth.

In addition, our "paid" and "to pay" customers, primarily small and medium enterprises, distributors and traders, represent a significant majority of our goods transportation revenues. Revenues from our "paid" and "to pay" customers (excluding FTL customers) represented 10.84% and 59.20%, respectively, of our revenues from goods transportation in fiscal 2014 while they represented 10.97% and 59.16%, respectively, of our revenues from goods transportation in the nine months ended December 31, 2014.

Since we cater to a diverse customer base, we have historically been able to pass a significant portion of increases in operating costs such as fuel prices, toll charges and other operating expenses through periodic review and increase our base freight rates.

Ability to recruit and retain experienced and qualified drivers

Our ability to recruit and retain experienced and qualified drivers is critical to our operations. We have followed a strategy of recruiting drivers as full time employees with a defined salary structure, associated benefits and attractive incentive schemes. Although we face significant competition in recruiting drivers, we have historically been successful in attracting and retaining a large pool of experienced and trained drivers.

In addition to salary and associated benefits, incentive schemes applicable to drivers include performance measures based on safety record, time, distances covered, fuel consumption and useful life of tyres. We also provide our drivers with group insurance facility to cover life risks during employment. We believe such incentives enhance driver performance and safety records as well as increase retention rates. In addition to a competitive compensation structure, we also focus on training and development initiatives for drivers and other employees, and have developed a training facility at Hubballi which conducts training for drivers. We believe that our ability to recruit and retain experienced and professional drivers will continue to be an important competitive advantage in the future.

We believe that the amendments to the Motor Vehicles Act, 1988, proposed by the Road Transport and Safety Bill, 2014 (the "Transport Bill") are likely to result in an increase in the availability of qualified drivers through the introduction of simplified licensing procedures. Further, the proposed Transport Bill contemplates providing an integrated transportation system in collaboration with State-owned transport corporations and private operators which is expected to improve competitive conditions for private operators such as us. For further information, see "*Regulations and Policies*" on page 170 of this Red Herring Prospectus. We believe that we are well positioned to benefit from the implementation of such amendments.

Track record of growth and robust financial position

We strive to maintain a robust financial position with emphasis on having a strong balance sheet and increased profitability. Our total revenue increased at a CAGR of 20.44% from ₹ 7,146.13 million in fiscal 2010 to ₹ 15,037.77 million in fiscal 2014, while our profit after taxation, as restated, increased at a CAGR of 18.75% from ₹ 287.54 million in fiscal 2010 to ₹ 571.76 million in fiscal 2014. In fiscal 2012, 2013 and 2014, total revenue from operations was ₹ 11,303.83 million, ₹ 13,254.97 million and ₹ 14,937.84 million, respectively, reflecting our robust operations. Our return on net worth (RONW) in fiscal 2012, 2013 and 2014 was 40.96%, 15.79% and 18.65%, respectively. In fiscal 2012, 2013 and 2014, net cash from operating activities was ₹ 1,659.22 million, ₹ 1,629.80 million and ₹ 2,032.62 million, respectively. As of December 31, 2014, our long term debt equity ratio was 1.09 times.

Our EBITDA, calculated as our profit before tax and extraordinary items before depreciation and amortization and interest costs, was ₹ 1,968.03 million, ₹ 2,050.49 million and ₹ 2,165.69 million in fiscal 2012, 2013 and 2014, respectively, while it was ₹ 2,194.90 million in the nine months ended December 31, 2014.

Our fleet size for goods and passenger transport business grew from 2,730 as of March 31, 2010 to 3,874 as of March 31, 2014:

As of March 31,	Number of Vehicles	Total Revenue (₹ million)
2010	2,730	7,146.13
2011	2,978	8,929.15
2012	3,528	11,352.78
2013	3,590	13,353.24
2014	3,874	15,037.77

Our large and diverse base of customers in our goods transportation business has enabled us to ensure that we are not dependent on any particular customer or group of customers for our revenues. Although we have a pan-India operational network and have a large number of customers, in the last five fiscal years, our average bad debt has been minimal, and has not exceeded ₹ 1.00 million in any such period.

In addition, revenues from our “paid” and “to pay” customers, who are primarily small and medium enterprises, distributors and traders, represent a significant majority of our goods transportation revenues. This enables us to realize our revenue immediately and ensure lower working capital requirements. Further, we maintain a stringent cash management system through a centralized bank account which ensures that payments received from customers daily are deposited into this account either on the same day or the following day for reconciliation. The authority to sign cheques for our bank accounts are limited to only certain personnel with limits on such amounts, which reduces the impact of any potential fraud in our cash management procedures. In addition, no single customer contributed more than 1.00% of our revenues from goods transportation business in fiscal 2014.

Our strong balance sheet and positive operating cash flows enable us to fund our strategic initiatives, pursue opportunities for growth and better manage unanticipated cash flow variations.

Experienced and motivated management team

We have been successful in attracting an experienced senior management team with operational and technical capabilities, sales and marketing experience, and financial management skills. Our management team is led by our Chairman and Managing Director, Dr. Vijay Sankeshwar, who has about four decades of industry experience. The industry experience of our senior management team has enabled us to develop our large network of offices, branches, transshipment hubs and agencies, pan-India coverage, and strong relationship with our drivers and other employees, as well as our agencies. We believe that this has enabled us to develop our brand and address various industry risks over the years. Our senior management team is sufficiently empowered in order to decentralize operational decision making processes and address our business requirements.

Business Strategies

The following are key components of our operating and growth strategy:

Increase our goods transportation network and fleet size

We continue to expand our pan-India network of branches and agencies for our goods transportation business. We intend to add a significant number of branches in northern, central and eastern regions of India as well as increase the depth of our existing network in key States.

As part of our expansion strategy, we also intend to further expand our fleet of trucks. Our fleet of goods transportation vehicles increased from 2,519 as of March 31, 2010 to 3,546 as of December 31, 2014. A portion of the proceeds of this Issue will be utilized towards increasing our fleet of goods transportation vehicles. For further information, see "*Objects of the Issue – Details of the Objects – Purchase of goods transportation vehicles*" on page 103 of this Red Herring Prospectus.

Increase the proportion of owned transshipment hubs at strategic locations and expand our transshipment hub capacities

We intend to expand our existing transshipment hub operations through significant addition of logistics and storage capacities. As of December 31, 2014, we had 48 strategically located transshipment hubs across India, of which seven were owned by us. We also intend to increase the proportion of owned transshipment hubs at strategic locations across India to ensure stability of our future operational network and superior operational control.

The development of owned transshipment hubs will enable us to implement operational and cost efficiencies through introduction of mechanized freight handling equipment, expansion of our maintenance facilities, setting up fuel stations for our vehicles and improving overall work environment. We believe this will also enable us to further integrate our operations, rationalize routes, optimize load factors, increase cost efficiencies and increase freight volumes. The availability of owned transshipment hubs will also enable us to better plan future expansion of our operating facilities and network.

Continue to improve operating efficiencies through technology enhancements

We continue to further develop our technology systems to increase asset productivity, operating efficiencies and strengthen our competitive position. We believe that our in-house technology capabilities will continue to play a key role in effectively managing our pan-India operations, maintain strict operational and fiscal controls and continue to enhance customer service levels.

We have invested significant resources, and intend to further invest in our in-house technology capabilities to develop customized systems and processes to ensure effective management control. We continue to focus on further strengthening our operational and fiscal controls and linking our operational processes to our centralized ERP system. We also continue to introduce integrated GPS tracking systems, introduce cost efficiencies through reduction of fuel pilferage, and developing safety and value added services for our customers. We also intend to introduce preventive and predictive maintenance software linked to our vehicles.

Focus on higher margin parcel delivery services

We continue to focus on further growing our parcel delivery (comprising general parcel and priority parcel delivery) business, complemented by our FTL freight services. Parcel delivery services ensure a diversified customer base, higher rates per load, and incremental revenues with superior margins. Parcel delivery services involve consolidation of parcels from numerous customers to multiple destinations, variable freight rates based on weight and volume of parcels and typically generate higher net revenue per vehicle. Our operating model of relying on owned vehicles instead of hiring third-party trucks also enables us to target higher margins by ensuring optimal load factors and charging premium parcel delivery rates for remote locations.

We continue to increase our market share of the parcel delivery business in India through our pan-India integrated network, providing wider geographic coverage, faster delivery schedules and reliable services at competitive prices. We continue to focus on increasing our general parcel and priority parcel volumes and density by targeting small and medium sized enterprises, who we believe represent a diversified, attractive and under-served customer segment.

The parcel delivery services business, comprising general parcel and priority parcel services, contributed 91.75%, 89.15%, 88.51% and 86.43% of our total revenue from goods transportation business in fiscal 2012, 2013, and 2014 and in the nine months ended December 31, 2014, respectively. In recent years, the share of non-bulk commodities in freight movement across India has increased as a percentage of the overall primary freight segment. We believe we are well positioned to target anticipated demand growth for higher margin parcel delivery services in India.

In addition, the proposed implementation of the goods and services tax (GST) in India, aimed at implementing a comprehensive indirect tax levy on manufacture, sale and consumption of goods and services at a national level, is expected to remove the current multiple taxation effect of octroi, central sales tax, State-level sales tax, entry tax, as well as taxes on transportation of goods and services. The GST regime is expected to benefit the logistics sector particularly inter-State movement of goods. In addition, the introduction of uniform billing systems and advanced infrastructure is expected to result in better implementation of the benefits of tax credits.

Consolidate our bus operations business

We intend to consolidate our bus operations business and focus on increased margins through optimal route planning and maximising occupancy levels through increased direct marketing efforts as well as through our commission agents. We believe that the proposed Transport Bill, which proposes a unified vehicle registration system and a simplified system of vehicular and transport permits, will significantly improve operating efficiencies and reduce operational costs for our passenger transportation business by reducing various operational hurdles relating to inter-State transportation of passengers, and simplifying the regulatory framework around vehicle permits and driver licenses. Further, the proposed Transport Bill contemplates providing an integrated transportation system in collaboration with State-owned transport corporations and private bus operators which is expected to improve competitive conditions for private operators such as us. However, it is currently unclear when and in what form the Transport Bill will finally be signed into law, and our growth strategy in our bus operations business is likely to be significantly impacted by the introduction of any such proposed modification to the prevailing regulatory environment.

Enhance operational controls to ensure timely delivery and quality service

We continue to focus on enhancing operational controls and cost efficiencies through optimal freight mix, cost management and increasing asset life through preventive and predictive maintenance initiatives. Our ability to provide timely delivery and quality service is key to our reputation and further expansion of our goods transportation business. We continue to use stringent and integrated management control systems to optimize freight mix to maximize load factors and profitability. We also continue to implement various measures aimed at incremental improvement in operational efficiencies, such as deploying multiple drivers across long distances. We continue to implement security measures and timely service in our bus operations including close circuit cameras on some of our passenger buses. We also continue to adopt industry best practices and training for our employees.

SUMMARY FINANCIAL INFORMATION

VRL LOGISTICS LIMITED

VRL LOGISTICS LIMITED

Annexure 1

Summary Statement of Assets and Liabilities, as restated

(Rupees in million)

Particulars	Annexure	As at 31 December 2014	As at 31 March				
			2014	2013	2012	2011	2010
Equity and liabilities							
Shareholders' funds							
Share capital	Annexure 6	855.36	855.36	1,811.69	707.00	707.00	707.00
Reserves and surplus	Annexure 7	2,512.76	2,210.12	1,082.32	1,166.15	628.50	359.19
		3,368.12	**3,065.48**	**2,894.01**	**1,873.15**	**1,335.50**	**1,066.19**
Non-current liabilities							
Long-term borrowings	Annexure 8	2,131.30	2,528.79	2,851.63	4,035.11	2,527.33	2,151.06
Deferred tax liabilities (net)	Annexure 9	832.27	833.63	775.99	692.47	923.00	758.54
Other long term liabilities	Annexure 10	88.68	88.66	86.60	78.29	78.05	76.26
Long-term provisions	Annexure 11	48.88	26.40	29.13	21.56	1.40	4.06
		3,101.13	**3,477.48**	**3,743.35**	**4,827.43**	**3,529.78**	**2,989.92**
Current liabilities							
Short-term borrowings	Annexure 8	1,044.83	1,094.25	938.42	729.03	885.72	632.37
Trade payables	Annexure 12	63.73	93.11	50.17	55.58	25.02	53.95
Other current liabilities	Annexure 13	2,053.91	1,825.33	1,655.06	1,760.87	1,478.21	1,234.00
Short-term provisions	Annexure 11	97.27	223.65	370.80	77.24	91.10	218.29
		3,259.74	**3,236.34**	**3,014.45**	**2,622.72**	**2,480.05**	**2,138.61**
Total		**9,728.99**	**9,779.30**	**9,651.81**	**9,323.30**	**7,345.33**	**6,194.72**
Assets							
Non-current assets							
Fixed assets							
Tangible assets	Annexure 14	6,937.46	7,393.60	7,100.91	6,941.95	4,988.10	4,690.16
Intangible assets	Annexure 15	8.08	9.72	2.01	3.75	11.68	19.23
Capital work-in-progress		146.05	140.37	140.28	100.21	402.54	115.27
Non-current investments	Annexure 16	1.08	1.08	0.78	1.28	1.25	1.25
Long-term loans and advances	Annexure 17	818.78	910.00	966.63	916.66	778.25	498.77
Other non-current assets	Annexure 18	25.44	25.21	7.16	12.27	5.40	11.22
		7,936.89	**8,479.98**	**8,217.77**	**7,976.12**	**6,187.22**	**5,335.90**
Current assets							
Inventories	Annexure 19	166.88	134.75	96.84	87.31	60.75	69.55
Trade receivables	Annexure 20	883.34	799.56	853.94	785.22	688.04	495.59
Cash and bank balances	Annexure 21	129.91	150.92	154.36	136.00	151.40	174.43
Short-term loans and advances	Annexure 17	258.85	198.05	185.47	151.45	111.13	111.30
Other current assets	Annexure 22	353.12	16.04	143.43	187.20	146.79	7.95
		1,792.10	**1,299.32**	**1,434.04**	**1,347.18**	**1,158.11**	**858.82**
Total		**9,728.99**	**9,779.30**	**9,651.81**	**9,323.30**	**7,345.33**	**6,194.72**

The above statement should be read with the summary of significant accounting policies and other explanatory information of the Company in Annexure 5.

As per our report of even date attached

For **Walker Chandiok & Co LLP**
(Formerly Walker, Chandiok & Co)
Chartered Accountants

For **H. K. Veerbhaddrappa & Co**
Chartered Accountants

For and on behalf of the Board of Directors

Khushroo B. Panthaky
Partner

Arrvvind Kubsad
Partner

Vijay Sankeshwar
Chairman and Managing Director

Anand Sankeshwar
Managing Director

Sunil Nalavadi
Chief Financial Officer

Aniruddha Phadnavis
General Manager (Finance) and Company Secretary

Place: Mumbai
Date: 9 February 2015

Place: Hubballi
Date: 9 February 2015

Place: Hubballi
Date: 9 February 2015

VRL LOGISTICS LIMITED

Annexure 2

Summary Statement of Profit and Loss, as restated

(Rupees in million)

Particulars	Annexure	For the nine months ended 31 December 2014	For the year ended 31 March				
			2014	2013	2012	2011	2010
Revenue							
Revenue from operations	Annexure 23	12,738.07	14,937.84	13,254.97	11,303.83	8,888.02	7,113.47
Other income	Annexure 24	55.73	99.93	98.27	48.95	41.13	32.66
Total revenue		**12,793.80**	**15,037.77**	**13,353.24**	**11,352.78**	**8,929.15**	**7,146.13**
Expenses							
Operating expenses	Annexure 25	8,990.74	10,911.73	9,626.49	7,911.18	6,033.64	4,677.91
Employee benefits expense	Annexure 26	1,456.79	1,744.59	1,482.55	1,289.19	1,044.83	899.75
Finance costs	Annexure 27	449.89	599.13	591.23	651.42	479.13	508.44
Depreciation and amortisation expense	Annexure 28	691.75	866.16	823.37	695.98	509.34	464.22
Other expenses	Annexure 29	151.36	215.76	193.71	184.37	150.86	157.56
Total expenses		**11,740.53**	**14,337.37**	**12,717.35**	**10,732.14**	**8,217.80**	**6,707.88**
Profit before exceptional item and tax		**1,053.27**	**700.40**	**635.89**	**620.64**	**711.35**	**438.25**
Add: Exceptional item (refer note 10 of Annexure 5)		-	66.37	-	-	-	-
Profit before tax		**1,053.27**	**766.77**	**635.89**	**620.64**	**711.35**	**438.25**
Current tax (net of MAT credit)		332.26	137.37	95.34	83.95	30.25	0.71
Deferred tax*		4.11	57.64	83.52	(230.53)	164.46	150.00
Profit for the period/year		**716.90**	**571.76**	**457.03**	**767.22**	**516.64**	**287.54**

*Deferred tax credit for the year 2011-12 includes reversal of deferred tax liability of Rs. 307.36 million, representing timing differences arising on depreciation on Wind Turbine Generators, for the tax holiday period from 2011-12 to 2020-21. This reversal arose due to decision of the management to avail income-tax benefits in accordance with Section 80IA of the Income-tax Act, 1961 with effect from financial year 2011-12.

The above statement should be read with the summary of significant accounting policies and other explanatory information of the Company in Annexure 5.

As per our report of even date attached

For **Walker Chandiok & Co LLP**
(Formerly Walker, Chandiok & Co)
Chartered Accountants

For **H. K. Veerbhaddrappa & Co**
Chartered Accountants

For and on behalf of the Board of Directors

Khushroo B. Panthaky
Partner

Arrvvind Kubsad
Partner

Vijay Sankeshwar
Chairman and Managing Director

Anand Sankeshwar
Managing Director

Sunil Nalavadi
Chief Financial Officer

Aniruddha Phadnavis
General Manager (Finance) and Company Secretary

Place: Mumbai
Date: 9 February 2015

Place: Hubballi
Date: 9 February 2015

Place: Hubballi
Date: 9 February 2015

VRL LOGISTICS LIMITED

Annexure 3

Statement of Cash Flows, as restated

(Rupees in million)

Particulars	For the nine months ended 31 December 2014	For the year ended 31 March				
		2014	2013	2012	2011	2010
Cash flows from operating activities						
Profit before tax	**1,053.27**	**766.77**	**635.89**	**620.64**	**711.35**	**438.25**
Adjustments for :						
Depreciation and amortisation expense	691.75	866.16	823.37	695.98	509.34	464.22
Interest expense	449.89	599.13	591.23	651.42	479.13	508.44
Interest income	(2.01)	(2.73)	(3.22)	(2.16)	(2.18)	(1.77)
Dividend income	(0.10)	(0.10)	(0.29)	(0.10)	(0.16)	(0.18)
Loss on sale of fixed assets (net)	8.27	7.87	3.14	0.33	14.82	15.54
Advances and bad debts written off	0.70	11.80	0.09	7.53	2.42	9.13
Provision for doubtful advances and debts	3.50	2.50	4.30	0.50	2.60	7.42
Credit balance written back	(1.17)	(7.63)	(6.11)	(3.85)	(1.42)	(0.43)
Adjustment for exceptional item	-	(66.37)	-	-	-	-
Operating profit before working capital changes	**2,204.10**	**2,177.40**	**2,048.40**	**1,970.29**	**1,715.90**	**1,440.62**
Adjustments for :						
(Increase) / decrease in trade receivables	(83.78)	52.98	(73.02)	(97.68)	(195.05)	(57.08)
(Increase) in loans and advances and other current assets	(105.58)	(23.65)	(184.24)	(86.53)	(32.73)	(24.22)
(Increase) / decrease in inventories	(32.13)	(37.91)	(9.54)	(26.56)	8.79	(0.92)
Increase / (decrease) in trade payables, other liabilities and provisions	57.40	12.87	(20.61)	57.03	156.43	62.48
Cash generated from operating activities	**2,040.01**	**2,181.69**	**1,760.99**	**1,816.55**	**1,653.34**	**1,420.88**
Direct taxes paid (net of refunds)	(181.26)	(149.07)	(131.19)	(157.33)	(185.98)	(48.52)
Net cash generated from operations (A)	**1,858.75**	**2,032.62**	**1,629.80**	**1,659.22**	**1,467.36**	**1,372.36**
Cash flows from investing activities						
Purchase of fixed assets (including capital advance)	(601.38)	(1,093.57)	(914.06)	(2,440.47)	(1,351.77)	(503.87)
Proceeds from sale of fixed assets	16.42	190.61	7.44	8.89	31.61	136.38
Proceeds from advance towards sale of land	100.00	-	-	-	16.01	-
Encashment / (placement) of fixed deposits with bank	(2.23)	(10.95)	5.57	5.89	(3.13)	(6.22)
Sale/(purchase) of non-current investments	-	(0.30)	0.50	(0.03)	-	-
Interest received	0.24	3.46	1.89	2.49	1.02	1.15
Dividend income received	0.10	0.10	0.29	0.10	0.16	0.18
Net cash (used in) investing activities (B)	**(486.85)**	**(910.65)**	**(898.37)**	**(2,423.13)**	**(1,306.10)**	**(372.38)**
Cash flows from financing activities						
Proceeds from issue of shares (including securities premium)	-	-	1,250.00	-	-	-
Proceeds from / (repayment of) public deposits (net)	-	(25.97)	(60.73)	(30.88)	7.65	104.02
Proceeds from / (repayment of) unsecured loans from/to corporates (net)	-	-	(5.50)	(246.00)	250.50	1.00
Proceeds from short term borrowings (net)	(49.42)	155.83	214.89	89.31	2.85	250.96
Proceeds from long term borrowings	833.60	1,192.63	931.80	3,028.71	1,379.37	893.92
Repayment of long term borrowings	(1,123.89)	(1,275.94)	(2,107.97)	(1,234.08)	(995.94)	(1,671.48)
Dividend paid and tax thereon	(603.77)	(563.59)	(304.03)	(172.56)	(371.41)	(132.35)
Interest and processing fees paid	(451.44)	(601.27)	(620.58)	(629.69)	(444.58)	(505.73)
Share issue expenses	-	-	(10.49)	(43.54)	(21.68)	-
Net cash (used in)/generated from financing activities (C)	**(1,394.92)**	**(1,118.31)**	**(712.61)**	**761.27**	**(193.24)**	**(1,059.66)**
Net increase / (decrease) in cash and cash equivalents (A + B + C)	**(23.02)**	**3.66**	**18.82**	**(2.64)**	**(31.98)**	**(59.68)**
Cash and cash equivalents at the beginning of the period /year	**150.41**	**146.75**	**127.93**	**130.57**	**162.55**	**222.23**
Cash and cash equivalents at the end of the period / year	**127.39**	**150.41**	**146.75**	**127.93**	**130.57**	**162.55**
Cash and cash equivalents comprise:						
Cash on hand	32.94	36.62	37.69	35.97	23.57	23.41
Cheques / drafts on hand/ in transit	-	4.18	5.70	8.73	10.12	9.85
Balances with banks						
- in current accounts	94.18	107.24	82.08	75.26	91.65	128.17
- in deposit accounts (with maturity upto 3 months)	0.10	0.50	18.88	6.43	3.74	0.62
Cash in transit	0.17	1.87	2.40	1.54	1.49	0.50
	127.39	**150.41**	**146.75**	**127.93**	**130.57**	**162.55**

Restricted Cash						
Fixed deposits pledged with banks	0.10	0.50	18.88	6.43	3.74	0.62

Notes:

1] The above Cash Flow Statements have been prepared under the 'Indirect Method' as set out in Accounting Standard 3, "Cash Flow Statements", notified under the Companies (Accounting Standards) Rules, 2006 read with Rule 7 of the Companies (Accounts) Rules, 2014.

2] Figures in brackets represent outflows.

As per our report of even date attached

For **Walker Chandiok & Co LLP**
(Formerly Walker, Chandiok & Co)
Chartered Accountants

Khushroo B. Panthaky
Partner

Place: Mumbai
Date: 9 February 2015

For **H. K. Veerbhaddrappa & Co**
Chartered Accountants

Arrvvind Kubsad
Partner

Place: Hubballi
Date: 9 February 2015

For and on behalf of the Board of Directors

Vijay Sankeshwar
Chairman and
Managing Director

Anand Sankeshwar
Managing Director

Sunil Nalavadi
Chief Financial Officer

Aniruddha Phadnavis
General Manager (Finance)
and Company Secretary

Place: Hubballi
Date: 9 February 2015

THE ISSUE

Issue	Up to [●] Equity Shares aggregating up to ₹ [●] million
Of which	
Fresh Issue[#]	[●] Equity Shares aggregating to ₹ 1,170 million.
Offer for Sale[##]	Up to 17,116,000 Equity Shares aggregating up to ₹ [●] million.
The Issue consists of:	
QIB Portion[**]	Not more than [●] Equity Shares
which comprises	
Anchor Investor Portion[*]	[●] Equity Shares
of which:	
Reservation for Mutual Funds	[●] Equity Shares
Balance for all QIBs (including Mutual Funds)	[●] Equity Shares
Net QIB Portion (assuming Anchor Investor Portion is fully subscribed)	[●] Equity Shares
of which:	
Available for allocation to Mutual Funds only (5% of the Net QIB Portion)	[●] Equity Shares
Balance of Net QIB Portion for all QIBs including Mutual Funds	[●] Equity Shares
Non-Institutional Portion[**]	Not less than [●] Equity Shares
Retail Portion[**]	Not less than [●] Equity Shares
Pre and post Issue Equity Shares	
Equity Shares outstanding prior to the Issue	85,536,162 Equity Shares[*]
Equity Shares outstanding after the Issue	[●] Equity Shares[*]
Objects of the Issue	See "*Objects of the Issue*" on page 102 of this Red Herring Prospectus.

\# *The Fresh Issue has been authorised by our Board pursuant to their resolution dated October 10, 2014, and by the shareholders of our Company pursuant to their resolution passed at the extraordinary general meeting held on October 16, 2014.*

\## *NSR has confirmed that the offer through the Offer for Sale of up to 14,550,000 Equity Shares held by it has been authorised pursuant to a resolution passed by its board of directors on November 25, 2014. Further, NSR has consented to the Offer for Sale of up to 14,550,000 Equity Shares through their letter dated December 2, 2014.*

Further, Dr. Vijay Sankeshwar and Mr. Anand Sankeshwar have each consented to participate in the Offer for Sale and to offer up to 1,283,000 Equity Shares and 1,283,0000 Equity Shares, respectively, by way of the Offer for Sale through their respective letters both dated December 12, 2014.

Further, the IPO Committee has taken on record the approval of the Offer for Sale by the Selling Shareholders and has approved this Red Herring Prospectus pursuant to its resolutions dated December 12, 2014 and April 3, 2015, respectively.

Each of the Selling Shareholders confirms that their respective Equity Shares being offered for sale by way of the Offer for Sale have been held by them for a period of at least one year prior to the date of filing of the Draft Red Herring Prospectus and, hence, are eligible for being offered for sale in the Offer for Sale in accordance with the SEBI Regulations.

* *The Company and the Selling Shareholders in consultation with the GCBRLMs, may allocate up to 60% of the QIB Portion to Anchor Investors on a discretionary basis in accordance with the SEBI Regulations. One third of the Anchor Investor Portion shall be reserved for domestic Mutual Funds, subject to valid Bids being received from domestic Mutual Funds at or above the price at which allocation is being made to Anchor Investors. In case of under-subscription in the Anchor Investor Portion, the remaining Equity Shares will be added back to the QIB Portion.*

** *Under-subscription, if any, in any category, except the QIB Portion, would be met with spill-over from any other category or categories, as applicable, at the discretion of the Company and the Selling Shareholders, in consultation with the GCBRLMs and the Designated Stock Exchange, subject to applicable laws.*

Allocation to all categories, except any Anchor Investors and Retail Individual Investors, shall be made on a proportionate basis, subject to valid Bids received at or above the Issue Price. The allocation to each Retail Individual Investor shall not be less than the minimum Bid Lot, subject to availability of shares in Retail Individual Investor Portion, and the remaining available Equity Shares, if any, shall be Allocated on a proportionate basis. For further details, see "*Issue Procedure*" on page 402 of this Red Herring Prospectus.

GENERAL INFORMATION

The Company was incorporated as "Vijayanand Roadlines Private Limited" in the State of Karnataka as a private limited company under the Companies Act, 1956 and a certificate of incorporation dated March 31, 1983 was issued by the Registrar of Companies, Bengaluru, Karnataka. The Company became a deemed public limited company in 1994 and an endorsement to this effect was made by the Registrar of Companies, Bengaluru, Karnataka on July 1, 1994 on its original certificate of incorporation. Pursuant to a special resolution passed by the shareholders in the Extraordinary General Meeting held on February 14, 1997 the status of the Company was changed from a deemed public limited company to a public limited company. The name of the Company was changed to "VRL Logistics Limited" and a fresh certificate of incorporation, consequent on change of name, was issued by the Registrar of Companies, Karnataka on August 25, 2006.

Registered Office of the Company

R.S. No. 351/1, Varur Post Chabbi Taluk Hubli
District Dharwad
Hubballi 581 207
Karnataka
India
Tel: +91 (836) 223 7613
Fax: +91 (836) 223 7614
Website: www.vrlgroup.in

Corporate Office of the Company

Giriraj Annexe, Circuit House Road
Hubballi 580 029
Karnataka
India
Tel: +91 (836) 223 7511
Fax: +91 (836) 225 6612

For details of change in the name and registered office of the Company, see "*History and Certain Corporate Matters*" on page 184 of this Red Herring Prospectus.

Corporate Identity Number

U60210KA1983PLC005247

Registration Number

005247

Address of the RoC

'E' Wing, 2nd Floor
Kendriya Sadana, Kormangala
Bengaluru 560 034
Tel: +91 (80) 2563 3105 / 2553 7449 / 2563 3104
Fax: +91 (80) 2553 8531
E-mail: roc.bangalore@mca.gov.in

Board of Directors

Our Board of Directors comprises the following:

Name, Designation, Occupation and Term	Age	Address	Director Identification Number ("DIN")
Dr. Vijay Sankeshwar *Chairman and Managing Director* Occupation: Business	64	No. 120 to 125, "Lalit Mahal", Naveen Park, Kusugal Road, Keshwapur, Hubballi 580 023	*00217714*
Mr. Anand Sankeshwar *Managing Director* Occupation: Business	40	No. 120 to 125, "Lalit Mahal", Naveen Park, Kusugal Road, Keshwapur, Hubballi 580 023	*00217773*
Mr. Chantam K. Shetty *Independent Director* Occupation: Business	61	No.9, Upstairs, KHB Colony, Basaveshwar Nagar, Bengaluru 560 079	*01560349*
Mr. Jayateerth. S. Korlahalli *Independent Director* Occupation: Educationist	74	Srinivas 4th Cross, Vidyanagar, Gadag – 582101	*00528428*
Dr. Prabhakar B. Kore *Independent Director* Occupation: Educationist, Business and Agriculture	67	Ajmer House, B.C. 92, Church Road, Camp, Belgaum 590 009	*00509836*
Mr. Darius D. Pandole *Nominee Director* Occupation: Service	48	5 B Sunshine Apartments, 156 Maharshi Karve Road Mumbai 400 020	*00727320*
Mrs. Medha Pawar *Independent Director* Occupation: Advocate	47	#202, Sangam Apartments 6th Avenue Midmac Developer Rajiv Nagar Hubballi - 580031	*06921510*
Mr. Ramesh Shetty *Non-executive and Non-Independent Director* Occupation: Business	59	876 / 4A, 56 Nidhi Madhura Estate Keshwapur, Hubballi Dharwad 580023	*01051743*
Dr. Anand Pandurangi *Independent Director* Occupation: Consulting psychiatrist	61	Michigan Plots Saptapur Dharwad 580001 Karnataka	*07038691*
Dr. Raghottam Akamanchi	50	No. 55, Krishna Layout Laxmi Nagar	*07038738*

Name, Designation, Occupation and Term	Age	Address	Director Identification Number ("DIN")
Non-executive and Non-Independent Director Occupation: Professor		Gokul Road Hubballi Dharwad City – 580030	
Mr. Shankarasa Ladwa *Independent Director* Occupation: Chartered Accountant	53	No. 6/5, Sri Aniruddha Bapu Nilaya 2nd Main, 7th Cross Govindarajanagar Bengaluru - 560 040	*06964188*
Mr. S. R. Prabhu *Non-executive and Non-Independent Director* Occupation: Business	63	1st Cross near B P Automobiles B H Road Tumkur	*07038752*

For further details regarding the Board of Directors, see "*Our Management*" on page 192 of this Red Herring Prospectus.

Selling Shareholders

The details of the Selling Shareholders are as follows:

NSR-PE Mauritius LLC	Mr. Anand Sankeshwar	Dr. Vijay Sankeshwar
A company incorporated under the laws of Mauritius having its registered address at: 4th Floor, Tower A 1 Cybercity, Ebene Mauritius	For details of Mr. Anand Sankeshwar, including residential address see "*Our Management*" on page 193 of this Red Herring Prospectus	For details of Dr. Vijay Sankeshwar, including residential address see "*Our Management*" on page 192 of this Red Herring Prospectus

Company Secretary and Compliance Officer

Mr. Aniruddha A. Phadnavis
Giriraj Annexe
Circuit House Road
Hubballi 580 029
Karnataka
India
Tel: +91 836 223 7511/12/13/14
Fax: +91 836 2256 612
Email: investors@vrllogistics.com

Chief Financial Officer

Mr. Sunil Nalavadi
Giriraj Annexe
Circuit House Road
Hubballi 580 029
Karnataka
India
Tel: +91 836 223 7511/12/13/14
Fax: +91 836 2256 612
Email: cfo@vrllogistics.com

Investors can contact the Company Secretary and Compliance Officer, the Registrar to the Issue or the GCBRLMs in case of any pre-Issue or post-Issue related problems such as non-receipt of letters of allotment, credit of allotted shares in the respective beneficiary account and refund orders, or non-receipt of funds by electronic mode, etc.

All grievances relating to the non-ASBA process must be addressed to the Registrar to the Issue quoting full name of the sole or first Bidder, Bid-cum-Application Form number, address of the Bidder, Bidders' DP ID, Client ID, PAN, number of Equity Shares applied for, date of Bid-cum-Application Form, name and address of the Syndicate Member or the Registered Broker where the Bid was submitted, and cheque / draft number and issuing bank thereof.

All grievances relating to the ASBA process may be addressed to the Registrar to the Issue, with a copy to the relevant SCSB, or the member of the Syndicate if the Bid was submitted to a member of the Syndicate at any of the Specified Locations, or the Registered Broker if the Bid was submitted to a Registered Broker at any of the Broker Centres, as the case may be, giving full details such as name, address of the sole / first bidder, ASBA Bid-cum Application Form number, bidders' DP ID, Client ID, PAN, date of ABSA Bid-cum-Application Form, number of Equity Shares applied for, Bid Amount blocked, name and address of the member of the Syndicate or the Designated Branch or the Registered Broker, as the case may be, where the ASBA Bid-cum-Application Form was submitted, and the ASBA Account number in which the amount equivalent to the Bid Amount was blocked.

Global Co-ordinators and Book Running Lead Managers

ICICI Securities Limited
ICICI Centre
H. T. Parekh Marg, Churchgate
Mumbai 400 020
Tel: +91 (22) 2288 2460 / 70
Fax: +91 (22) 2282 6580
E-mail: vrl.ipo@icicisecurities.com
Investor Grievance E-mail: customercare@icicisecurities.com
Website: www.icicisecurities.com
Contact Person: Mr. Mangesh Ghogle / Mr. Vishal Kanjani
SEBI Registration Number: INM000011179

HSBC Securities and Capital Markets (India) Private Limited
52/60, Mahatma Gandhi Road, Fort
Mumbai 400 001
Tel: +91 (22) 2268 5555
Fax: +91 (22) 2263 1984
Email: vrllogisticsipo@hsbc.co.in
Investor grievance E-mail: investorgrievance@hsbc.co.in
Website: http://www.hsbc.co.in/1/2/corporate/equitiesglobalinvestment-banking
Contact Person: Mr. Mayank Jain / Ms. Archa Jain
SEBI Registration Number: INM000010353

Syndicate Member(s)

The Global Coordinators and Book Running Lead Managers have been appointed as the Syndicate Members and no other entity has been appointed as a Syndicate Member.

Self Certified Syndicate Banks

The list of banks that have been notified by SEBI to act as an SCSB for the ASBA process and details relating to the Designated Branches of SCSBs collecting the ASBA Bid-cum-Application Forms are available at http://www.sebi.gov.in/sebiweb/home/list/5/33/0/0/Recognised-Intermediaries. For details on designated branches of SCSBs collecting the Bid cum Application Form, please refer to the above mentioned link.

Syndicate SCSB Branches

In relation to ASBA Bids submitted to a member of the Syndicate, the list of branches of the SCSBs at the Specified Locations named by the respective SCSBs to receive deposits of Bid-cum-Application Forms from the members of the Syndicate is currently available on the website of the Securities and Exchange Board of India (http://www.sebi.gov.in/sebiweb/home/list/5/33/0/0/Recognised-Intermediaries), as updated from time to time.

Broker Centres

In accordance with SEBI Circular No. CIR/CFD/14/2012 dated October 4, 2012; Bidders can submit Bid cum Application Forms with the Registered Brokers at the Broker Centres, a list of which is available at the websites of the Stock Exchanges at www.bseindia.com and www.nseindia.com. In relation to ASBA Bids submitted to the Registered Brokers at the Broker Centres, the list of branches of the SCSBs at the Broker Centres named by the respective SCSBs to receive deposits of the Bid cum Application Forms from the Registered Brokers will be available on the website of the SEBI (www.sebi.gov.in) and updated from time to time.

Legal Advisors

Domestic Legal Counsel to the Issue	**Special Counsel to HSBC**
AZB & Partners Express Towers, 24th Floor Nariman Point Mumbai 400 021 Tel: +91 22 6639 6880 Fax: +91 22 6639 6888	**AZB & Partners** Plot No. A8 Sector 4 Noida Uttar Pradesh 201 301 Tel: +91 120 417 9999 Fax: +91 120 417 9900

International Legal Counsel to the GCBRLMs

Squire Patton Boggs Singapore LLP
10 Collyer Quay
#03-01/02 Ocean Financial Centre
Singapore 049315
Tel: +65 6922 8668
Fax: +65 6922 8650

Registrar to the Issue

Karvy Computershare Private Limited
Plot no. 17 - 24
Vittal Rao Nagar, Madhapur
Hyderabad 500 081
Tel: +91 (40) 4465 5000
Fax: + 91 (40) 2343 1551
E-mail/Investor grievance ID: vrl.ipo@karvy.com
Website: http:\\karishma.karvy.com
Contact Person: Mr. M Murali Krishna
SEBI Registration No.: INR000000221

Bankers to the Issue and Escrow Collection Bank(s)

Axis Bank Limited	**HDFC Bank Limited**	**ICICI Bank Limited**
No. 122/146, Ward No. 3 Ist Floor, Near Mandakini Hospital Hubli 580 029 Telephone: + 91 80 9550 1291 / +91 836 235 6981 Facsimile: +91 836 235 6983 E-mail: branchhead.hubli@axisbank.com Contact Person: Mr. Ramesh S	FIG – OPS Department Lodha I Think Techno Campus, O-3 Level Next to Kanjurmarg Railway Station Kanjurmarg (East) Mumbai 400 042 Telephone: + 91 22 3075 2928 Facsimile: +91 22 2579 9809 E-mail: uday.dixit@hdfcbank.com	122, 1st Floor, Mistry Bhavan, Dinshaw Vaccha Road Backbay Reclamation Churchgate Mumbai 400 020 Tel: +91 22 2285 9923 Fax: +91 22 2261 1138 E-mail: anil.gadoo@icicibank.com / ipocmg@icicibank.com

	Contact Person: Mr. Uday Dixit	Contact Person: Mr. Anil Gadoo

Refund Bank(s)

ICICI Bank Limited
122, 1st Floor, Mistry Bhavan,
Dinshaw Vaccha Road
Backbay Reclamation
Churchgate
Mumbai 400 020
Tel: +91 22 2285 9923
Fax: +91 22 2261 1138
E-mail: anil.gadoo@icicibank.com / ipocmg@icicibank.com
Contact Person: Mr. Anil Gadoo

Statutory Auditors of our Company

H.K. Veerbhaddrappa & Co
4th Floor, Sumangala Complex
Lamington Road Hubballi - 580 029
Karnataka
India
Telephone: +91 836 2365 431
Facsimile: +91 836 2363 074
E-mail: akkumar1@rediffmail.com
Contact Person: Mr. Arrvvind Kubsad
Firm registration no.: 004578S

Walker, Chandiok & Co. LLP
16th Floor, Tower II,
Indiabulls Finance Centre, S.B. Marg, Elphinstone (W),
Mumbai 400 013
India
Telephone: +91 22 6626 2626
Facsimile: +91 22 2367 1624
E-mail: Khushroo.Panthaky@in.gt.com
Contact Person: Mr. Khushroo Panthaky
Firm registration no.: 001076N/N500013

The Statutory Auditors have been subjected to the peer review process and hold valid peer review certificates.

Bankers to the Company

The Shamrao Vittal Co-op. Bank Limited
Ground Floor, Satellite Space Age Complex
Koppikar Road
Hubballi 580 020
Tel : +91 (836) 2366 972/974
Fax : +91 (836) 2366 973
E-mail : hubliou@svcbank.com
Website: www.svcbank.com
Contact person : Mr. Shridhar Nadkarni

ICICI Bank Limited
Eurekha Junction
Deshpande Nagar
Hubballi
Tel : +91 (836) 2256 702/3/4/5
Fax : +91 (836) 2256 701
E-mail: raghavendra.gyanppanavar@icicibank.com
Website: www.icicibank.com
Contact person: Raghavendra Gyanppanavar

State Bank of Mysore
Deshpande Nagar
Hubballi - 580029
Tel : +91 836 2352 578
Fax : +91 836 2352 778
E-mail : deshpandenagar@sbm.co.in
Website: www.statebankofmysore.co.in
Contact person : Mr. Anjan Murthy G.R.

Saraswat Co-operative Bank Limited
Divate Complex (Upper Ground 1 to 4)
Club Road
Hubballi - 580029
Tel : +91 836 2256 015
Fax : +91 836 2356 468
E-mail : vm_chillal@saraswatbank.com
Website: www.saraswatbank.com
Contact person : Mr. Vishal Chillal

NKGSB Co-operative Bank Limited
T. B Revankar Complex
Opposite Giriraj Annex
Deshpande Nagar

Hubballi - 580029
Tel : +91 836 2353 682
Fax : +91 836 2353 681
E-mail : kiranpai@nkgsb-bank.com
Website: www.nkgsb-bank.com
Contact person : Mr. Kiran V. Pai

Credit Rating

As the Issue is of equity shares, a credit rating is not required.

Appraising Entity

None of the objects for which the Net Proceeds will be utilised have been appraised by any agency.

Experts

Except as stated below, our Company has not obtained any expert opinions:

Except for (i) the written consent received by the Company from the statutory auditors namely, H. K. Veerbhaddrappa & Co., Hubli and Walker, Chandiok & Co., LLP, to include their names as experts under Section 26(1)(a)(v) of the Companies Act in this Red Herring Prospectus in relation to their audit report dated February 9, 2015 and statement of tax benefits dated March 24, 2015, (ii) certificate dated March 24, 2015 from H. K. Veerbhaddrappa & Co., Hubli in relation to the utilisation of amounts drawndown on loans proposed to be repaid out of the proceeds of the Issue and (iii) certificate dated March 28, 2015 from Mr. R. B. Gadagkar, advocate in relation to the status of legal proceedings involving the Company, included in this Red Herring Prospectus, the Company has not obtained any other expert opinions. The consents of the statutory auditors have not been withdrawn as of the date of this Red Herring Prospectus. However, the term "expert" shall not be construed to mean an "expert" as defined under the U.S. Securities Act 1933.

Trustees

As the Issue is of equity shares, the appointment of trustees is not required.

IPO Grading

No credit agency registered with SEBI has been appointed for the purposes of obtaining a grading for the Issue, as IPO grading is not mandatory.

Monitoring Agency

In terms of Regulation 16(1) of the SEBI Regulations, we are not required to appoint a monitoring agency for the purposes of this Issue as the Fresh Issue size shall not exceed ₹ 5,000 million.

Inter-se allocation of responsibilities between GCBRLMs

The following table sets forth the responsibilities of HSBC Securities and Capital Markets (India) Private Limited and ICICI Securities Limited (together the "**Global Co-ordinators and Book Running Lead Managers**") as the Global Co-ordinators and Book Running Lead Managers for the Issue:

S. No.	Activities Responsibility	Responsibility	Coordinating
1.	Capital structuring with the relative components and formalities such as composition of debt and equity, type of instruments, size of issue, allocation between primary and secondary, etc.	I-Sec, HSBC	I-Sec
2.	Due diligence of the Company's operations/ management/ business plans/ legal etc. Drafting and design of the Draft Red	I-Sec, HSBC	I-Sec

S. No.	Activities Responsibility	Responsibility	Coordinating
	Herring Prospectus, Red Herring Prospectus and Prospectus. The GCBRLMs shall ensure compliance with stipulated requirements and completion of prescribed formalities with the Stock Exchanges, RoC and SEBI including finalization of Prospectus and RoC filing of the same, follow up and coordination till final approval from all regulatory authorities		
3.	Drafting and approval of statutory advertisement and application forms	I-Sec, HSBC	I-Sec
4.	Drafting and approval of other publicity material including non-statutory advertisement, corporate advertisement, brochure, etc.	I-Sec, HSBC	I-Sec
5.	Appointment of all other intermediaries (e.g. Registrar(s), Printer(s) and Banker(s) to the Issue, Advertising agency etc.)	I-Sec, HSBC	HSBC
6.	International Institutional Marketing; allocation of investors for meetings and finalizing road show schedules and preparation and finalization of the road-show presentation and FAQs	I-Sec, HSBC	HSBC
7.	Domestic Institutional Marketing (including banks/ mutual funds); allocation of investors for meetings and finalizing road show schedules	I-Sec, HSBC	I-Sec
8.	Non-Institutional and Retail Marketing of the Issue, which will cover, inter alia, • Formulating marketing strategies, preparation of publicity budget • Finalizing Media and PR strategy • Finalizing centres for holding conferences for brokers etc.	I-Sec, HSBC	I-Sec
9.	Pricing and managing the book	I-Sec, HSBC	HSBC
10.	Coordination with Stock-Exchanges for: • book building software, bidding terminals etc. • payment of 1% security deposit through cash and bank guarantee	I-Sec, HSBC	I-Sec
11.	Finalizing collection centres and follow-up on distribution of publicity and Issue material including form, prospectus and deciding on the quantum of the Issue material	I-Sec, HSBC	I-Sec
12.	Post-issue activities, which shall involve essential follow-up steps including follow-up with bankers to the issue and Self Certified Syndicate Banks to get quick estimates of collection and advising the issuer about the closure of the issue, based on correct figures, finalisation of the basis of allotment or weeding out of multiple applications, listing of instruments, dispatch of certificates or demat credit and refunds and coordination with various agencies connected with the post-issue activity such as registrars to the issue, bankers to the issue, Self Certified Syndicate Banks etc. Including responsibility for underwriting arrangements, as applicable. The designated coordinating GCBRLM shall also be responsible for coordinating the redressal of investor grievances in relation to post issue activities and coordinating with Stock Exchanges and SEBI for Release of 1% security deposit post closure of the issue.	I-Sec, HSBC	HSBC
13.	Payment of the applicable Securities Transaction Tax (“STT”) on sale of unlisted equity shares by the Selling Shareholders under the offer for sale included in the Issue to the Government and filing of the STT return by the prescribed due date as per Chapter VII of Finance (No. 2) Act, 2004	I-Sec, HSBC	HSBC

Book Building Process

Book Building Process refers to the process of collection of bids from investors on the basis of the Red Herring Prospectus, the Bid cum Application Forms and the ASBA Bid-cum-Application Forms. The Issue Price will be determined by our Company and the Selling Shareholders in consultation with the GCBRLMs after the Bid/Issue Closing Date. The principal parties involved in the Book Building Process are:

(1) the Company;
(2) the Selling Shareholders;
(3) the GCBRLMs;
(4) the Syndicate Members (who are intermediaries registered with SEBI or registered as brokers with the Stock Exchanges and eligible to act as underwriters);
(5) the Registrar to the Issue;
(6) the Registered Brokers;
(7) the Escrow Collection Banks;
(8) Refund Banks; and
(9) the SCSBs.

In terms of Rule 19(2)(b) of the SCRR, this Issue is for at least 25 % of the post Issue capital of the Company. The Issue is being made through the Book Building Process wherein 50% of the Issue shall be available for allocation on a proportionate basis to QIBs provided that the Company and each of the Selling Shareholders may, in consultation with the GCBRLMs, allocate up to 60% of the QIB Portion to Anchor Investors at the Anchor Investor Issue Price, on a discretionary basis, of which at least one-third will be available for allocation to domestic Mutual Funds, in accordance with SEBI Regulations. Further, 5% of the Net QIB Portion shall be available for allocation on a proportionate basis to Mutual Funds only, which if unsubscribed, shall be available for allocation to QIBs. The remainder of the Net QIB Portion (excluding the 5% reservation for Mutual Funds) will be available for allocation on a proportionate basis to all QIBs including Mutual Funds, subject to valid Bids being received at or above the Issue Price. Further, not less than 15% of the Issue shall be available for allocation on a proportionate basis to Non-Institutional Bidders and not less than 35% of the Issue shall be available for allocation on a proportionate basis to Retail Individual Bidders, subject to valid bids being received at or above the Issue Price. Allocation to Anchor Investors shall be on a discretionary basis and not on a proportionate basis. Under-subscription, if any, in any category, except in the QIB Portion, would be allowed to be met with spill over from any other category or combination of categories, at the discretion of our Company and the Selling Shareholders in consultation with the GCBRLMs and the Designated Stock Exchange.

QIBs (excluding Anchor Investors) and the Non-Institutional Investors can participate in this Issue only through the ASBA process and Retail Bidders have the option to participate through the ASBA process. Anchor Investors are not permitted to participate through the ASBA process.

QIBs and Non-Institutional Investors are not permitted to withdraw their Bid(s) or lower the size of their Bid(s) (in terms of quantity of Equity Shares or the Bid Amount) at any stage during the Issue or after the Bid/Issue Closing Date. Retail Bidders can revise their Bid(s) during the Bid/ Issue Period and withdraw their Bid(s) until finalization of the Basis of Allotment. Anchor Investors are not allowed to withdraw their Bids after the Anchor Investor Bidding Date. For further details, see the sections titled "*Issue Structure*" and "*Issue Procedure*" on pages 397 and 402 of this Red Herring Prospectus, respectively.

The Company and each of the Selling Shareholders severally and not jointly will comply with the SEBI Regulations and any other directions issued by SEBI in respect of the Issue to the extent applicable to each of them. In this regard, the Company and the Selling Shareholders have appointed the GCBRLMs to manage the Issue and procure subscriptions for the Issue.

The Book Building Process under the SEBI Regulations is subject to change from time to time. Bidders are advised to make their own judgment about an investment through this process prior to submitting a Bid.

Steps to be taken by the Bidders for Bidding:

- Check eligibility for making a Bid. For further details, see section titled "*Issue Procedure*" on page 402 of this Red Herring Prospectus. Specific attention of ASBA Bidders is invited to section titled "*Issue Procedure*" on page 402 of this Red Herring Prospectus;

- Please note that all Bidders other than Anchor Investors are entitled to Bid through ASBA;

- Ensure that you have an active demat account and the demat account details are correctly mentioned in the Bid cum Application Form or the ASBA Bid cum Application Form, as the case may be;

- Ensure that the Bid cum Application Form or ASBA Bid cum Application Form is duly completed as per the instructions given in the Red Herring Prospectus and in the respective forms;

- Except for bids on behalf of the Central or State Government and the officials appointed by the courts and by investors residing in the State of Sikkim, for Bids of all values ensure that you have mentioned your PAN allotted under the I.T Act in the Bid cum Application Form or the ASBA Bid cum Application Form, as applicable (see the section titled "*Issue Procedure*" on page 402 of this Red Herring Prospectus). The exemption for the Central or State Government and the officials appointed by the courts and for investors residing in the State of Sikkim is subject to the Depository Participants' verifying the veracity of such claims of the investors by collecting sufficient documentary evidence in support of their claims;

- Ensure the correctness of your demographic details such as the address, the bank account details for printing on refund orders and occupation ("**Demographic Details**"), given in the Bid cum Application Form or ASBA Bid cum Application Form, with the details recorded with your Depository Participant;

- Ensure the correctness of your PAN, DP ID and Client ID given in the Bid cum Application Form and the ASBA Bid cum Application Form. Based on these parameters, the Registrar will obtain details of the Bidders from the Depositories including the Bidder's name, bank account number etc.

- Bids by ASBA Bidders will have to be submitted to the SCSBs only at the Designated Branches or Syndicate Members at Syndicate ASBA Centres or the Broker Centre with the Registered Brokers. ASBA Bidders should ensure that their bank accounts have adequate credit balance at the time of submission of the ASBA Bid cum Application Form to the SCSB, Syndicate member, or Registered Broker, as applicable, to ensure that their ASBA Bid cum Application Form is not rejected;

- Bids by Anchor Investors shall be submitted only to the members of the Syndicate.

- Bids by QIBs (excluding Anchor Investors) who bid through the Syndicate ASBA process, shall be submitted only to the members of the Syndicate at the Syndicate ASBA Bidding Locations and the bids by QIBs (excluding Anchor Investors) who Bid through the ASBA process, shall be submitted at the Designated Branch of the SCSBs where the ASBA Account is maintained; and

- Bids by non-ASBA Bidders will have to be submitted to the Syndicate (or their authorized agents) at the bidding centres or the Registered Brokers at the Broker Centres.

For further details for the method and procedure for Bidding, please see the section titled "*Issue Procedure*" beginning on page 402 of this Red Herring Prospectus.

Allotment to Retail Individual Investors and Minimum Bid Lots

In the event, the Bids received from Retail Individual Investors exceeds [●] Equity Shares, then the maximum number of Retail Individual Investors who can be Allotted the minimum Bid Lot will be computed by dividing the total number of the Equity Shares available for Allotment to Retail Individual Investors by the minimum Bid Lot ("**Maximum RII Allottees**"). The Allotment to Retail Individual Investors will then be made in the following manner:

1. In the event the number of Retail Individual Investors who have submitted valid Bids in the Offer is equal to or less than Maximum RII Allottees, (i) Retail Individual Investors shall be Allotted the minimum Bid Lot; and (ii) the balance Equity Shares, if any, remaining in the Retail Category shall be Allotted on a proportionate basis to the Retail Individual Investors who have received Allotment as per (i) above for less than the Equity Share Bid by them (i.e. who have Bid for more than the minimum Bid Lot).

2. In the event the number of Retail Individual Investors who have submitted valid Bids in the Offer is more than Maximum RII Allottees, the Retail Individual Investors (in that category) who will then be Allotted minimum Bid Lot shall be determined on draw of lots basis.

For details, see the section titled "*Issue Procedure*" on page 402 of this Red Herring Prospectus.

Illustration of Book Building Process and the Price Discovery Process

(Investors should note that the following is solely for the purpose of illustration and is not specific to this Issue. This example does not take into account Bidding under ASBA process and bidding by Anchor Investors.)

Bidders can Bid at any price within the Price Band. For instance, assuming a price band of ₹ 20 to ₹ 24 per share, an offer size of 3,000 equity shares and receipt of five bids from bidders, details of which are shown in the table below. A graphical representation of the consolidated demand and price would be made available at the Bidding Centres during the bidding period. The illustrative book as shown below indicates the demand for the shares of the issuer company at various prices and is collated from bids from various investors.

Bid Quantity	Bid Price (₹)	Cumulative Quantity	Subscription
500	24	500	16.67%
1,000	23	1,500	50.00%
1,500	22	3,000	100.00%
2,000	21	5,000	166.67%
2,500	20	7,500	250.00%

The price discovery is a function of demand at various prices. The highest price at which the issuer is able to offer the desired number of shares is the price at which the book cuts off, i.e., ₹ 22 in the above example. Our Company and the Selling Shareholders, in consultation with Book Running Lead Managers, will finalise the issue price at or below such cut-off, i.e., at or below ₹ 22. All bids at or above the Issue Price and cut-off price are valid bids and are considered for allocation in the respective categories.

Underwriting Agreement

After the determination of the Issue Price and allocation of our Equity shares but prior to filing of the Prospectus with the RoC, the Company and the Selling Shareholders intend to enter into an Underwriting Agreement with the Underwriters for the Equity Shares proposed to be issued, except such Equity Shares as are to be allotted to QIBs under the QIB portion. Pursuant to the terms of the Underwriting Agreement, the GCBRLMs shall be responsible for bringing in the amount devolved in the event that the Syndicate Members do not fulfil their underwriting obligations. Pursuant to the terms of the Underwriting Agreement, the obligations of the Underwriters are several and are subject to certain conditions to closing, as specified therein.

Our Board of Directors at its meeting held on [●] has accepted and entered into the Underwriting Agreement on behalf of our Company. The Selling Shareholders have also confirmed that the Underwriting Agreement has been approved by them.

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

(This portion has been intentionally left blank and will be completed before filing of the Prospectus with the RoC.)

Name, address, telephone, fax and e-mail of the Underwriters	Indicated number of Equity Shares to be underwritten	Amount underwritten (₹ in millions)
[●]	[●]	[●]

[●]	[●]	[●]

The above-mentioned amount is an indicative underwriting and would be finalized after determination of the Issue Price and actual allocation of the Equity Shares and subject to the provision of Regulation 13(2) of the SEBI Regulations.

In the opinion of the Board of Directors (based on representations made to the Company by the Underwriters), the resources of the above mentioned Underwriters are sufficient to enable them to discharge their respective underwriting obligations in full. The Underwriters have also informed the Company that they are registered with SEBI under Section 12(1) of the SEBI Act or registered as brokers with the Stock Exchanges.

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

The underwriting arrangements mentioned above shall not apply to the subscriptions by the ASBA Bidders in this Issue, except for ASBA Bids procured by the Syndicate Member(s). The Underwriting Agreement shall specify the role and obligations of each Syndicate Member.

CAPITAL STRUCTURE

The Company's share capital, as of the date of this Red Herring Prospectus, before and after the proposed Issue, is set forth below:

S. No.	Particulars	Aggregate Nominal Value (in ₹)	Aggregate Value at Issue Price (in ₹)
A)	**AUTHORIZED SHARE CAPITAL**		
	125,000,000 Equity Shares	1,250,000,000	
	11,200,000 Preference Shares	1,120,000,000	
	Total	2,370,000,000	
B)	**ISSUED, SUBSCRIBED AND PAID-UP CAPITAL (BEFORE THE ISSUE)**		
	85,536,162 Equity Shares	855,361,620	[●]
C)	**PRESENT ISSUE IN TERMS OF THIS RED HERRING PROSPECTUS**		
	Up to [●] Equity Shares	[●]	[●]
	Of which:		
	Fresh Issue of [●] Equity Shares*	[●]	[●]
	Offer for Sale of up to 17,116,000 Equity Shares**	171,160,000	[●]
D)	**PRESENT ISSUE**		
	[●] Equity Shares	[●]	[●]
	Of which:		
	1. QIB Portion of [●] Equity Shares	[●]	[●]
	Of which:		
	Anchor Investor Portion*** of [●] Equity Shares	[●]	[●]
	QIB Portion less the Anchor Investor Portion, i.e. Net QIB POrtion of [●] Equity Shares	[●]	[●]
	Of which:		
	Available for allocation to Mutual Funds of [●] Equity Shares	[●]	[●]
	Balance for all QIBs (including Mutual Funds) of [●] Equity Shares	[●]	[●]
	2. Non-Institutional Portion of not more than [●] Equity Shares	[●]	[●]
	3. Retail Portion of not more than [●] Equity Shares	[●]	[●]
D)	**ISSUED, SUBSCRIBED AND PAID UP SHARE CAPITAL (AFTER THE ISSUE)**		
	[●] Equity Shares	[●]	[●]
E)	**SECURITIES PREMIUM ACCOUNT**		
	Before the Issue (As on December 31, 2014)	1,088,932,286	
	After the Issue	[●]	

* *The Issue has been authorized by the Board of Directors pursuant to a resolution passed on October 10, 2014 and by the shareholders of the Company pursuant to a special resolution dated October 16, 2014 under Section 62(1)(c) of the Companies Act.*

** *Out of the total number of Equity Shares being offered by way of the Offer for Sale, up to 14,550,000 Equity Shares are being offered by NSR, up to 1,283,000 Equity Shares are being offered by Dr. Vijay Sankeshwar and up to 1,283,000 Equity Shares are being offered by Mr. Anand Sankeshwar.*

NSR confirms that the offer of up to 14,550,000 Equity Shares held by it through the Offer for Sale has been authorised by the resolution of its board of directors passed at the meeting held on November 25, 2014 and it has consented to the inclusion of 14,550,000 Equity Shares in the Offer for Sale through its letter dated December 2, 2014.

Further, Dr. Vijay Sankeshwar and Mr. Anand Sankeshwar have each consented to participate in the Offer for Sale and to offer up to 1,283,000 Equity Shares and 1,283,0000 Equity Shares, respectively, by way of the Offer for Sale through their respective letters both dated December 12, 2014.

*** *Our Company and the Selling Shareholders may, in consultation with the GCBRLMs, allocate up to 60% of the QIB Portion to Anchor Investors on a discretionary basis at the Anchor Investor Allocation Price, out of which at least one-third will be available for allocation to domestic Mutual Funds only. For further details, see the section titled "Issue Procedure" on page 402 of this Red Herring Prospectus. In the event of under-subscription or non-Allotment in the Anchor Investor Portion, the balance Equity Shares in the Anchor Investor Portion shall be added to the Net QIB Portion.*

Offer for Sale by the Selling Shareholders

NSR has held the 14,550,000 Equity Shares offered by it in the Offer for Sale for a period of more than one year prior to the filing of the Draft Red Herring Prospectus. Each of Mr. Anand Sankeshwar and Dr. Vijay Sankeshwar have held the 1,283,000 Equity Shares offered by them in the Offer for Sale for a period of more than one year prior to the filing of the Draft Red Herring Prospectus.

Details of increase in authorised share capital since incorporation

Since the incorporation of the Company, the authorized share capital of the Company has been altered in the manner set forth below:

Date of general meeting	Authorized share capital prior to amendment	Authorized share capital post amendment
May 20, 1988	₹ 500,000 divided into 500 equity shares of ₹ 1,000 each	₹ 1,500,000 divided into 1,500 equity shares of ₹ 1,000 each
July 8, 1995	₹ 1,500,000 divided into 1,500 equity shares of ₹ 1,000 each	₹ 5,000,000 divided into 5,000 equity shares of ₹ 1,000 each
February 14, 1997	₹ 5,000,000 divided into 5,000 equity shares of ₹ 1,000 each	₹ 200,000,000 divided into 200,000 equity shares of ₹ 1,000 each
March 3, 2005	₹ 200,000,000 divided into 200,000 equity shares of ₹ 1,000 each	₹ 400,000,000 divided into 400,000 equity shares of ₹ 1,000 each
August 7, 2006	₹ 400,000,000 divided into 400,000 equity shares of ₹ 1,000 each	₹ 400,000,000 consisting of 40,000,000 Equity Shares*
December 2, 2006	₹ 400,000,000 divided into 40,000,000 Equity Shares	₹ 1,000,000,000 divided into 100,000,000 Equity Shares
March 24, 2007	₹ 1,000,000,000 divided into 100,000,000 Equity Shares	₹ 1,250,000,000 divided into 125,000,000 Equity Shares
April 4, 2012	₹ 1,250,000,000 divided into 125,000,000 Equity Shares	₹ 2,370,000,000 divided into 125,000,000 Equity Shares and 11,200,000 Preference Shares

* *Pursuant to subdivision of the existing equity shares of ₹1,000 each into equity shares having a face value of ₹ 10 each.*

Notes to the Capital Structure

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

a. Equity Share Capital

The following is the history of the equity share capital of the Company:

Date of allotment	Number of Equity Shares	Face Value per Equity Share (₹)	Issue Price per Equity Share (₹)	Nature of Consideration[(E)] (Cash, bonus, other than cash)	Names of Allottees	Nature of Allotment	Cumulative number of Equity Shares	Cumulative paid up Equity Share capital (₹)	Cumulative Securities Premium (₹)
March 31, 1983	4	1,000	1,000	Cash	Dr. Vijay Sankeshwar and Mrs. Lalita Sankeshwar	Subscription to the Memorandum of Association.	4	4,000	-
April 25, 1983	3	1,000	1,000	Cash	Mr. M. N. Kashinath	Preferential allotment	7	7,000	-
May 25, 1983	274	1,000	1,000	Consideration other than cash [(A)]	Dr. Vijay Sankeshwar and Mrs. Lalita Sankeshwar	Preferential allotment	281	281,000	-
November 8, 1984	30	1,000	1,000	Cash	Mr. Anand Sankeshwar	Preferential allotment	311	311,000	-
May 25, 1987	189	1,000	1,000	Cash	Dr. Vijay Sankeshwar and Mrs. Lalita Sankeshwar	Preferential allotment	500	500,000	-
May 4, 1989	120	1,000	1,000	Cash	Dr. Vijay Sankeshwar, Mrs. Lalita Sankeshwar and Mr. Anand Sankeshwar	Preferential allotment	620	620,000	-
July 2, 1990	160	1,000	1,000	Cash	Dr. Vijay Sankeshwar and Mrs. Lalita Sankeshwar	Preferential allotment	780	780,000	-
July 8, 1995	1,000	1,000	1,000	Cash	Mr. Anand Sankeshwar	Preferential allotment	1,780	1,780,000	-
November 30, 1995	445	1,000	1,000	Cash	Dr. Vijay Sankeshwar, Mrs. Lalita Sankeshwar and Mr. Anand Sankeshwar	Preferential allotment	2,225	2,225,000	-
December 31, 1996	275	1,000	1,000	Cash	Dr. Vijay Sankeshwar, Mrs. Lalita Sankeshwar and Mr. Anand Sankeshwar	Preferential allotment	2,500	2,500,000	-
January	20	1,000	1,000	Cash	Mrs. Bharati	Preferenti	2,520	2,520,000	-

Date of allotment	Number of Equity Shares	Face Value per Equity Share (₹)	Issue Price per Equity Share (₹)	Nature of Consideration[E] (Cash, bonus, other than cash)	Names of Allottees	Nature of Allotment	Cumulative number of Equity Shares	Cumulative paid up Equity Share capital (₹)	Cumulative Securities Premium (₹)
11, 1997					Holkunde, Mr.K. N. Umesh, Mr. L. R. Bhat & Mr.Y. M. Honnalli	al allotment			
February 15, 1997	195,000	1,000	-	Bonus[B]	To existing shareholders of the Company[B]	Bonus issue in the ratio of 78:1	197,520	197,520,000	-
March 18, 1997	2,480	1,000	-	Bonus[C]	To existing shareholders of the Company[C]	Bonus Issue in the ratio of 0.992:1	200,000	200,000,000	-
August 7, 2006	Sub-division of 200,000 equity shares of the face value of ₹ 1,000 each into 20,000,000 Equity Shares								
December 9, 2006	50,000,000	10	-	Bonus[D]	To existing shareholders of the Company	Bonus issue in the ratio of 5:2	70,000,000	700,000,000	-
September 29, 2007	700,000	10	100	Cash	Mr. Anand Sankeshwar and Mrs.Vani Sankeshwar	Preferential allotment	70,700,000	707,000,000	63,000,000
September 1, 2013	14,836,162[F]	10	74.46	Cash	NSR	Conversion of Preference Shares	85,536,162	855,361,620	1,019,325,880

(A) *Pursuant to a sale deed, the Company acquired certain assets and liabilities of Vijayanand Roadlines with effect from April 1, 1983 and allotted 148 fully paid-up shares to Dr. Vijay Sankeshwar, the proprietor of Vijayanand Roadlines on May 25, 1983. The Company also allotted 126 shares to Mrs. Lalita Sankeshwar on May 25, 1983 in lieu of the transfer of a truck to the Company and remission of a loan of ₹110,800 given by Mrs. Lalita Sankeshwar to Vijayanand Roadlines. No independent valuation was obtained at the time of the acquisition of the assets and liabilities.*

(B) *Pursuant to the revaluation of reserves of the Company on December 31, 1996, the Company undertook an issue of bonus shares in the ratio of 78 equity shares of face value of ₹1,000 each for every 1 equity share held in the Company to all the existing shareholders of the Company, namely, Dr. Vijay Sankeshwar, Mrs. Lalita Sankeshwar and Mr. Anand Sankeshwar, as on the record date of December 31, 1996. The issue was sanctioned pursuant to the resolution of the shareholders of the Company at the general meeting held on February 14, 1997.*

(C) *Pursuant to the revaluation of reserves of the Company on December 31, 1996, the Company undertook an issue of bonus shares in the ratio of 992 equity shares of face value of ₹ 1,000 each for every 1,000 equity shares held in the Company to all the existing shareholders of the Company, namely, Dr. Vijay Sankeshwar, Mrs. Lalita Sankeshwar and Mr. Anand Sankeshwar, as on the record date of December 31, 1996. The issue was sanctioned pursuant to the resolution of the shareholders of the Company at the general meeting held on March 18, 1997.*

(D) *Pursuant to the capitalisation of a sum of ₹500 million lying to the credit of general reserve and profit and loss accounts of the Company as on September 9, 2006, the Company undertook a bonus issue in the ratio of five Equity Shares for every two Equity Shares held in the Company to all the existing shareholders of the Company,* *namely, Dr. Vijay Sankeshwar, Mrs. Lalita Sankeshwar, Mr. Anand Sankeshwar, Mrs. Vani Sankeshwar, Mrs. Bharati Holkunde, Mr. K. N. Umesh, Mr. L. R. Bhat and Mr. Y. M. Honnalli, as on the record date of December 2, 2006. The issue was sanctioned pursuant to the resolution of the shareholders of the Company at the general meeting held on December 2, 2006.*

(E) *All shares allotted were fully paid up at the time of allotment.*

(F) *11,046,875 Preference Shares allotted to NSR were converted to 14,836,162 Equity Shares on September 1, 2013 in terms of the SPSA. At the time of allotment of the Preference Shares, an amount of ₹ 13.15 per Preference Share aggregating to ₹ 145.31 million was appropriated by the Company towards securities premium on account of issue of preference shares. At the time of issue of Equity Shares pursuant to the conversion of the Preference Shares, the aggregate amount considered for the conversion was ₹ 1,104.69 million. On account of the above, the issue price of Equity Shares on account of conversion of preference shares has been treated as ₹74.46 (converted on the basis of the following formula, [11,046,875*100]/14,836,162. As on date, there are no Preference Shares that continue to be outstanding. For details of the SPSA, see "History and Certain Corporate Matters – Shareholders' Agreements" on page 189 of this Red Herring Prospectus.*

b. Preference Share Capital

Date of allotment	Number of Preference Shares	Face value (₹)	Issue Price per Preference Share (₹)	Nature of Consideration (Cash, bonus, other than cash)	Names of Allottees
April 18, 2012	11,046,875[(A)]	100	113.15	Cash	NSR

(A) *11,046,875 Preference Shares allotted to NSR were converted to 14,836,162 Equity Shares on September 1, 2013 in terms of the SPSA. As on date, there are no Preference Shares that continue to be outstanding. For details of the SPSA, see "History and Certain Corporate Matters – Shareholders' Agreements" on page 189 of this Red Herring Prospectus.*

2. ***Equity shares issued for consideration other than cash or out of revaluation reserves***

The following is the history of the equity share capital of the Company issued for consideration other than cash or out of revaluation reserves:

Date of allotment	Number of Equity Shares	Face Value per Equity Share (₹)	Issue Price per Equity Share (₹)	Nature of Consideration (bonus, other than cash)	Reasons for Allotment	Persons to whom Equity Shares Allotted	Benefit to the Issuer
May 25, 1983	274	1,000	1,000	Consideration other than cash [(A)]	Further allotment	Dr. Vijay Sankeshwar and Mrs. Lalita Sankeshwar	N.A.
February 15, 1997	195,000	1,000	-	Bonus[(B)]	Bonus issue in the ratio of 78:1	The existing shareholders of the Company	N.A.
March 18, 1997	2,480	1,000	-	Bonus[(C)]	Bonus issue in the ratio of 0.992:1	The existing shareholders of the Company	N.A.
December 9, 2006	50,000,000	10	-	Bonus[(D)]	Bonus issue in the ratio of 5:2	To existing shareholders of the Company	N.A.

(A) *Pursuant to a sale deed, the Company acquired certain assets and liabilities of Vijayanand Roadlines with effect from April 1, 1983 and allotted 148 fully paid-up shares to Dr. Vijay Sankeshwar, the proprietor of Vijayanand Roadlines on May 25, 1983. The Company also allotted 126 shares to Mrs. Lalita Sankeshwar on*

May 25, 1983 in lieu of the transfer of a truck to the Company and remission of a loan of ₹110,800 given by Mrs. Lalita Sankeshwar to Vijayanand Roadlines. No independent valuation was obtained at the time of the acquisition of the assets and liabilities.

(B) *Pursuant to the revaluation of reserves of the Company on December 31, 1996, the Company undertook an issue of bonus shares in the ratio of 78 equity shares of face value of ₹1,000 each for every 1 equity share held in the Company to all the existing shareholders of the Company, namely, Dr. Vijay Sankeshwar, Mrs. Lalita Sankeshwar and Mr. Anand Sankeshwar, as on the record date of December 31, 1996. The issue was sanctioned pursuant to the resolution of the shareholders of the Company at the general meeting held on February 14, 1997.*

(C) *Pursuant to the revaluation of reserves of the Company on December 31, 1996, the Company undertook an issue of bonus shares in the ratio of 992 equity shares of face value of ₹1,000 each for every 1,000 equity share held in the Company to all the existing shareholders of the Company, namely, Dr. Vijay Sankeshwar, Mrs. Lalita Sankeshwar and Mr. Anand Sankeshwar, as on the record date of December 31, 1996. The issue was sanctioned pursuant to the resolution of the shareholders of the Company at the general meeting held on March 18, 1997.*

(D) *Pursuant to the capitalisation of a sum of ₹500 million lying to the credit of general reserve and profit and loss accounts of the Company as on September 9, 2006, the Company undertook a bonus issue in the ratio of five Equity Shares for every two Equity Shares held in the Company to all the existing shareholders of the Company, namely, Dr. Vijay Sankeshwar, Mrs. Lalita Sankeshwar, Mr. Anand Sankeshwar, Mrs. Vani Sankeshwar, Mrs. Bharati Holkunde, Mr. K. N. Umesh, Mr. L. R. Bhat and Mr. Y. M. Honnalli, as on the record date of December 2, 2006. The issue was sanctioned pursuant to the resolution of the shareholders of the Company at the general meeting held on December 2, 2006.*

3. **Build up of Promoters' Capital, Promoters' Contribution and Lock-in**

A. *Capital build-up of the Promoters' shareholding in the Company*

Date of Allotment/ Transfer	Nature of Transaction	Number of Equity Shares	Cumulative number of Equity Shares	Nature of Consideration (B)	Face Value (₹)	Issue/ Transfer Price (₹)	Source of funds	% of pre-Issue Capital	% of post-Issue Capital
Dr. Vijay Sankeshwar									
March 31, 1983	Initial subscription	2	2	Cash	1,000	1,000	Owned funds	0.00	[●]
May 25, 1983	Preferential allotment	148	150	Consideration other than Cash (A)	1,000	1,000	Consideration for acquisition of M/s. Vijayanand Roadlines by the Company	0.02	[●]
May 25, 1987	Preferential allotment	140	290	Cash	1,000	1,000	Owned funds	0.02	[●]
May 4, 1989	Preferential allotment	40	330	Cash	1,000	1,000	Owned funds	0.00	[●]
July 2, 1990	Preferential allotment	100	430	Cash	1,000	1,000	Owned funds	0.01	[●]

Date of Allotment/ Transfer	Nature of Transaction	Number of Equity Shares	Cumulative number of Equity Shares	Nature of Consideration(B)	Face Value (₹)	Issue/ Transfer Price (₹)	Source of funds	% of pre-Issue Capital	% of post-Issue Capital
November 30, 1995	Preferential allotment	135	565	Cash	1,000	1,000	Owned funds	0.02	[●]
December 31, 1996	Preferential allotment	100	665	Cash	1,000	1,000	Owned funds	0.01	[●]
February 15, 1997	Bonus	51,870	52,535	Bonus (out of revaluation reserves) (C)	1,000	-	N.A	6.06	[●]
March 18, 1997	Bonus	660	53,195	Bonus (out of revaluation reserves) (D)	1,000	-	N.A	0.08	[●]
March 29, 1997	Transfer from Mr. Anand Sankeshwar	5	53,200	Cash	1,000	1,000	N.A	0.00	[●]
Sub-total		53,200							
August 7, 2006	Sub-division of 53,200 equity shares of the face value of ₹ 1,000 each into 5,320,000 Equity Shares								
November 4, 2006	Transfer from Mrs. Lalita Sankeshwar	4,130,000	9,450,000	Cash	10	10	N.A.	4.83	[●]
December 9, 2006	Bonus	23,625,000	33,075,000	Bonus	10	-	N.A.	27.62	[●]
	Total	**33,075,000**						**38.67**	
Mr. Anand Sankeshwar									
November 8, 1984	Allotment	30	30	Cash	1,000	1,000	Gift from Parents	0.00	[●]
May 27, 1987	Transfer from Mr. Kori	3	33	Gift	1,000	1,000	N.A.	0.00	[●]
May 4, 1989	Further Allotment	20	53	Cash	1,000	1,000	Gift from Parents	0.00	[●]
July 8, 1995	Preferential Allotment	1000	1,053	Cash	1,000	1,000	Owned funds	0.12	[●]
November 30, 1995	Preferential Allotment	140	1,193	Cash	1,000	1,000	Owned funds	0.02	[●]

Date of Allotment/ Transfer	Nature of Transaction	Number of Equity Shares	Cumulative number of Equity Shares	Nature of Consideration[(B)]	Face Value (₹)	Issue/ Transfer Price (₹)	Source of funds	% of pre-Issue Capital	% of post-Issue Capital
December 31, 1996	Preferential Allotment	150	1,343	Cash	1,000	1,000	Owned funds	0.02	[●]
February 15, 1997	Bonus	104,754	106,097	Bonus (out of revaluation reserves)[(C)]	1,000	-	N.A.	12.25	[●]
March 18, 1997	Bonus	1,332	107,429	Bonus (out of revaluation reserves)[(D)]	1,000	-	N.A.	0.16	[●]
March 29, 1997	Transfer to Dr. Vijay Sankeshwar	(5)	107,424	Cash	1,000	1,000	N.A.	0.00	[●]
March 29, 1997	Transfer to Mrs. Lalita Sankeshwar	(2,004)	105,420	Cash	1,000	1,000	N.A.	(0.23)	[●]
Sub-total		105,420							
August 7, 2006	Sub-division of 105,420 equity shares of the face value of ₹ 1,000 each into 10,542,000 Equity Shares								
November 4, 2006	Transfer to Mrs. Vani Sankeshwar	(100,000)	10,442,000	Cash	10	10	N.A.	(0.12)	[●]
December 9, 2006	Bonus	26,105,000	36,547,000	Bonus	10	-	N.A.	30.52	[●]
September 29, 2007	Preferential Allotment	650,000	37,197,000	Cash	10	100	Dividend income	0.76	[●]
April 19, 2012	Transfer to NSR	(4,418,750)	32,778,250	Cash	10	113.15	N.A.	(5.17)	[●]
October 1, 2014	Transfer to Mr. T. Kasivel	(120,000)	32,658,250	Cash	10	128	N.A.	(0.14)	[●]
October 1, 2014	Transfer to Mrs. Vasantha Kasivel	(110,000)	32,548,250	Cash	10	128	N.A.	(0.13)	[●]
Total		**32,548,250**						**38.05**	

(A) *Pursuant to a sale deed, the Company acquired certain assets and liabilities of Vijayanand Roadlines with effect from April 1, 1983 and allotted 148 fully paid-up shares to Dr. Vijay Sankeshwar, the proprietor of*

Vijayanand Roadlines on May 25, 1983. No independent valuation was obtained at the time of acquisition of the assets and liabilities.

(B) *All shares allotted to Dr. Vijay Sankeshwar and Mr. Anand Sankeshwar were fully paid up at the time of allotment.*

(C) *Pursuant to the revaluation of reserves of the Company on December 31, 1996, the Company undertook an issue of bonus shares in the ratio of 78 equity shares of face value of ₹ 1,000 each for every 1 equity share held in the Company to all the existing shareholders of the Company, namely, Dr. Vijay Sankeshwar, Mrs. Lalita Sankeshwar and Mr. Anand Sankeshwar, as on the record date of December 31, 1996. The issue was sanctioned pursuant to the resolution of the shareholders of the Company at the general meeting held on February 14, 1997.*

(D) *Pursuant to the revaluation of reserves of the Company on December 31, 1996, the Company undertook an issue of bonus shares in the ratio of 992 equity shares of face value of ₹ 1,000 each for every 1,000 equity share held in the Company to all the existing shareholders of the Company, namely, Dr. Vijay Sankeshwar, Mrs. Lalita Sankeshwar and Mr. Anand Sankeshwar, as on the record date of December 31, 1996. The issue was sanctioned pursuant to the resolution of the shareholders of the Company at the general meeting held on March 18, 1997.*

None of the Equity Shares of the Promoters are pledged or encumbered.

B. *Details of Promoters contribution locked-in for three years*

Pursuant to Regulations 32 and 36 of the SEBI Regulations, 20% of the post-Issue Equity Share capital held by the Promoters shall be locked-in for a period of three years from the date of Allotment in the Issue.

The Promoters' contribution has been brought in to the extent of not less than the specified minimum lot and has been contributed by the persons defined as promoters under the SEBI Regulations.

The Equity Shares that are being locked-in are not, and will not be, ineligible for computation of Promoters' Contribution under Regulation 33 of the SEBI Regulations. In this computation, as per Regulation 33 of the SEBI Regulations, our Company confirms that the Equity Shares which are being locked-in do not, and shall not, consist of:

(i) Equity Shares acquired during the preceding three years (a) for consideration other than cash and revaluation of assets or capitalization of intangible assets or (b) arising from bonus issue by utilization of revaluation reserves or unrealized profits of the Company or from a bonus issue against Equity Shares which are otherwise ineligible for computation of Promoters contribution;

(ii) Equity Shares acquired by the Promoters during the one year preceding the date of this Red Herring Prospectus, at a price lower than the price at which Equity Shares are being offered to the public in the Issue; and

(iii) Equity Shares pledged with any creditor.

Our Company has not been formed by the conversion of a partnership firm into a company in the past one year and thus, no Equity Shares have been issued to our Promoters upon conversion of a partnership firm in the past one year. All the Equity Shares held by the Promoters and the members of the Promoter Group are held in dematerialized form.

The details of the Equity Shares of the Promoters locked-in as minimum Promoters contribution are given below:

Name of the Promoter	Date of allotment/transfer#	Nature of Transaction	Source of funds	Number of Equity Shares	Face value (₹)	Issue Price (₹)	Percentage of pre-Issue share-	Percentage of post-Issue share-

				locked in			holding (%)	holding (%)
Dr. Vijay Sankeshwar	[●]	[●]	[●]	[●]	[●]	[●]	[●]	[●]
Mr. Anand Sankeshwar	[●]	[●]	[●]	[●]	[●]	[●]	[●]	[●]
Total				[●]			**[●]**	**[●]**

 # All the above Equity Shares were fully paid up on the date of allotment.

Note: To be incorporated upon finalisation of the Issue Price.

The Equity Shares offered for Promoters' contribution do not consist of Equity Shares for which specific written consent has not been obtained from the Promoters for inclusion of its subscription in the Promoters' contribution subject to lock-in. The Promoters have given undertakings to the effect that they shall not sell, transfer or dispose of, in any manner, the Equity Shares forming part of the minimum Promoters' contribution from the date of filing the Draft Red Herring Prospectus with SEBI until the date of commencement of lock-in in accordance with SEBI Regulations.

C. *Details of pre-Issue equity share capital locked-in for one year*

In addition to the Equity Shares proposed to be locked-in as part of the Promoters contribution as stated above, the entire pre-Issue equity share capital of the Company, except the shares which are being offered in the Issue as part of the Offer for Sale, will be locked-in for a period of one year from the date of allotment of Equity Shares in the Issue, pursuant to Regulation 36(b) and Regulation 37 of the SEBI Regulations. Accordingly, [●] Equity Shares representing approximately [●]% of the post-Issue paid-up share capital of the Company, will be locked in for a period of one year from the date of Allotment of the Equity Shares in the Issue.

Pursuant to Regulation 39 of the SEBI Regulations, locked-in Equity Shares held by the Promoters can be pledged with any scheduled commercial bank or public financial institution as collateral security for loans granted by such scheduled commercial bank or public financial institution, provided that (i) the pledge of shares is one of the terms of sanction of the loan and (ii) if the shares are locked-in as Promoters contribution for three years under Regulation 36(a) of the SEBI Regulations, then in addition to the requirement in (i) above, such shares may be pledged only if the loan has been granted by the scheduled commercial bank or public financial institution for the purpose of financing one or more of the objects of the Issue.

Pursuant to Regulation 40 of the SEBI Regulations, Equity Shares held by the Promoters, which are locked-in as per Regulation 36 of the SEBI Regulations, may be transferred to and among the Promoters or the Promoter Group or to a new promoter or persons in control of the Company subject to continuation of the lock-in in the hands of the transferee for the remaining period and compliance with the Takeover Code, as applicable.

Further, pursuant to Regulation 40 of the SEBI Regulations, Equity Shares held by shareholders other than the Promoters which are locked in as per Regulation 37 of the SEBI Regulations, may be transferred to any other person holding shares which are locked-in, subject to continuation of the lock-in in the hands of the transferee for the remaining period and compliance with the Takeover Code, as applicable.

D. *Lock-in of Equity Shares held by NSR*

Except for Equity Shares which are proposed to be transferred as part of the Offer for Sale by NSR, the entire pre-Issue shareholding of NSR shall be locked in for a period of at least one year from the date of allotment of Equity Shares in the Issue as provided under the SEBI Regulations.

E. *Lock-in of Equity Shares to be Allotted, if any, to Anchor Investors*

Any Equity Shares Allotted in the Anchor Investor Portion shall be locked-in for a period of 30 days from the date of Allotment.

4. **Shareholding Pattern of the Company**

(i) The table below presents the Company's equity shareholding pattern as on the date of this Red Herring Prospectus:

The table below presents the Company's equity shareholding as per Clause 35 of the equity listing agreement.

Category code	Category of shareholder	Pre-Issue							Post-Issue						
		Number of shareholders	Total number of shares	Number of shares held in dematerialized form	Total shareholding as a percentage of total number of shares		Shares Pledged or otherwise encumbered		Number of shareholders	Total number of shares	Number of shares held in dematerialized form	Total shareholding as a percentage of total number of shares		Shares Pledged or otherwise encumbered	
					As a % of (A+B)	As a % of (A+B+C)	Number of shares	As a %				As a % of (A+B)	As a % of (A+B+C)	Number of shares	As a %
(A)	**Shareholding of Promoters and Promoter Group**														
(1)	**Indian**														
(a)	Individuals/ Hindu Undivided Family	5	66,046,000	66,046,000	77.21	77.21	-	-	[●]	[●]	[●]	[●]	[●]	[●]	[●]
(b)	Central Government/ State Government(s)	-	-	-	-	-	-	-	[●]	[●]	[●]	[●]	[●]	[●]	[●]
(c)	Bodies Corporate	-	-	-	-	-	-	-	[●]	[●]	[●]	[●]	[●]	[●]	[●]
(d)	Financial Institutions/ banks	-	-	-	-	-	-	-	[●]	[●]	[●]	[●]	[●]	[●]	[●]
(e)	Any other (specify)	-	-	-	-	-	-	-	[●]	[●]	[●]	[●]	[●]	[●]	[●]
	Sub- Total (A)(1)	5	66,046,000	66,046,000	77.21	77.21	-	-	[●]	[●]	[●]	[●]	[●]	[●]	[●]
(2)	**Foreign**														

Category code	Category of shareholder	Pre-Issue							Post-Issue						
		Number of shareholders	Total number of shares	Number of shares held in dematerialized form	Total shareholding as a percentage of total number of shares		Shares Pledged or otherwise encumbered		Number of shareholders	Total number of shares	Number of shares held in dematerialized form	Total shareholding as a percentage of total number of shares		Shares Pledged or otherwise encumbered	
					As a % of (A+B)	As a % of (A+B+C)	Number of shares	As a %				As a % of (A+B)	As a % of (A+B+C)	Number of shares	As a %
(a)	Individuals (Non-Resident Individuals/ Foreign non Individuals)	-	-	-	-	-	-	-	[●]	[●]	[●]	[●]	[●]	[●]	[●]
(b)	Bodies Corporate	-	-	-	-	-	-	-	[●]	[●]	[●]	[●]	[●]	[●]	[●]
(c)	Institutions	-	-	-	-	-	-	-	[●]	[●]	[●]	[●]	[●]	[●]	[●]
(d)	Any other (specify)	-	-	-	-	-	-	-	[●]	[●]	[●]	[●]	[●]	[●]	[●]
	Sub-Total (A)(2)	-	-	-	-	-	-	-	[●]	[●]	[●]	[●]	[●]	[●]	[●]
	Total Shareholding of Promoters and Promoter Group (A)= (A)(1)+(A)(2)	5	66,046,000	66,046,000	77.21	77.21	-	-	[●]	[●]	[●]	[●]	[●]	[●]	[●]
(B)	**Public shareholding**														
(1)	**Institutions**														

Category code	Category of shareholder	Pre-Issue							Post-Issue						
		Number of shareholders	Total number of shares	Number of shares held in dematerialized form	Total shareholding as a percentage of total number of shares		Shares Pledged or otherwise encumbered		Number of shareholders	Total number of shares	Number of shares held in dematerialized form	Total shareholding as a percentage of total number of shares		Shares Pledged or otherwise encumbered	
					As a % of (A+B)	As a % of (A+B+C)	Number of shares	As a %				As a % of (A+B)	As a % of (A+B+C)	Number of shares	As a %
(a)	Mutual Funds/ UTI	-	-	-	-	-	-	-	[●]	[●]	[●]	[●]	[●]	[●]	[●]
(b)	Financial Institutions/ Banks	-	-	-	-	-	-	-	[●]	[●]	[●]	[●]	[●]	[●]	[●]
(c)	Central Government/ State Government(s)	-	-	-	-	-	-	-	[●]	[●]	[●]	[●]	[●]	[●]	[●]
(d)	Venture Capital Funds	-	-	-	-	-	-	-	[●]	[●]	[●]	[●]	[●]	[●]	[●]
(e)	Insurance Companies	-	-	-	-	-	-	-	[●]	[●]	[●]	[●]	[●]	[●]	[●]
(f)	Foreign Institution Investors	-	-	-	-	-	-	-	[●]	[●]	[●]	[●]	[●]	[●]	[●]
(g)	Foreign Venture Capital Investors	-	-	-	-	-	-	-	[●]	[●]	[●]	[●]	[●]	[●]	[●]
(h)	Any Other (specify)	-	-	-	-	-	-	-	[●]	[●]	[●]	[●]	[●]	[●]	[●]
	Sub-Total (B)(1)	-	-	-	-	-	-	-	[●]	[●]	[●]	[●]	[●]	[●]	[●]
(2)	**Non-institutions**														
(a)	Bodies Corporate	-	-	-	-	-	-	-	[●]	[●]	[●]	[●]	[●]	[●]	[●]
(b)	Individuals -														

Category code	Category of shareholder	Pre-Issue							Post-Issue						
		Number of shareholders	Total number of shares	Number of shares held in dematerialized form	Total shareholding as a percentage of total number of shares		Shares Pledged or otherwise encumbered		Number of shareholders	Total number of shares	Number of shares held in dematerialized form	Total shareholding as a percentage of total number of shares		Shares Pledged or otherwise encumbered	
					As a % of (A+B)	As a % of (A+B+C)	Number of shares	As a %				As a % of (A+B)	As a % of (A+B+C)	Number of shares	As a %
	i. Individual shareholders holding nominal share capital up to ₹ 100,000	3	5,250	5,250	0.01	0.01	-	-	[●]	[●]	[●]	[●]	[●]	[●]	[●]
	ii. Individual shareholders holding nominal share capital in excess of ₹ 100,000	2	230,000	230,000	0.27	0.27	-	-	[●]	[●]	[●]	[●]	[●]	[●]	[●]
(c)	Others														
	Foreign Corporate Bodies	1	19,254,912	19,254,912	22.51	22.51	-	-	[●]	[●]	[●]	[●]	[●]	[●]	[●]
	Sub-Total (B)(2)	6	19,490,162	19,490,162	22.79	22.79	-	-	[●]	[●]	[●]	[●]	[●]	[●]	[●]
	Total public shareholding (B)= (B)(1)+(B)(2)	6	19,490,162	19,490,162	22.79	22.79	-	-	[●]	[●]	[●]	[●]	[●]	[●]	[●]
	TOTAL (A)+(B)	11	85,536,162	85,536,162	100.00	100.00	-	-	[●]	[●]	[●]	[●]	[●]	[●]	[●]
(C)	**Shares held by Custodians and against which Depository Receipts have been issued**	-	-	-	-	-	-	-	[●]	[●]	[●]	[●]	[●]	[●]	[●]
	GRAND TOTAL (A)+(B)+(C)	11	85,536,162	85,536,162	100.00	100.00	-	-	[●]	[●]	[●]	[●]	[●]	[●]	[●]

5. Details of the shareholding of the Promoters and the members of the Promoter Group as of the date of filing of this Red Herring Prospectus:

Name of the Shareholder	Pre- Issue		Post- Issue	
	Number of Equity Shares	**Percentage Holding (%)**	**Number of Equity Shares**	**Percentage Holding (%)**
Promoter				
Dr. Vijay Sankeshwar	33,075,000	38.67	[●]	[●]
Mr. Anand Sankeshwar	32,548,250	38.05	[●]	[●]
Total Holding of the Promoters (A)	**65,623,250**	**76.72**	[●]	[●]
Promoter Group (other than Promoters)				
Mrs. Lalita Sankeshwar	21,000	0.02	[●]	[●]
Mrs. Vani Sankeshwar	400,000	0.47	[●]	[●]
Mrs. Bharati Holkunde	1,750	0.00	[●]	[●]
Total Holding of Promoter Group (other than Promoters) (B)	**422,750**	**0.49**	[●]	[●]
Total Holding of Promoters and Promoter Group (A+B)	**66,046,000**	**77.21**	[●]	[●]

The details of the shareholding of NSR are as follows:

Pre- Issue		Post- Issue	
Number of Equity Shares	**Percentage Holding (%)**	**Number of Equity Shares**	**Percentage Holding (%)**
19,254,912	22.51	[●]	**[●]**

6. There are no Equity Shares that have been purchased or acquired by the Promoters and/or the Promoter Group and/or the Directors and/or the immediate relatives of the Directors (as defined under Regulation 2(1)(zb)(ii) and Regulation 2(1)(zb)(iv) of the SEBI Regulations) within the last six months preceding the date of filing the Draft Red Herring Prospectus with SEBI.

7. The Promoters, Promoter Group, the Directors, the immediate relatives of the Directors or Promoters (as defined under Regulation 2(1)(zb)(ii) and Regulation 2(1)(zb)(iv) of the SEBI Regulations) have not financed the purchase by any other person of securities of the Company during the six months preceding the date of filing this Red Herring Prospectus with SEBI.

8. Other than the transfer of 4,418,750 Equity Shares by Mr. Anand Sankeshwar to NSR on April 19, 2012, there have been no sales, purchases or subscription of Equity Shares by our Promoters, Promoter Group and Directors within three years immediately preceding the date of this Red Herring Prospectus, which in aggregate is equal to or greater than 1% of the pre-Issue capital of our Company. For details of the transfer of Equity Shares by Mr. Anand Sankeshwar, please see "*- Build up of Promoters' Capital, Promoters' Contribution and Lock-in - Capital build-up of the Promoters' shareholding in the Company*" above.

9. The Company, the Directors and the GCBRLMs have not entered into any buy back and/or standby/safety-net arrangements for the purchase of Equity Shares in the Issue from any person.

10. The list of top 10 shareholders of the Company and the number of Equity Shares held by them is set forth below:

(a) The top 11* shareholders of the Company and the Equity Shares held by them as of the date of the filing of this Red Herring Prospectus are as follows:

S. No.	Name of Shareholder	Number of Equity Shares	Pre-Issue Percentage Shareholding (%)
1.	Dr. Vijay Sankeshwar	33,075,000	38.67
2.	Mr. Anand Sankeshwar	32,548,250	38.05
3.	NSR	19,254,912	22.51
4.	Ms. Vani Sankeshwar	400,000	0.47
5.	Mr. T. Kasivel	120,000	0.14
6.	Mrs. Vasantha Kasivel	110,000	0.13
7.	Mrs. Lalita Sankeshwar	21,000	0.02
8.	Ms. Bharati Holkunde	1,750	-
9.	Mr. K. N. Umesh	1,750	-
10.	Mr. L. Ramanand Bhat	1,750	-
11.	Mr. Y. M. Honnalli	1,750	-
Total		**85,536,162**	**100.00**

**Although our Company is only required to disclose the 10 largest shareholders, we are disclosing our Company's 11 largest shareholders since the number of Equity Shares held by Mrs. Bharati Holkunde, Mr. K. N. Umesh, Mr. L. Ramanand Bhat and Mr. Y. M. Honnalli are the same.*

(b) The top 11* shareholders of the Company and the Equity Shares held by them as of ten days prior to the filing of this Red Herring Prospectus are as follows:

S. No.	Name of Shareholder	Number of Equity Shares	Pre-Issue Percentage Shareholding (%)
1.	Dr. Vijay Sankeshwar	33,075,000	38.67
2.	Mr. Anand Sankeshwar	32,548,250	38.05
3.	NSR	19,254,912	22.51
4.	Ms. Vani Sankeshwar	400,000	0.47
5.	Mr. T. Kasivel	120,000	0.14
6.	Mrs. Vasantha Kasivel	110,000	0.13
7.	Mrs. Lalita Sankeshwar	21,000	0.02
8.	Ms. Bharati Holkunde	1,750	-
9.	Mr. K. N. Umesh	1,750	-
10.	Mr. L. Ramanand Bhat	1,750	-
11.	Mr. Y. M. Honnalli	1,750	-
Total		**85,536,162**	**100.00**

**Although our Company is only required to disclose the 10 largest shareholders, we are disclosing our Company's 11 largest shareholders since the number of Equity Shares held by Mrs. Bharati Holkunde, Mr. K. N. Umesh, Mr. L. Ramanand Bhat and Mr. Y. M. Honnalli are the same.*

(c) The top shareholders of the Company and the Equity Shares held by them as of two years prior to the filing of this Red Herring Prospectus are as follows:

S. No.	Name of Shareholder	Number of Equity Shares	Pre-Issue Percentage Shareholding (%)
1.	Dr. Vijay Sankeshwar	33,075,000	46.78
2.	Mr. Anand Sankeshwar	32,778,250	46.36
3.	NSR*	4,418,750	6.25
4.	Ms. Vani Sankeshwar	400,000	0.57

5.	Mrs. Lalita Sankeshwar	21,000	0.03
6.	Ms. Bharati Holkunde	1,750	-
7.	Mr. K. N. Umesh	1,750	-
8.	Mr. L. Ramanand Bhat	1,750	-
9.	Mr. Y. M. Honnalli	1,750	-
	Total	**70,700,000**	**100.00**

* NSR also held 11,046,875 Preference Shares, which were subsequently converted into Equity Shares. For further details, see "– *Notes to the Capital Structure – Share Capital History of the Company – Preference Shares*" above.

11. Except as set forth below, none of the Directors or our key managerial personnel holds Equity Shares in the Company:

S. No.	Name of Shareholder	Pre-Issue Number of Equity Shares	Pre-Issue Percentage Shareholding (%)	Post-Issue Number of Equity Shares	Post-Issue Percentage Shareholding (%)
1.	Dr. Vijay Sankeshwar	33,075,000	38.67	[●]	[●]
2.	Mr. Anand Sankeshwar	32,548,250	38.05	[●]	[●]
3.	Mrs. Vani Sankeshwar	400,000	0.47	[●]	[●]
4.	Mr. K. N. Umesh	1,750	-	[●]	[●]
5.	Mr. L. Ramanand Bhat	1,750	-	[●]	[●]
6.	Mr. Y. M. Honnalli	1,750	-	[●]	[●]
	Total	**66,028,500**	**77.19**	[●]	**[●]**

12. There are no outstanding warrants, options or rights to convert debentures or other instruments into Equity Shares.

13. Except as disclosed above, the Company has not issued Equity Shares to any person in two years preceding the date of this Red Herring Prospectus, including at a price lower than the Issue Price.

14. Subject to the SEBI Regulations, there will be no further issue of Equity Shares whether by way of preferential issue or bonus issue or rights issue or further public issue of Equity Shares or qualified institutions placement or in any other manner during the period commencing from submission of the Draft Red Herring Prospectus with the SEBI until the Equity Shares offered through this Red Herring Prospectus have been listed on the Stock Exchanges.

15. The Company presently does not have any intention or proposal to alter its capital structure for a period of six months from the Bid/Issue Opening Date, by way of split/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 the Equity Shares) whether by way of preferential issue or bonus issue or rights issue or further public issue of Equity Shares or qualified institutions placement or otherwise, except if the Company plans to enter into acquisitions, joint ventures or strategic alliances, the Company may consider raising additional capital to fund such activity or use Equity Shares as currency for such acquisition, investment or alliance.

16. A Bidder cannot submit a Bid for more than the number of Equity Shares offered in the Issue and such bids are subject to the maximum limit of investment prescribed under relevant laws applicable to each category of investor.

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

18. As of the date of filing this Red Herring Prospectus, the total number of holders of Equity Shares is 11.

19. The Company has currently not raised any bridge loan against the Net Proceeds of the Issue.

20. Our Company has not made any public issue of its Equity Shares or rights issue of any kind since its incorporation.

21. An over-subscription to the extent of 10% of the Issue can be retained for purposes of rounding off to the nearest multiple of the minimum allotment lot while finalizing the basis of allotment. Consequently, the Allotment may increase by a maximum of 10% of this Issue, as a result of which the post-Issue paid-up capital would also increase by the excess amount of Allotment so made. In such an event, the Equity Shares to be locked-in towards the Promoters' Contribution shall be suitably increased, so as to ensure that 20% of the post-Issue paid-up capital is locked-in.

22. All the existing Equity Shares are fully paid-up and as on the date of this Red Herring Prospectus, there are no partly paid-up Equity Shares.

23. All of the Equity Shares in the Issue will be fully paid up at the time of Allotment failing which no Allotment shall be made.

24. The Promoters (other than in their capacity as Selling Shareholders), the members of the Promoter Group and our Group Companies will not participate in the Issue.

25. There are restrictive covenants in the agreements entered into by the Company with certain lenders for short-term and long-term borrowing. For further details, see "*Financial Indebtedness*" on page 258 of this Red Herring Prospectus.

26. As of the date of this Red Herring Prospectus, neither of the GCBRLMs nor any of their associates (determined as per the definition of 'associate company' under section 2(6) of the Companies Act, 2013) held any Equity Shares in the Company.

27. There are no financing arrangements whereby the Promoter Group, the Directors or their relatives may have financed the purchase of Equity Shares by any other person other than in the normal course of business of the financing entity in the six months immediately preceding the date of filing of the Draft Red Herring Prospectus.

28. Except as disclosed above in "**-** *Notes to Capital Structure – Equity shares issued for consideration other than cash*" above, our Company has not issued any Equity Shares out of revaluation reserves.

29. As on date of this Red Herring Prospectus, our Company has not allotted any Equity Shares pursuant to any scheme approved under Sections 391 to 394 of the Companies Act 1956.

30. No person connected with the Issue, including, but not limited to, the GCBRLMs, the members of the Syndicate, the Company, the Directors, the Selling Shareholders, the Promoters, the Promoter Group and the Group Companies, shall offer any incentive, whether direct or indirect, in any manner, whether in cash or kind or services or otherwise to any Bidder for making a Bid.

31. Under-subscription in any category, if any, except the QIB Portion, would be allowed to be met with spill-over from any other category or combination of categories at the discretion of the Company and the Selling Shareholders in consultation with the GCBRLMs and the Designated Stock Exchange.

32. The Issue is being made for at least 25% of the post Issue paid-up capital pursuant to Rule 19(2)(b)(i) of

SCRR read with Regulation 41 of the SEBI Regulations. Our Company is eligible for the Issue in accordance with Regulation 26(1) of the SEBI Regulations. Further, the Issue is being made through the Book Building Process where in 50% of the Issue shall be available for allocation to QIBs. Our Company and the Selling Shareholders may, in consultation with the GCBRLMs, allocate up to 60% of the QIB Portion to Anchor Investors at the Anchor Investor Allocation Price, on a discretionary basis, out of which at least one-third will be reserved for allocation to domestic Mutual Funds only subject to Bids received at or above the Anchor Investor Allocation Price. In the event of under-subscription or non-allocation in the Anchor Investor Portion, the balance Equity Shares shall be added to the QIB Portion. Such number of Equity Shares representing 5% of the QIB Portion (excluding the Anchor Investor Portion) shall be available for allocation on a proportionate basis to Mutual Funds only, Further, not less than 15% of the Issue will be available for allocation on a proportionate basis to Non-Institutional Bidders and not less than 35% of the Issue will be available for allocation to Retail Bidders, subject to valid Bids being received at or above the Issue Price. The Allotment of Equity Shares to each Retail Bidder shall not be less than minimum Bid Lot, subject to availability of Equity Shares in the Retail Investor category, and the remaining available Equity Shares, if any, shall be allotted on a proportionate basis.

33. Our Company shall ensure that transactions in the Equity Shares by the Promoters and the Promoter Group during the period between the date of registering this Red Herring Prospectus with the RoC and the date of closure of the Issue shall be reported to the Stock Exchanges within 24 hours of the transactions.

OBJECTS OF THE ISSUE

The Issue comprises a Fresh Issue of [●] Equity Shares by our Company, aggregating to ₹ 1,170 million and an Offer for Sale of up to 17,116,000 Equity Shares by the Selling Shareholders aggregating up to ₹ [●] million.

Proceeds of the Offer for Sale

Our Company will not receive any proceeds from the Offer for Sale and the proceeds received from the Offer for Sale will not form part of the Net Proceeds.

Utilisation of Issue Proceeds

The details of the proceeds of the Issue are summarized below:

(₹in millions)

S. No.	Particulars	Amounts
1)	Gross Proceeds	[●]
2)	(Less) Proceeds of the Offer for Sale*	[●]
3)	(Less) Issue related expenses*#	[●]
4)	Net Proceeds	[●]

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

 # All expenses which directly relate to the Issue, other than listing fees and expenses for corporate advertisements which will be borne by the Company, will be shared between the Selling Shareholders and the Company, in proportion to the Equity Shares being sold or offered by them the Selling Shareholders and the Company, respectively, pursuant to the Issue.

Objects of the Fresh Issue

The funds which are being raised through the Fresh Issue, after deducting the Issue related expenses to the extent payable by our Company ("**Net Proceeds**"), are estimated to be approximately ₹ [●] million.

Our Company intends to utilize the Net Proceeds for the following objects:

(₹in millions)

S. No.	Particulars	Amounts
1)	Purchase of goods transportation vehicles	674.15
2)	Repayment/pre-payment, in full or part, of certain borrowings availed by our Company	280.00
3)	General corporate purposes	[●]
Total		**[●]**

In addition to the aforementioned objects, our Company expects to receive the benefits of listing of its Equity Shares on the Stock Exchanges, including, among other things, enhancing the visibility of our brand.

The main objects clause and objects ancillary to the main objects of the Memorandum of Association enables our Company to undertake the activities for which the funds are being raised pursuant to the Fresh Issue. The existing activities of our Company are within the ambit of the main objects clause and the objects incidental or ancillary to the main objects of the Memorandum of Association.

Utilization of Net Proceeds, schedule of implementation, deployment and means of finance

The total fund requirements for each of the objects of the Fresh Issue and details of utilization of the Net Proceeds are as follows:

(₹in millions)

Sr. No.	Particulars	Total estimated cost	Amount deployed till the date of this RHP	Amount proposed to be deployed from Net Proceeds	Estimated schedule of deployment of Net Proceeds		
					Fiscal 2015	Fiscal 2016	Fiscal 2017
1.	Purchase of goods transportation vehicles	674.15	-	674.15	Nil	517.81	156.34
2.	Repayment / Prepayment of certain borrowings availed by our Company	280.00	-	280.00	Nil	280.00	-
3.	General corporate purposes*	[●]	-	[●]	Nil	[●]	[●]
	Total	**[●]**	**-**	[●]	**Nil**	**[●]**	[●]

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

We may have to revise our expenditure and fund requirements as a result of variations in cost estimates on account of variety of factors such as changes in our financial condition, business or strategy as well as external factors which may not be in our control and may entail rescheduling and/or revising the planned expenditure and funding requirement and increasing or decreasing the expenditure for a particular purpose from the planned expenditure at the discretion of our management. In case of any surplus after utilization of the Net Proceeds for the stated objects, we may use such surplus towards general corporate purposes. To the extent, our Company is unable to utilise any portion of the Net Proceeds towards the aforementioned objects of the Fresh Issue, as per the estimated schedule of deployment specified above, our Company shall deploy the Net Proceeds in subsequent fiscals towards the aforementioned objects.

In case of variations in the actual utilisation of funds earmarked for the purposes set forth above, increased fund requirements for a particular purpose may be financed by surplus funds, if any, available in respect of the other purposes for which funds are being raised in this Issue. If surplus funds are unavailable, the required financing will be done through internal accruals and/or cash flows from our operations and debt. In case of a shortfall in raising requisite capital from the Net Proceeds towards meeting the objects of the Fresh Issue, we may explore a range of options including utilising our internal accruals and/or seeking additional debt from existing and/or future lenders. We believe that such alternate arrangements would be available to fund any such shortfalls.

The above fund requirements are based on internal management estimates and have not been appraised by any bank or financial institution and are based on quotations received from vendors and suppliers, which are subject to change in the future. These are based on current conditions and are subject to revisions in light of changes in external circumstances or costs, or our financial condition, business or strategy. For further details of factors that may affect these estimates, see section titled "*Risk Factors*" on page 16 of this Red Herring Prospectus.

As the entire requirement of funds for the objects of the Issue are proposed to be met from the Net Proceeds, we confirm that there is no requirement to make firm arrangements of finance towards at least 75% of the means of finance through verifiable means.

Details of the Objects

1. Purchase of goods transportation vehicles

With a view to expanding our existing fleet of goods transportation vehicles, we intend to utilise ₹ 674.15 million from the Net Proceeds to purchase 248 new goods transportation vehicles of different models.

The following table depicts the break-down of the estimated expense relating to the purchase of the new vehicles:

S.	Type of	Purch	Detailed break-up of per unit cost		Total	Name of

No	vehicle	ase quantity	Cost of chassis (in ₹)	Cost of body building (in ₹)*	Insurance cost (in ₹)	Registration charges (in ₹)	Total Per Unit Cost (in ₹)	Amount (₹ in million)	supplier
Goods transport vehicles									
1	Ashok Leyland-1212	30	1,242,760(1)	325,000(2)	33,102(3)	25,636(4)	1,626,498	48.79	Ashok Leyland Limited
2	Ashok Leyland-3723	218	2,328,770(5)	450,000(6)	49,548(3)	40,288(4)	2,868,606	625.36	Ashok Leyland Limited
Total		**248**	-	-	-	-	-	**674.15**	

Notes:

(1) As per quotation dated March 23, 2015 issued by Bellad & Company Private Limited. The quotation is valid till April 22, 2015.

(2) As per quotation dated March 23, 2015 issued by Satrac Engineering Private Limited. The quotation is valid till April 22, 2015.

(3) As per letter dated March 23, 2015 issued by Edelweiss Insurance Brokers Limited.

(4) As per quotation dated March 17, 2015 issued by G. V. Shanbhag.

(5) As per quotation dated March 23, 2015 issued by Bellad & Company Private Limited. The quotation is valid till April 22, 2015.

(6) As per quotation dated March 23, 2015 issued by Shree Gowriamman Industries.

* *The Company intends to fabricate the bodies of these vehicles at its own in-house facility at Hubballi. The quotations are provided for the purposes of estimating cost of vehicle body fabrication and manufacture alone and we make no representation that the bodies of these vehicles will be built, fabricated or manufactured by any third party.*

2. Repayment/pre-payment, in full or part, of certain borrowings availed by our Company

We avail majority of our fund based and non-fund based facilities in the ordinary course of business from various banks and financial institutions. For further details of the loans availed by our Company, see section titled "*Financial Indebtedness*" at page 258 of this Red Herring Prospectus.

As of December 31, 2014, our Company had total outstanding secured borrowings amounting to ₹ 4,714.99 million. We propose to utilize ₹ 280 million from the Net Proceeds towards the repayment/prepayment, in full or in part, of certain term loans and/or working capital facilities availed by our Company. We believe that such repayment/ pre-payment will help reduce our outstanding indebtedness and our debt-equity ratio. We believe that reducing our indebtedness will result in an enhanced equity base, assist us in maintaining a favourable debt-equity ratio in the near future and enable utilization of our accruals for further investment in business growth and expansion. In addition, we believe that the balance sheet strength and the leverage capacity of our Company will improve significantly to raise further resources in the future to fund potential business development opportunities and plans to grow and expand our business in the coming years.

The following table provides details of certain loans availed by our Company, of which we may repay/ pre-pay some of the loans, in full or in part, from the Net Proceeds, without any obligation to any particular bank/ financial institution:

Name of lender	Amount sanctioned (in ₹ million)	Outstanding amount as on December 31, 2014 (in ₹ million)	Rate of interest	Purpose	Repayment schedule	Prepayment penalty
NKGSB Co-op Bank Limited	150.00	127.29	14.00	Corporate finance.	The loan facility is to be repaid in 60 equal monthly instalments of ₹ 3,531,738 each	Charges @ 2% (two percent) will be recovered on

Name of lender	Amount sanctioned (in ₹ million)	Outstanding amount as on December 31, 2014 (in ₹ million)	Rate of interest	Purpose	Repayment schedule	Prepayment penalty
					(including interest).	the entire credit facilities (outstanding balance) at the time of takeover by any other bank/financial institution. Pre-payment charges will not be applicable if the credit facility is liquidated from own sources of the borrower.
IDBI Bank	200.00	113.33	13.75	Corporate loan	The loan facility is to be repaid in 36 equal instalments (including moratorium of 6 (six) months).	Prior approval of IDBI will be required in case of prepayment including payment of premia for such prepayment @ 1% (one percent) of the outstanding amount.
Tata Capital Financial Limited	300.00	137.35	13.75	Construction of booking and delivery offices and transshipment.	The loan facility is to be repaid in 3 months moratorium period from the date of first disbursement and thereafter payable in 57 equal monthly instalments.	Flat fee @1% on the amount to be prepaid by the borrower.
Saraswat Co-operative Bank	1,000.00	334.00	12.75	Corporate loan	The loan facility is to be repaid within 60 months from the date of distribution by way of 50 monthly instalments of ₹ 16.65 million and 10 monthly instalments of ₹ 16.75 million	Prepayment charges @ rate of 2% (two percent) on outstanding amount at the time of prepayment, if the

Name of lender	Amount sanctioned (in ₹ million)	Outstanding amount as on December 31, 2014 (in ₹ million)	Rate of interest	Purpose	Repayment schedule	Prepayment penalty
					(exclusive of interest).	prepayment is not from the cash generated from the business or from the funds
Saraswat Co-operative Bank	400.00	153.35	14.50	Additional corporate loan	The loan facility is to be repaid in 59 monthly instalments of ₹ 6,666000 and 1 installment of ₹ 6,706,000 (exclusive of interest).	Nil
Saraswat Co-operative Bank	250.00	237.50	12.50	Additional corporate loan	The loan facility is to be repaid in 60 monthly instalments comprising of ₹ 4,166,000 payable into 59 installments and 1 installment of ₹ 4,206,000. (exclusive of interest).	2% of the outstanding amount at the time of prepayment
Saraswat Co-op Bank	250.00	189.04	12.50	Overdraft facilities	Repayable on demand and renewal every year within maximum of 6 months from the close of the accounting year of the company.	Prepayment charges @ rate of 2% on the outstanding amount at the time of prepayment if the prepayment is not from the cash generated from the business or from the funds.
Total		**1,291.86**				

M/s H.K. Veerbhadrappa & Co., Chartered Accountants, pursuant to their certificate dated March 24, 2015 has certified that the above loans have been used for the purposes for which they have been granted by the relevant lenders.

Some of our loan agreements provide for the levy of prepayment penalties or premium. We will take such provisions into consideration while deciding the loans to be repaid and/ or pre-paid from the Net Proceeds. Payment of such pre-payment penalties or premium, if any, shall be made by our Company out of the Net Proceeds of the Issue. In the event the Net Proceeds of the Issue are not sufficient for the said payment of pre-payment penalties or premium, our Company shall make such payment from its internal accruals. We may also be required to provide notice to some of our lenders prior to prepayment.

The selection and extent of loans proposed to be repaid/ pre-paid, in full or part, from our Company's loan facilities provided above, while based on the applicable repayment schedule to be repaid in FY 2016, is and will also be based on various factors including, (i) any conditions attached to the loans restricting our ability to prepay the loans and time taken to fulfill such requirements, (ii) levy of any prepayment penalties or premium and the quantum thereof, (iii) provisions of any law, rules, regulations governing such borrowings, and (iv) other commercial considerations including, among others, the interest rate on the loan facility, the amount of the loan outstanding, the remaining tenor of the loan and applicable law governing such borrowings. For details, please see "*Risk Factors – Our indebtedness and the conditions and restrictions imposed by our financing agreements could adversely affect our ability to conduct our business and operations.*" on page 23 of this Red Herring Prospectus.

Given the nature of these borrowings and the terms of repayment, the aggregate outstanding loan amounts may vary from time to time. In addition to the above, our Company may, from time to time, enter into further financing arrangements and draw down funds thereunder, or draw down further funds under the existing financing arrangements. In such cases or in case any of the above loans are repaid or further drawn-down, our Company may utilize this component of the Net Proceeds towards repayment of such additional indebtedness. The Net Proceeds for the above stated object may also be utilised for the repayment and/or pre-payment of any such further borrowings and refinancing.

3. General Corporate Purpose

In terms of Regulation 4(4) of the SEBI Regulations, the extent of the Net Proceeds proposed to be used for general corporate purposes is not estimated to exceed 25% of the proceeds of the Fresh Issue.

Our management will have flexibility in applying ₹ [●] million of the Net Proceeds towards general corporate purposes, including (i) releasing appropriate advances for vehicles; (ii) repayment of loans (iii) brand building and other marketing efforts; (iv) acquiring fixed assets including land, building, furniture and fixtures; (v) meeting any expense of our Company, including salaries and wages, rent, administration, insurance, repairs and maintenance, payment of taxes and duties; (vi) meeting expenses incurred towards any strategic initiatives, partnerships, tie-ups, joint ventures, acquisitions, etc.; (vii) meeting expenses incurred in the ordinary course of business and towards any exigencies; and (vii) any other purpose as may be approved by our Board.

Our management, in accordance with the policies of the Board, will have flexibility in utilizing any amounts for general corporate purposes under the overall guidance and policies of our Board. The quantum of utilization of funds towards any of the purposes will be determined by the Board, based on the amount actually available under this head and the business requirements of our Company, from time to time.

Issue related expenses

The total expenses of the Issue are estimated to be approximately ₹ [●] million. The expenses of this Issue include, among others, underwriting and lead management fees, selling commission, printing and distribution expenses, legal fees, statutory advertisement expenses and listing fees. Upon the listing and trading of the Equity Shares in the Issue on the Stock Exchanges, all Issue related expenses (as detailed below) shall be shared by the Company and the Selling Shareholders in proportion to the number of Equity Shares sold to the public in the Fresh Issue and the Offer for Sale, respectively.

The estimated Issue expenses are as follows:

Activity	Total estimated Amount*	Percentage of Issue Expenses*	Percentage of Issue Size*
Lead management fees, underwriting commission, brokerage and selling commission (including commissions to SCSBs for ASBA Applications and commissions to Non-Syndicate Registered Brokers)	[●]	[●]	[●]
Fees paid to the Bankers to the Issue, processing fees to the SCSBs for processing Application Forms procured	[●]	[●]	[●]

by the Syndicate at Syndicate ASBA Centres or Non-Syndicate Registered Brokers and submitted to the SCSBs#			
Registrar fee and other related fees (postage of refunds etc.)	[●]	[●]	[●]
Advertising and marketing expenses, printing, stationery and distribution expenses	[●]	[●]	[●]
Other expenses (SEBI Filing fees, legal and auditor fees, stock exchanges' processing and listing fees, book-building fees, depository's charges etc.)	[●]	[●]	[●]
Total	**[●]**	**[●]**	**[●]**

** To be incorporated after finalization of the Issue Price*
 # The SCSBs would be entitled to a processing fees of ₹ [•] per Bid cum Application Form, for processing the Bid cum Application Forms procured by the members of the Syndicate or the Registered Brokers and submitted to the SCSBs.

All expenses with respect to the Offer for Sale will be shared among the Selling Shareholders, in proportion to the Equity Shares being offered for sale by them in the Issue. Any payments by our Company in relation to the Offer for Sale shall be on behalf of the Selling Shareholders and such payments will be reimbursed by the Selling Shareholders to our Company in proportion to the Equity Shares being offered for sale in the Offer for Sale.

Interim Use of Net Proceeds

Our Company, in accordance with the policies formulated by our Board from time to time, will have flexibility in deploying the Net Proceeds. Pending utilization for the purposes described above, we intend to temporarily invest the Net Proceeds with scheduled commercial banks included in the Second Schedule of Reserve Bank of India Act, 1934. Pending utilization of the Net Proceeds, our Company shall not invest the funds in the equity market.

Shortfall of Funds

In case of any shortfall in the Net Proceeds to meet the objects mentioned above, including on account of lowering of the Price Band to the extent of 20%, our management may explore a range of options, including utilizing internal accruals and/or seeking additional debt and/or equity. If there is any surplus from the Net Proceeds after meeting the objects of the Issue, we intend to use such surplus for general corporate purposes, including meeting future growth opportunities.

Bridge Financing Facilities

We have currently not raised any bridge loan against the Net Proceeds. However, depending on business requirements, we might consider raising bridge financing facilities, pending receipt of the Net Proceeds.

Monitoring of Utilization of Funds

There is no requirement for a monitoring agency as the size of the Fresh Issue is less than ₹ 5,000 million. Our Board and Audit Committee shall monitor the utilization of the Net Proceeds. We will disclose the utilization of the Net Proceeds, including interim use, under a separate head specifying the purpose for which such proceeds have been utilized along with details, if any in relation to all the Net Proceeds that have not been utilised thereby also indicating investments, if any, of such unutilized Net Proceeds in our Balance Sheet for the relevant financial years subsequent to the successful completion of the Issue.

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

In accordance with Clause 43A of the Listing Agreement, our Company shall furnish to the Stock Exchanges on a quarterly basis a statement including material deviations, if any, in the utilisation of the proceeds of the Fresh Issue for the objects of the Fresh Issue as stated above. This information will also be published in newspapers simultaneously with the interim or annual financial results after placing the same before the Audit Committee. In the event of any deviation in the use of Net Proceeds from the objects of the Fresh Issue as stated above, our Company shall intimate the same to the Stock Exchanges without delay.

Any such change / deviation in the use of proceeds from the objects stated in this Red Herring Prospectus, if any, shall be made as per the applicable laws and regulations.

Other Confirmations

The prices for the vehicles proposed to be purchased, as set out above, are as per the quotations received from the suppliers. We will obtain fresh quotations at the time of actual placement of the order for the respective vehicles. The actual cost would, thus, depend on the prices finally settled with the suppliers and, to that extent, may vary from the above estimates.

Our Promoters will receive a portion of the proceeds of the Offer for Sale, net of their respective share of Issue Expenses, as Selling Shareholders, in proportion to the Equity Shares being offered by them in the Offer for Sale by way of the Issue. There are no existing or anticipated transactions in relation to the utilization of Net Proceeds with any of our Promoters, Directors, Key Managerial Personnel or Group Companies and no part of the Net Proceeds is intended to be paid by our Company as consideration to any of our Promoters, Directors, Key Managerial Personnel or Group Entities, and our Promoters, Directors, Key Managerial Personnel and Group Entities do not have any existing or anticipated interest in our proposed acquisition of the goods transportation vehicles for the objects of the Fresh Issue set out above in this section, or in the entities from which we have obtained quotations for the purposes set out above in this section.

Variation in Objects

In accordance with Section 27 of the Companies Act, 2013, the Company shall not vary the objects of the Fresh Issue without the Company being authorised to do so by the shareholders by way of a special resolution. In addition, the notice issued to the shareholders in relation to the passing of such special resolution shall specify the prescribed details and be published in accordance with the Companies Act, 2013. Pursuant to the Companies Act, 2013, the Promoters or controlling shareholders will be required to provide an exit offer to the shareholders who do not agree to such proposal to vary the terms of contracts or objects referred to in the Prospectus at such exit price and as per such terms and conditions as may be prescribed by SEBI.

Investors may note that NSR is not liable under Section 27 of the Companies Act or any other applicable law or regulation (including any direction or order by any regulatory authority, court or tribunal) for any variation of (i) terms of a contract referred to in this Red Herring Prospectus; and/or (ii) the objects of the Fresh Issue for which this Red Herring Prospectus is issued.

BASIS FOR ISSUE PRICE

The Issue Price will be determined by our Company and the Selling Shareholders in consultation with the GCBRLMs on the basis of an assessment of market demand for the Equity Shares by the book building process and on the basis of the following qualitative and quantitative factors. The face value of the Equity Shares of our Company is ₹ 10 each and the Issue Price is [●] times of the face value at the lower end of the Price Band and [●] times the face value at the higher end of the Price Band.

Qualitative Factors

Competitive Strengths

We believe that we have the following competitive strengths:

1. Pan-India surface logistics services provider with an established brand and one of the largest distribution networks in India
2. Integrated hub-and-spoke operating model ensuring efficient consignment distribution
3. In-house software technology capabilities
4. Large fleet of owned vehicles ensuring reliable, quality services
5. Dedicated in-house maintenance facilities and availability of spare parts and fuel
6. Dedicated in-house vehicle body design facilities
7. Diversified customer base and revenue sources
8. Ability to recruit and retain experienced and qualified drivers
9. Track record of growth and robust financial position
10. Experienced and motivated management team

For a detailed discussion on the qualitative factors, which form the basis for computing the Issue Price, please refer to the sections titled "*Our Business*" and "*Risk Factors*" on pages 143 and 16 of this Red Herring Prospectus, respectively.

Quantitative Factors

Financial information pertaining to our Company presented in this section is derived from our restated financial information, in accordance with the Companies Act and the SEBI Regulations. For more details on the financial information, please see the section "*Financial Information*" on page F-1.

Some of the quantitative factors which may form the basis for computing the Issue Price are as follows:

1. ***Basic and Diluted Earnings per Share ("EPS")***

Year ended on March 31	Basic EPS (₹)	Diluted EPS (₹)	Weight
2014	7.21	7.21	3
2013	5.77	4.77	2
2012	10.74	10.74	1
Weighted Average	**7.32**	**6.99**	

The restated Basic and Diluted EPS for the nine month period ended on December 31, 2014 is ₹ 8.38 (non-annualised).

Notes:

(i) *Earnings per share (EPS) calculations are done in accordance with Accounting Standard 20(AS 20), "Earnings Per Share" prescribed by the Central Government in accordance with the Companies*

(Accounting Standards) Rules, 2006, read with Rule 7 of the Companies (Accounts) Rules, 2014.

(ii)	*Basic Earnings Per Share (₹) =*	$\frac{\textit{Net profit after tax, as restated, attributable to equity shareholders}}{\textit{Weighted average number of equity shares outstanding during the period or year}}$
(iii)	*Diluted Earnings Per Share (₹) =*	$\frac{\textit{Net profit after tax, as restated, attributable to equity shareholders (including dilutive potential equity shares)}}{\textit{Weighted average number of equity shares outstanding during the period or year (including dilutive potential equity shares)}}$

2. ***Price Earnings Ratio (P/E) in relation to the Price Band of ₹ [●] to ₹ [●] per Equity Share***

S. No	Particulars	Based on Basic EPS	Based on Diluted EPS
1	P/E ratio for the year ended on March 31, 2014 at the Floor Price	[●]	[●]
2	P/E ratio for the year ended on March 31, 2014 at the Cap Price	[●]	[●]
3	Industry P/E (i)		
A	Highest	84.30	
B	Lowest	25.84	
C	Industry Composite (Average of Highest and Lowest)	55.07	

Note:

(i) *The Industry high and low has been considered from the Industry Peer Set provided below. The Industry composite has been calculated as the arithmetic average P/E of the Industry peer set provided below. For further details please see "Comparison with Listed Industry Peers" below.*

3. ***Return on Net Worth (RoNW)***

Year ended on March 31,	RONW (%)	Weight
2014	18.65%	3
2013	15.79%	2
2012	40.96%	1
Weighted Average	**21.42%**	

The restated RONW for the nine month period ended on December 31, 2014 is 21.29% (non-annualised).

Note:

(i)	*Return on net worth (%) =*	$\frac{\textit{Net profit after tax, as restated}}{\textit{Net worth as restated as at period or year end}}$
(ii)	*Net worth =*	*Paid up equity share capital + paid up preference share capital + securities premium balance + general reserve + Surplus in the Statement of Profit and Loss*

4. ***Minimum Return on Total Net Worth after Issue needed to maintain Pre-Issue EPS for the year ended on March 31, 2014***

Based on the Basic EPS:

At the Floor Price – The minimum return on increased net worth required to maintain pre-Issue Basic EPS for the year ended March 31, 2014 is [●]% at the Floor Price

At the Cap Price – The minimum return on increased net worth required to maintain pre-Issue Basic EPS for the year ended March 31, 2014 is [●]% at the Cap Price

Based on the Diluted EPS:

At the Floor Price – The minimum return on increased net worth required to maintain pre-Issue Diluted EPS for the year ended March 31, 2014 is [●]% at the Floor Price

At the Cap Price – The minimum return on increased net worth required to maintain pre-Issue Diluted EPS for the year ended March 31, 2014 is [●]% at the Cap Price

5. *Net Asset Value*

Net Asset Value per Equity Share as at March 31, 2014 : ₹ 35.84 per Equity Share

Issue price : ₹ [●] per Equity Share
Net Asset Value per Equity Share after the Issue : ₹ [●] per Equity Share

Note:

(i) *Net asset value per equity share =* $\dfrac{\textit{Net worth at at period/year ended, as restated}}{\textit{Number of equity shares as at period or year end}}$

(ii) *Net worth = Paid up equity share capital + paid up preference share capital + securities premium balance + general reserve + Surplus in the Statement of Profit and Loss*

6. *Comparison with listed industry peers*

	Name of the Company	For the year ended on March 31, 2014					
		Face Value (₹)	Total Income (1) (₹ in million)	Basic EPS (2) (₹)	P/E (3)	RoNW (4) (%)	NAV (5) (₹)
1	**VRL Logistics Limited#**	10	15,037.77	7.21	NA	18.65	35.84
2	**Peer Group***						
	Gati Limited (6)	2	11,271.81	2.70	84.30	3.05	87.88
	Transport Corporation of India Limited	2	22356.79	9.82	25.84	14.58	67.33
3	**Industry Composite**				**55.07**		

** Based on the publicly available annual reports for fiscal 2014 of identified peer companies, on a consolidated basis.*
 # Based on the Restated Financial Information for the year ended on March 31, 2014

(1) Total Income is as sourced from the consolidated audited accounts as mentioned in the respective peer company's annual reports for fiscal 2014

(2) *Basic EPS is as sourced from the consolidated audited accounts as mentioned in the respective peer company's annual reports for fiscal 2014*

(3) *P/E Ratio has been computed as the closing market prices of the peer companies on the BSE Limited sourced from the BSE website as on March 13, 2015, as divided by the basic EPS provided under point (2) above*

(4) *RoNW has been calculated on the basis of financial information as net profit after tax (excluding minority interest) divided by the net worth of these companies. Net worth has been computed as sum of share capital and reserves & surplus (excluding revaluation reserves) as sourced from the consolidated audited accounts as mentioned in the respective peer company's annual reports for fiscal 2014 and does not include minority interest*

(5) *NAV is calculated as the closing net worth of the companies (as calculated in point (4) above), divided by the closing outstanding number of fully paid up equity shares as sourced from the BSE website*

(6) *The fiscal 2014 consisted of the nine month period ended on March 31, 2014*

Further, please note that the Company has issued 14,836,162 Equity Shares to NSR at an issue price of ₹ 74.46 per Equity Shares on September 1, 2013 pursuant to the conversion of Preference Shares. For further details, including details of allotment of Preference Shares, please see "*Capital Structure – Notes to Capital Structure – Share Capital History of the Company*" on page 83 of this Red Herring Prospectus.

The Issue Price of ₹ [●] per Equity Share is [●] times the face value of ₹ 10 per Equity Share, and has been determined by our Company and the Selling Shareholders, in consultation with the GCBRLMs on the basis of the demand from investors for the Equity Shares through the Book-Building Process and is justified in view of the above qualitative and quantitative parameters. Investors should read the above mentioned information along with "*Risk Factors*" and "*Financial Statements*" on pages 16 and F-1 of this Red Herring Prospectus, respectively, to have a more informed view. The trading price of the Equity Shares of our Company could decline due to the factors mentioned in "*Risk Factors*" or any other factors that may arise in the future and you may lose all or part of your investments.

STATEMENT OF TAX BENEFITS

To,
The Board of Directors,
VRL Logistics Limited,
18th KM, NH4,
Bangalore Road, Varur,
Hubli - 581 207
Dist: Dharwad
Karnataka

Dear Sirs,

Subject: Statement of Possible Tax Benefits

We hereby certify that the enclosed annexure states the possible tax benefits available to **VRL Logistics Limited** (the "Company") and to the Equity Shareholders of the Company under the provisions of the Income-tax Act, 1961 and Wealth Tax Act, 1957, presently in force in India for the Financial Year ("FY") 2014-15 [i.e. Assessment Year ("AY") 2015-16]. Several of these benefits are dependent on the Company or its Equity Shareholders fulfilling the conditions prescribed under the relevant tax laws. Hence, the ability of the Company or its Equity Shareholders to derive tax benefits is dependent upon fulfilling such conditions, which is based on business imperatives the Company faces in the future, the Company may or may not choose to fulfill.

The benefits discussed in the enclosed statement are not exhaustive and preparation of the contents stated is responsibility of the Company's management. 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 shareholder is advised to consult his/ her/ their own tax consultant with respect to the tax implications arising out of their participation in the proposed issue.

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

a) The Company or its Equity Shareholders will continue to obtain these benefits in future; or
b) The conditions prescribed for availing the benefits have been / would be met.

The contents of this annexure are based on information, explanations and representations obtained from the Company and on the basis of our understanding of the business activities and operations of the Company and the provisions of the Income- Tax Act, 1961 and Wealth Tax Act, 1957 as of date. We have not considered the implications of the proposals under the Finance Bill, 2015 which is yet to be enacted.

This report is intended solely for your information and for the inclusion in the Offer Document in connection with the proposed Initial 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 **Walker Chandiok & Co LLP**
(Formerly Walker, Chandiok & Co)
Chartered Accountants
Firm Registration No: 001076N/N500013

per **Khushroo B. Panthaky**
Partner
Membership No. 42423

Mumbai
24 March 2015

For **H.K.Veerbhaddrappa & Co.**
Chartered Accountants
Firm Registration No: 004578S

per **Arrvvind Kubsad**
Partner
Membership No. F-85618

Hubballi
24 March 2015

STATEMENT OF TAX BENEFITS

The information provided below sets out the possible tax benefits available to the Company and the Equity Shareholders in a summary manner only and is not a complete analysis or listing of all potential tax consequences of the purchase, ownership and disposal of Equity Shares, under the current tax laws presently in force in India. It is not exhaustive or comprehensive and is not intended to be a substitute for professional advice. Investors are advised to consult their own tax consultant with respect to the tax implications of an investment in the Equity Shares particularly in view of the fact that certain recently enacted legislation may not have a direct legal precedent or may have a different interpretation on the benefits, which an investor can avail.

YOU SHOULD CONSULT YOUR OWN TAX ADVISORS CONCERNING THE INDIAN TAX IMPLICATIONS AND CONSEQUENCES OF PURCHASING, OWNING AND DISPOSING OF EQUITY SHARES IN YOUR PARTICULAR SITUATION.

Levy of Income Tax

As per the provisions of the Income Tax Act, 1961 ("the Act") taxation of a person is dependent on its tax residential status. The Indian tax year i.e. FY runs from April 1 to March 31.

In general, in the case of a person who is "resident" in India in a tax year, its global income is subject to tax in India. In the case of a person who is "non-resident" in India, only the income that is received or deemed to be received or that accrues or is deemed to accrue or arise to such person in India is subject to tax in India. In the instant case, the income from the Equity Shares of the Company would be considered to accrue or arise in India, and would be taxable in the hands of all persons irrespective of residential status. However, relief may be available under applicable Double Taxation Avoidance Agreement ("DTAA") to certain non-residents.

An **individual** is considered to be a **resident** of India during any financial year if he or she is in India in that year for:

- A period or periods amounting to 182 days or more; or
- 60 days or more in that year and 365 days or more within the 4 preceding years, he/she has been in India;
- 182 days or more, in the case of a citizen of India or a person of Indian origin living abroad who visits India; or
- 182 days or more, in the case of a citizen of India who leaves India for the purposes of employment outside India in any tax year.

A **Hindu undivided Family ("HUF")** is resident in India except where the control and management of its affairs is situated wholly outside India.

A "**company"** is "**resident**" in India if it is formed and registered in accordance with the Indian Companies Act or if the control and management of its affairs is situated wholly in India in a tax year.

A "**firm**" or "**association of persons**" is said to be resident in India in every case except where the control and management of its affairs is situated wholly outside India.

A "**Non-Resident**" means a person who is not a resident in India.

A person is said to be **not ordinarily resident** in India in any tax year if such person is:

- an individual and a non-resident in India in 9 out of the 10 previous years preceding that year, or has during the 7 tax years preceding that year been in India for a period of, or periods amounting in all to, 729 or less; or
- a HUF whose manager has been a non-resident in India in 9 out of the 10 previous years preceding that year, or has during the 7 previous years preceding that year been in India for a period of, or periods amounting in all to, 729 or less.

As per the taxation laws in force, the tax benefits / consequences, as applicable, to the Company and its Equity Shareholders investing in the Equity Shares are summarized below:

1 BENEFITS AVAILABLE TO THE COMPANY - UNDER THE ACT

Special Tax Benefits

1.1 In accordance with and subject to the conditions specified under Section 80-IA of the Act, the Company is eligible for 100 per cent deduction of the profits derived from the generation of wind power for any ten consecutive financial years out of the 15 financial years beginning from the year in which the undertaking of the Company starts generating the wind power. The Company started generating wind power from the FY 2006-07. Accordingly, the Company is entitled to claim 100 per cent deduction in respect of profits earned from the wind power generation business under Section 80-IA of the Act. The Company would be entitled to claim the deduction in any ten consecutive financial years out of 15 years beginning from the FY 2006-07. The Company has started availing benefit from the FY 2011-12 i.e. AY 2012-13 onwards. The Company is entitled to claim depreciation at 80 per cent on written down value of block of asset in respect of the wind mill.

1.2 Deduction under the Act is allowed for benefits available under Section 80-IA, however, while computing "book profit" as per Section 115JB of the Act, Minimum Alternate Tax ("MAT") at 18.50 per cent (plus surcharge and education cess, as applicable) will be required to be paid by the Company on such profits, irrespective of the tax benefits available under Section 80-IA of the Act.

1.3 Under Section 115JAA of the Act, tax credit shall be allowed in respect of MAT paid under Section 115JB of the Act for any FY commencing on 1 April 2005 and any subsequent FYs. The credit is available for set off only when tax becomes payable under the normal provisions of the Act. The tax credit can be utilized to the extent of difference between the tax under the normal provisions of the Act and tax payable under MAT for that year. Credit in respect of MAT shall be available for set-off up to 10 FYs immediately succeeding the FY for which the MAT credit initially arose.

General Tax Benefits

1.4 **Dividends exempt under Section 10(34) of the Act**

Under Section 10(34) of the Act, income by way of "dividends" received on the shares of any domestic company is exempt from income tax in the hands of shareholders. However, no deduction is permitted in respect of expenditure incurred in relation to income which is not chargeable to tax. The expenditure relatable to "exempt income" need to be determined in accordance with the provisions specified in Section 14A of the Act read with Rule 8D of the Income Tax Rules, 1962 ("Rules").

However, the Company distributing dividends will be liable to pay Dividend Distribution Tax (''DDT") at 15per cent (plus applicable surcharge, education cess and education cess) on the total amount distributed as dividends. Further, Finance Act 2014 amended this Section wherein DDT shall be levied on grossed up distributable amount i.e. the amount distributed and the DDT amount.

In calculating the amount of dividend on which DDT is payable, the same shall be reduced by dividend, if any, received by the Company during the FY, where:

- such dividend is received from subsidiary of the Company (A company shall be a subsidiary of another company, if such other company, holds more than half in nominal value of the equity share capital of the company);
- such subsidiary has paid tax under this Section on such dividend; and
- the Company is not a subsidiary of any other company.

1.5 Under Section 10(35) of the Act, any income received in respect of the units of a Mutual Fund specified in Section 10(23D) of the Act; or units from the Administrator of the specified undertaking; or units from the specified company, as defined in Explanation to Section 10(35) of the Act, is exempt from tax. However, as per the proviso, the above provisions are not applicable to any income arising from transfer of units of the Administrator of the specified undertaking or of the specified company or of a mutual fund.

1.6 Under Section 32(1) of the Act, the Company can claim depreciation allowance at the prescribed rates on tangible assets such as building, plant and machinery, furniture and fixtures, etc and intangible assets defined to include patent, trademark, copyright, know-how, licenses, franchises or any other business or commercial rights of similar nature, if such intangible assets are acquired after 31st March 1998.

1.7 Under Section 32(2) of the Act, where full effect cannot be given to any depreciation allowance under Section 32(1) of the Act in any FY, owing to there being no profits or gains chargeable for that FY, or owing to the profits or gains chargeable being less than depreciation allowance, then, subject to the provisions of Section 72(2) of the Act, depreciation allowance or the part of depreciation allowance to which effect has not been given, as the case may be, shall be added to the amount of the depreciation allowance for the following FY and deemed to be part of that depreciation allowance, or if there is no such depreciation allowance for that FY, be deemed to be the depreciation allowance for that FY, and so on for the succeeding FYs.

1.8 Under section 50 of the Act, where a capital asset is forming part of a block of assets in respect of which depreciation has been allowed under the Act, capital gains on disposal of such assets shall is required to be computed in the following manner:

- In a situation where the full value of consideration on transfer of any asset forming part of block of asset, exceeds the written down value of block of assets and actual cost of assets acquired during the year, the excess is deemed to be short term capital gains and subject to tax. Expenditure incurred wholly or exclusively in connection with transfer can be reduced while computing the full value of consideration
- In a situation where the transfer is such that all the assets in that block are transferred and the block of assets ceases to exist, the difference between the consideration arising on result of transfer and the written down value of block of assets and the actual cost of assets acquired during the year, shall be deemed to be short term capital gains and subject to tax.

1.9 Any specified preliminary expenditure incurred by the Company before commencement of business or after commencement of business in connection with extension of an undertaking or setting up a new unit shall be allowed a deduction. A deduction equivalent to one-fifth of such expenditure for five successive FY is allowed, beginning from the FY in which the business is commenced/ extended. The deduction has prescribed caps based on cost of project/ capital employed.

1.10 **Deductions under "Income from House Property"**

1.10.1 Under Section 24(a) of the Act, the Company is eligible for a standard deduction of 30per cent of the annual value of the property (i.e. actual rent received or receivable on the property or any part of the property which is let out), where the Company has income chargeable to tax under the head 'Income from House Property'

1.10.2 Further, under Section 24(b) of the Act, where the house property has been acquired, constructed, repaired, renewed or reconstructed with borrowed capital, the amount of interest payable on such borrowed capital shall be allowed as a deduction in computing the income, if any, from such house property.

1.10.3 In respect of property acquired or constructed with borrowed capital, the amount of interest payable for the period prior to the year in which the property has been acquired or constructed shall be allowed as deduction in computing the income from house property in five equal installments beginning with the year of acquisition or construction.

1.11 **<u>Capital Gains</u>**

1.11.1 Capital assets may be categorised into short-term capital assets and long-term capital assets, based on the period of holding. Securities (other than units) listed on recognized stock exchanges in India or units of the Unit Trust of India or a unit of equity oriented mutual fund or zero coupon bonds will be considered as long-term capital assets if they are held for a period exceeding 12 months. In respect of any other capital assets (including unlisted securities and units of debt oriented mutual fund), the holding period should exceed 36 months to be considered as long-term capital assets.

1.11.2 Under Section 10(38) of the Act, long term capital gains arising to a shareholder on transfer of shares in the company or units of an equity oriented fund are exempt from tax, where the sale transaction has been entered into on a recognized stock exchange of India and Securities Transaction Tax ("STT") has been paid on the same. However, profits on transfer of above referred long term capital assets shall not be reduced in computing the "book profits" for the purposes of computation of MAT under Section 115 JB of the Act.

1.11.3 Section 48 of the Act, which prescribes the mode of computation of capital gains, provides for deduction of cost of acquisition / improvement and expenses incurred wholly and exclusively in connection with the transfer of a capital asset from the sale consideration to arrive at the amount of capital gains. However, second proviso to Section 48 of the Act permits substitution of cost of acquisition / improvement with the indexed cost of acquisition / improvement, thereby adjusting the cost of acquisition / improvement by a cost inflation index, as prescribed.

1.11.4 Under section 112 of the Act, long term capital gains, [other than those exempt under section 10(38) of the Act] arising on transfer of listed Equity Shares in the company, would be subject to tax at a rate of 20 per cent (plus applicable surcharge and education cess) after indexation. In case of listed securities (other than units) and zero coupon bonds, tax on long term capital gains is restricted to 10 per cent of capital gains without the benefit of Indexation. No deduction under Chapter VI-A is allowed from such income.

1.11.5 Under Section 54EC of the Act and subject to the conditions specified therein, long-term capital gains arising on the transfer of equity shares of the company would be exempt from tax if such capital gains is invested within 6 months after the date of such transfer in specified assets, being bonds issued by:

a) National Highway Authority of India constituted under Section 3 of The National Highway Authority of India Act, 1988;
b) Rural Electrification Corporation Limited, the company formed and registered under the Companies Act, 1956.

The investment made in such bonds out of the above capital gains, during the financial year in which the Equity Shares are transferred and in the subsequent financial year cannot exceed Rs.5,000,000 per assessee.

If only part of the capital gain is so reinvested, the exemption available shall be in the same proportion as the cost of long term specified assets bears to the whole of the capital gain. However, in case the long term specified asset is transferred or converted into money within 3 years from the date of its acquisition, the amount so exempted shall be chargeable to tax during the year of such transfer or conversion.

Since long term capital gains arising under Section 10(38) of the Act are not taxable, there is no requirement for making investment under Section 54EC of the Act in such cases.

1.11.6 Under section 111A of the Act, short term capital gains arising on transfer of equity share or units of equity oriented mutual funds as specified in section 10(23D) of the Act or units of a business trust in the Company would be taxable at 15 per cent (plus applicable surcharge and education cess) where such transaction of sale is entered on a recognized stock exchange in India and STT has been paid on the same. Short term capital gains arising from transfer of shares in the Company, other than those covered by section 111A of the Act, would be subject to tax under the normal provisions of the Act

1.11.7 Short term capital gains arising on sale of Equity Shares or units of equity oriented mutual fund [which has been set up under a scheme of a mutual fund specified under section 10(23D) of the Act], is taxable at the rate of 30per cent where such transaction is not subject to STT.

1.12 Under Section 72(1) of the Act, where for any FY, the net result of the computation under the head "Profits and Gains of Business or Profession" is a loss to the Company (not being a loss sustained in a speculation business), then to the extent to which such loss cannot be set off against income from any other head of income for the same year, it shall be eligible to be carried forward and available for set off only against income from business under head "Profits and Gains of Business or Profession" for subsequent years. As per Section 72(3) of the Act, the loss so carried forward can be set off subject to a limit of 8 FYs immediately succeeding the FY for which the loss was first computed. However, as per Section 80 of the Act, only a loss which has been determined in pursuance of a return filed within the due date in accordance with the provisions of Section 139(3) of the Act shall be carried forward and set off under Section 72(1) of the Act.

1.13 As per provisions of section 80G of the Act, the Company is entitled to claim deduction in respect of donations made to specified organisations subject to specified limit and fulfillment of the conditions specified in that section.

1.14 As per provisions of section 80GGB of the Act, the assesse is entitled to claim deduction amounting to 100per cent of any sum contributed to any political party or an electoral trust.

1.15 The tax rates mentioned above are to be increased by surcharge as under:

Taxable income	Rate of Surcharge
0 – Rs. 10,000,000	0 per cent
Rs. 10,000,001 – Rs. 100,000,000	5 per cent
Rs. 100,000,001 and above	10 per cent

1.16 Further, education cess and secondary and higher education cess on the tax on total income and surcharge at the rate of 2 per cent and 1 per cent respectively is payable by the Company.

2 BENEFITS AVAILABLE TO RESIDENT SHAREHOLDERS UNDER THE ACT

Special Tax Benefits

There are no special tax benefits available to the resident shareholders with regards to the investment made in the shares of the Company. However, the shareholders are entitled to the general tax benefits which are discussed herein below.

General Tax Benefits

2.1. **Dividends**

Under section 10(34) of the Act, income by way of "dividends" received on the Equity Shares of the Company is exempt from income tax in the hands of shareholders. However, the Company will be liable to pay DDT at 15 per cent (plus applicable surcharge and education cess) on the total amount distributed as dividends. As a result, no taxability arises in the hands of the shareholders in respect of dividends received from the Indian Company. No deduction is permitted in respect of expenditure incurred by any person in relation to income which is not chargeable to tax. The expenditure relatable to "exempt income" need to be determined in accordance with the provisions specified in section 14A of the Act read with Rule 8D of the Rules

2.2. **Capital gains**

2.2.1. Capital assets may be categorized into short term capital assets and long term capital assets, based on the period of holding. Equity Shares held in the Company will be considered as long term capital assets if they are held for a period exceeding 12 months. Consequently, capital gains arising on sale of such assets held for more than 12 months are considered as "long term capital gains". Capital gains arising on sale of said assets held for 12 months or less are considered as "short term capital gains".

2.2.2. Section 48 of the Act, prescribes the mode of computation of capital gains, and provides for deduction of cost of acquisition / improvement and expenses incurred wholly and exclusively in connection with the transfer of a capital asset from the sale consideration to arrive at the amount of capital gains. However, second proviso to Section 48 of the Act permits substitution of cost of acquisition / improvement with the indexed cost of acquisition / improvement, thereby adjusting the cost of acquisition / improvement by a cost inflation index, as prescribed.

2.2.3. Under Section 10(38) of the Act, long term capital gains arising to a shareholder on transfer of Equity Shares in the Company or a unit of an equity oriented fund are exempt from tax, where the sale transaction has been entered into on a recognized stock exchange in India and STT has been paid on the same. However, in case of shareholder being a company, profits on transfer of above referred long term capital asset shall not be reduced in computing the "book profits" for the purposes of computation of MAT under Section 115JB of the Act.

2.2.4. Under Section 54EC of the Act and subject to the conditions specified therein, long-term capital gains arising on the transfer of Equity Shares of the Company would be exempt from tax if such capital gains is invested in **certain notified bonds** within 6 months after the date of such transfer in specified assets, being bonds issued by:

a) National Highway Authority of India constituted under Section 3 of The National Highway Authority of India Act, 1988;
b) Rural Electrification Corporation Limited, the company formed and registered under the Companies Act, 1956.

The investment made in such bonds out of the above capital gains, during the financial year in which the Equity Shares are transferred and in the subsequent financial year cannot exceed Rs.5,000,000 per assessee.

If only part of the capital gain is so reinvested, the exemption available shall be in the same proportion as the cost of long term specified assets bears to the whole of the capital gain. However, in case the long term specified asset is transferred or converted into money within 3 years from the date of its acquisition, the amount so exempted shall be chargeable to tax during the year of such transfer or conversion.

Since long term capital gains arising under Section 10(38) of the Act are not taxable, there is no requirement for making investment under Section 54EC of the Act in such cases.

2.2.5. Under Section 54F of the Act and subject to the conditions specified therein, long-term capital gains arising to an individual or a HUF on transfer of Equity Shares of the Company will be exempt from capital gains tax subject to certain conditions, if the net consideration from transfer of such shares are used for purchase of residential house property within a period of 1 year before or 2 years after the date on which the transfer took place or for construction of residential house property within a period of 3 years after the date of such transfer.

Since long term capital gains arising under Section 10(38) of the Act are not taxable, there is no requirement for making investment under Section 54F of the Act in such cases.

2.2.6. Under Section 112 of the Act, long term capital gains, [other than those exempt under Section 10(38) of the Act] arising on transfer of listed Equity Shares in the Company, would be subject to tax at a rate of 20 per cent (plus applicable surcharge and education cess) after indexation or 10 per cent (plus applicable surcharge and education cess) without indexation, whichever is lower.

2.2.7. Under Section 111A of the Act, short-term capital gains arising on transfer of Equity Share in the Company would be taxable at 15 per cent (plus applicable surcharge and education cess) where such transaction of sale is entered on a recognized stock exchange in India and STT has been paid on the same. Short-term capital gains arising from transfer of Equity Shares in the Company, other than those covered by Section 111A of the Act, would be subject to tax under the normal provisions of the Act.

2.2.8. In case of domestic corporate taxpayers, the tax rates mentioned above are to be increased by surcharge as under:

Taxable income	Rate of Surcharge
0 – Rs. 10,000,000	0 per cent
Rs. 10,000,001 – Rs. 100,000,000	5 per cent
Rs. 100,000,001 and above	10 per cent

2.2.9. Further, in case of domestic non-corporate taxpayer, where the taxable income of the taxpayer exceeds Rs. 10,000,000, the tax rates mentioned above are to be increased by a surcharge at the rate of 10per cent.

2.2.10. Additionally, education cess and secondary and higher education cess on the tax on total income and surcharge at the rate of 2per cent and 1per cent respectively is payable by all categories of taxpayers.

2.3. **Business Profits**

2.3.1. Where the Equity Shares form part of stock-in-trade, any income realized from disposition of the equity shares will be chargeable under the head "Profits and gains of business or profession" as per the provisions of the Act.

2.3.2. Please note that the characterization of the gains/losses, arising from sale of Equity Shares, as capital gains or business income would depend on the nature of holding in the hands of the shareholder and various factors connected with the facts of the same. The nature of the Equity Shares held by the shareholder (i.e. whether held as investment or as stock-in-trade) is usually determined inter-alia on the basis of the substantial nature of the transactions, the manner of maintaining books of account, the magnitude of purchases and sales and the ratio between purchases and sales and the holding period.

2.3.3. As per Section 36(1)(xv) of the Act, an amount equal to the STT paid by the assessee in respect of the taxable securities transactions entered into in the course of his business during the previous year will be allowable as deduction, if the income arising from such taxable securities transactions is included in the income computed under the head "Profits and gains of business or profession".

2.4. Any Income received by any person for or an behalf of the New Pension System Trust established on 27/02/2008, under the Indian Trust Act, 1882 (2 of 1882) is exempt from tax and is also not subject to DDT.

3 <u>BENEFITS AVAILABLE TO NON-RESIDENTS (OTHER THAN FOREIGN INSTITUTIONAL INVESTORS) UNDER THE ACT</u>

Special Tax Benefits

There are no special tax benefits available to the non-resident shareholders with regards to the investment made in the shares of the Company. However, the shareholders are entitled to the general tax benefits which are discussed herein below.

General Tax Benefits

3.1. **Dividends exempt under Section 10(34) of the Act**

3.1.1. Under section 10(34) of the Act, income by way of "dividends" received on the Equity Shares of the Company is exempt from income tax in the hands of shareholders. However, the Company will be liable to pay DDT at 15 per cent (plus applicable surcharge and education cess) on the total amount distributed as dividends. As a result, no taxability arises in the hands of the shareholders in respect of dividends received from the Indian Company. No deduction is permitted in respect of expenditure incurred by any person in relation to income which is not chargeable to tax. The expenditure relatable to "exempt income" need to be determined in accordance with the provisions specified in section 14A of the Act read with Rule 8D of the Rules.

3.2. **Capital gains**

3.2.1. Capital assets may be categorized into short term capital assets and long term capital assets, based on the period of holding. Equity Shares held in the Company will be considered as long term capital assets if they are held for a period exceeding 12 months. Consequently, capital gains arising on sale of such assets held for more than 12 months are considered as "long term capital gains". Capital gains arising on sale of said assets held for 12 months or less are considered as "short term capital gains".

3.2.2. Under Section 10(38) of the Act, long term capital gains arising to a shareholder on transfer of Equity Shares in the Company are exempt from tax, where the sale transaction has been entered into on a recognized stock exchange in India and STT has been paid on the same. However, in case of shareholder being a company, profits on transfer of above referred long term capital asset shall not be reduced in computing the "book profits" for the purposes of computation of MAT under Section 115 JB of the Act.

3.2.3. As per the amendment to Chapter VII of Finance Act (No 2) of 2004, sale of unlisted Equity Shares under an offer for sale to the public which are included in an initial public offer and where such shares are subsequently listed on a recognized stock exchange, the same would be covered within the ambit of taxable securities transaction under the aforesaid Chapter. Accordingly, STT is leviable on sale of shares under an offer for sale to the public in an initial public offer and the long term capital gains arising on transfer of such shares would be exempt from tax as per provisions of section 10(38) of the Act.

3.2.4. Long term capital gains, not exempt under section 10(38), are to be computed in accordance with the first proviso to section 48 of the Act, where listed securities were acquired in foreign currency by non-resident. The capital gains arising on such a transfer need to be computed by converting the cost of acquisition, expenditure incurred in connection with such transfer and full value of the consideration received or accruing as a result of the transfer, into the same foreign currency in which the shares were originally purchased. The resultant gains thereafter need to be reconverted into Indian currency. All the conversion needs to be at the prescribed rates prevailing on dates stipulated.

3.2.5. Under section 112 of the Act, long term capital gains [other than those exempt under section 10(38) of the Act] computed in accordance with the first proviso to section 48 of the Act, would be subject to tax at the rate of 20 per cent (plus applicable surcharge and education cess). However, where Equity Shares of the Company are not acquired in foreign currency, the long term capital gains would be subject to tax at the rate of 20 per cent with indexation benefit.

3.2.6. Under Section 54EC of the Act and subject to the conditions specified therein, long-term capital gains arising on the transfer of Equity Shares of the Company would be exempt from tax if such capital gains is invested within 6 months after the date of such transfer in specified assets, being bonds issued by (to the extent permitted under prevalent laws):

a) National Highway Authority of India constituted under Section 3 of The National Highway Authority of India Act, 1988;
b) Rural Electrification Corporation Limited, the company formed and registered under the Companies Act, 1956.

The investment made in such bonds out of the above capital gains, during the financial year in which the Equity Shares are transferred and in the subsequent financial year cannot exceed Rs.5,000,000 per assessee.

If only part of the capital gain is so reinvested, the exemption available shall be in the same proportion as the cost of long term specified assets bears to the whole of the capital gain. However, in case the long term specified asset is transferred or converted into money within 3 years from the date of its acquisition, the amount so exempted shall be chargeable to tax during the year of such transfer or conversion.

Since long term capital gains arising under Section 10(38) of the Act are not taxable, there is no requirement for making investment under Section 54EC of the Act in such cases.

3.2.7. Under Section 54F of the Act and subject to the conditions specified therein, long-term capital gains arising to an individual or a HUF on transfer of Equity Shares of the Company will be exempt from capital gains tax subject to certain conditions, if the net consideration from transfer of such shares are used for purchase of residential house property within a period of 1 year before or 2 years after the date on which the transfer took place or for construction of residential house property within a period of 3 years after the date of such transfer.

Since long term capital gains arising under Section 10(38) of the Act are not taxable, there is no requirement for making investment under Section 54F of the Act in such cases.

3.2.8. Under section 14A of the Act read with Rule 8D of the Rules, expenditure incurred to earn an exempt income is not allowed as deduction while determining taxable income. The quantum of such expenditure liable for disallowance is to be computed in accordance with the provisions contained therein.

3.2.9. Under section 111A of the Act, short term capital gains arising on transfer of Equity Share in the Company would be taxable at 15 per cent (plus applicable surcharge and education cess) where such transaction of sale is entered on a recognized stock exchange in India and STT has been paid on the same. Short term capital gains arising from transfer of Equity Shares in the Company, other than those covered by section 111A of the Act, would be subject to tax under the normal provisions of the Act.

3.2.10. In case of foreign corporate taxpayers, the tax rates mentioned above are to be increased by surcharge as under:

Taxable income	Rate of Surcharge
0 – Rs. 10,000,000	0 per cent
Rs. 10,000,001 – Rs. 100,000,000	2 per cent
Rs. 100,000,001 and above	5 per cent

3.2.11. Further, in case of foreign non-corporate taxpayer, where the taxable income of the taxpayer exceeds Rs. 10,000,000, the tax rates mentioned above are increased by a surcharge at the rate of 10per cent.

3.2.12. Additionally, education cess and secondary and higher education cess on the tax on total income and surcharge at the rate of 2per cent and 1per cent respectively is payable by all categories of taxpayers.

3.3. **Business Profits**

3.3.1. Where the Equity Shares form part of stock-in-trade, any income realized from disposition of the equity shares will be chargeable under the head "Profit and gains of business or profession" as per the provisions of the Act.

3.3.2. Please note that the characterization of the gains/losses, arising from sale of Equity Shares, as capital gains or business income would depend on the nature of holding in the hands of the shareholder and various factors connected with the facts of the same. The nature of the Equity Shares held by the shareholder (i.e. whether held as 'investment' or as 'stock-in-trade') is usually determined inter-alia on the basis of the substantial nature of the transactions, the manner of maintaining books of account, the magnitude of purchases and sales and the ratio between purchases and sales and the holding period.

3.3.3. As per Section 36(1)(xv) of the Act, an amount equal to STT paid by the assessee in respect of the taxable securities transactions entered into in the course of his business during the previous year will be allowable as deduction, if the income arising from such taxable securities transactions is included in the income computed under the head "Profits and gains of business or profession".

3.4. As per section 90(2) of the Act, provisions of the DTAA between India and the country of residence of the non-resident would prevail over the provisions of the Act, to the extent they are more beneficial to the non-resident. As per the amendment introduced by Finance Act, 2012, section 90(4) of the Act has been inserted which provides that an assessee being a non-resident, shall not be entitled to claim any relief under section 90(2) of the Act unless a certificate containing such particulars as may be prescribed, of his being a resident in any country outside India, is obtained by him from the Government of that country or any specified territory.

3.5. In other words, the tax payers shall be entitled to be governed by the provisions of the DTAA only when they obtain a tax residency certificate (containing particulars as prescribed in Form 10F) from the Government of the country of residence of such non-resident tax payer.

3.6. **Special benefit available to Non-resident Indian Shareholders**

Where Equity Shares of the Company have been subscribed by Non-Resident Indians ("NRI") i.e. an individual being a citizen of India or person of Indian origin who is not a resident in convertible foreign exchange, they have the option of being governed by the provisions of Chapter XIIA of the Act, which *inter alia* entitles them to the following benefits:

3.6.1. Under Section 115E of the Act, where the total income of a NRI includes capital gains arising from the transfer of long term capital asset, being Equity Shares in the Company subscribed in convertible foreign exchange, such capital gains shall be taxed at a concessional rate of 10 per cent (plus education cess). The benefit of indexation of cost would not be available.

3.6.2. Under provisions of Section 115F of the Act, any long term capital gains arising from the transfer of a foreign exchange asset arising to a NRI shall be exempt from tax if the entire net consideration is reinvested in specified assets within 6 months of the date of the transfer. If only a part of the net consideration is reinvested, the exemption shall be proportionately reduced. The amount so exempted shall be chargeable to tax as "capital gains" subsequently, if the specified assets are transferred or converted into money within 3 years from the date of their acquisition. The taxability shall arise in the year in which the transfer or conversion, as the case may be, takes place.

3.6.3. Under the provisions of Section 115G of the Act, NRI's are not required to file a return of income under Section 139(1) of the Act, if the income chargeable under the Act consists of only investment income or capital gains arising from the transfer of specified long term capital asset or both; arising out of assets acquired, purchased or subscribed in convertible foreign exchange and provided tax deductible at source has been deducted there from as per the provisions of Chapter XVII-B of the Act.

3.6.4. Under section 115H of the Act, where a person who is NRI in any tax year, becomes assessable as resident in India in respect of total income of any subsequent year, the provisions of Chapter XII-A shall continue to apply to him in relation to the investment income derived from any foreign exchange asset being an assets specified under sub clause (ii), (iii), (iv) or (v) of section 115(C)(f) for that AY and for every subsequent AY until there is transfer or conversion of such asset. For this provision to apply, NRI is required to file a declaration along with his return of income for the AY in which he becomes assessable as resident in India

3.6.5. Under section 115I of the Act, where a NRI opts not to be governed by the provisions of Chapter XII-A for any AY, his total income for that AY (including income arising from investment in the Company) will be computed and tax will be charged according to the other provisions of the Act.

4 BENEFITS AVAILABLE TO A FOREIGN INSTITUTIONAL INVESTOR ("FII") UNDER THE ACT

Special Tax Benefits

As per Section 2(14) of the Act, capital asset includes any securities held by a FII which has invested in such securities in accordance with the regulations made under the Securities and Exchange Board of India Act, 1992. Hence, income earned by FII from transfer of such securities is taxable under the head "Income from Capital Gains" only.

There are no special tax benefits available to FII with regards to the investment made in the shares of the Company. However, the shareholders are entitled to the general tax benefits which are discussed herein below.

General Tax Benefits

4.1. **Dividends**

Under section 10(34) of the Act, income by way of "dividends" received on the Equity Shares of the Company is exempt from income tax in the hands of shareholders. However, the Company will be liable to pay DDT at 15 per cent (plus applicable surcharge and education cess) on the total amount distributed as dividends. As a result, no taxability arises in the hands of the shareholders in respect of dividends received from the Indian Company. No deduction is permitted in respect of expenditure incurred by any person in relation to income which is not chargeable to tax. The expenditure relatable to "exempt income" need to be determined in accordance with the provisions specified in section 14A of the Act read with Rule 8D of the Rules.

4.2. **Capital gains**

4.2.1. Capital assets may be categorized into short term capital assets and long term capital assets, based on the period of holding. Equity Shares held in the Company will be considered as long term capital assets if they are held for a period exceeding 12 months. Consequently, capital gains arising on sale of such assets held for more than 12 months are considered as "long term capital gains". Capital gains arising on sale of said assets held for 12 months or less are considered as "short term capital gains".

4.2.2. Under Section 10(38) of the Act, long term capital gains arising to a shareholder on transfer of Equity Shares in the Company are exempt from tax, where the sale transaction has been entered into on a recognized stock exchange of India and STT has been paid on the same.

4.2.3. Under section 14A of the Act, expenditure incurred to earn an exempt income is not allowed as deduction while determining taxable income. The quantum of such expenditure liable for disallowance is to be computed in accordance with the provisions contained therein.

4.2.4. Under Section 54EC of the Act and subject to the conditions specified therein, long-term capital gains arising on the transfer of Equity Shares of the Company would be exempt from tax if such capital gains is invested within 6 months after the date of such transfer in specified assets, being bonds issued by (to the extent permitted under prevalent laws):

a) National Highway Authority of India constituted under Section 3 of The National Highway Authority of India Act, 1988;
b) Rural Electrification Corporation Limited, the company formed and registered under the Companies Act, 1956.

The investment made in such bonds out of the above capital gains, during the financial year in which the Equity Shares are transferred and in the subsequent financial year cannot exceed Rs.5,000,000 per assessee.

If only part of the capital gain is so reinvested, the exemption available shall be in the same proportion as the cost of long term specified assets bears to the whole of the capital gain. However, in case the long term specified asset is transferred or converted into money within 3 years from the date of its acquisition, the amount so exempted shall be chargeable to tax during the year of such transfer or conversion.

Since long term capital gains arising under Section 10(38) of the Act are not taxable, there is no requirement for making investment under Section 54EC of the Act in such cases.

4.2.5. Under Section 115AD(1)(ii) of the Act, short term capital gains on transfer of Equity Shares shall be chargeable at 30per cent or 15per cent (where such transaction of sale is entered on a recognized stock exchange in India and STT has been paid on the same), as the case may be. The above rates are to be increased by applicable surcharge and education cess.

Under Section 115AD(1)(iii) of the Act, long term capital gains arising from the transfer of Equity Shares (in cases not covered under Section 10(38) of the Act) of a Company shall be taxable at 10per cent (plus applicable surcharge and education cess). It is to be noted that the benefits of indexation and foreign currency fluctuations are not available to FIIs.

4.2.6. Under section 115AD of the Act, income (other than income by way of dividends referred to section 115-O) received in respect of securities (other than units referred to in section 115AB) is taxable at the rate of 20per cent (plus applicable surcharge and education cess). No deduction is allowed from such income in respect of any expenditure or allowance or deductions under Chapter VI-A of the Act.

4.2.7. In case of corporate FIIs, the tax rates mentioned above are to be increased by surcharge as under:

Taxable income	Rate of Surcharge

0 – Rs. 10,000,000	0 per cent
Rs. 10,000,001 – Rs. 100,000,000	2 per cent
Rs. 100,000,001 and above	5 per cent

4.2.8. Further, in case of non-corporate FIIs, where the taxable income of the taxpayer exceeds Rs.10,000,000, the tax rates mentioned above are increased by a surcharge at the rate of 10per cent.

4.2.9. Additionally, education cess and secondary and higher education cess on the tax on total income and surcharge at the rate of 2per cent and 1per cent respectively is payable by all categories of taxpayers.

4.3. As per section 90(2) of the Act, provisions of the DTAA between India and the country of residence of the FII would prevail over the provisions of the Act to the extent they are more beneficial to the FII. Where FII treat the income realized from disposition of Equity Shares as business profits and it does not have permanent establishment in India, such income of FII may not be subject to tax in India. As per the amendment introduced by Finance Act, 2012, section 90(4) of the Act has been inserted which provides that an assessee being a non-resident, shall not be entitled to claim any relief under section 90(2) of the Act unless a certificate containing such particulars as may be prescribed, of his being a resident in any country outside India, is obtained by him from the government of that country or any specified territory.

4.4. In other words, the tax payers shall be entitled to be governed by the provisions of the DTAA only if they obtain a tax residency certificate (containing particulars as may be prescribed in Form 10F) from the Government of the country of residence of such non-resident tax payer.

4.5. **Tax Deduction At Source**

Generally, in case of non residents, tax, (including surcharge and education cess) on the capital gains, if any, is withheld at source by the buyer in accordance with the relevant provisions of the Act. However, no deduction of tax is required to be made from any income by way of capital gains arising from the transfer of securities (referred to in Section 115AD of the Act) payable to FIIs

5 BENEFITS AVAILABLE TO MUTUAL FUNDS UNDER THE ACT

As per the provisions of Section 10(23D) of the Act, Mutual Funds registered under the Securities and Exchange Board of India or Mutual Funds set up by Public Sector Banks or Public Financial Institutions or authorized by the Reserve Bank of India and subject to the conditions specified therein, would be eligible for exemption from income tax on their income.

6 BENEFITS AVAILABLE TO VENTURE CAPITAL COMPANIES/FUNDS

Under Section 10(23FB) of the Act, any income of Venture Capital Companies/Funds (set up to raise funds for investment in venture capital undertaking) registered with the Securities and Exchange Board of India would be exempt from income tax, subject to conditions specified therein. Venture capital companies / funds are defined to include only those companies / funds which have been granted a certificate of registration, before the 21st day of May, 2012, as a Venture Capital Fund or have been granted a certificate of registration as Venture Capital Fund as a sub-category of Category I Alternative Investment Fund. ‘Venture capital undertaking’ means a venture capital undertaking as defined in clause (n) of regulation 2 of the Venture Capital Funds Regulations or as defined in clause (aa) of sub-regulation (1) of regulation 2 of the Alternative Investment Funds Regulations.

As per Section 115U of the Act, any income accruing/ arising/ received by a person from his investment in venture capital companies/ funds would be taxable in the hands of the person making an investment in the same manner as if it were the income accruing/ arising/ received by such person had the investments been made directly in the venture capital undertaking.

Further, as per Section 115U(5) of the Act, the income accruing or arising to or received by the venture capital company/ funds from investments made in a venture capital undertaking if not paid or credited to a person (who has made investments in a Venture Capital Company/ Fund) shall be deemed to have been credited to the account of the said person on the last day of the tax year in the same proportion in which such person would have been entitled to receive the income had it been paid in the tax year.

7 SECURITIES TRANSACTION TAX ("STT")

All transactions entered into on a recognised stock exchange in India will be subject to STT levied on the transaction value at applicable rates. In case of purchase / sale of Equity Shares settled by way of actual delivery or transfer of the Equity Shares, STT will be levied at 0.1 per cent on both the buyer and seller of the Equity Shares. For sale of Equity Shares settled otherwise than by way of actual delivery or transfer of the Equity Share, STT will be levied at 0.025 per cent on the seller of the Equity Share. The STT can be claimed as deduction while computing taxable business income as per the provisions of the Act, provided the gains on the transactions are offered to tax as business income and not as capital gains.

8 CAPITAL LOSS

In general terms, loss arising from transfer of a capital asset in India can only be set off against capital gains. Long term capital loss arising on sale of Equity Shares not subjected to STT during a year is allowed to be set-off only against long term capital gains. A short term capital loss can be set off against capital gains whether short term or long term. To the extent that the loss is not absorbed in the year of transfer, it may be carried forward for a period of 8 years immediately succeeding the year for which the loss was first determined and may be set off against the capital gains assessable for such subsequent years. In order to set off a capital loss as above, the investor (resident/ non resident) is required to file appropriate and timely returns in India for the year in which such loss is incurred.

9 DTAA BENEFITS

An investor has an option to be governed by the provisions of the Act or the provisions of DTAA that India has entered into with the country of residence of the investor, whichever is more beneficial. As per the amendment introduced by Finance Act, 2012, section 90(4) of the Act has been inserted which provides that an assessee being a non-resident, shall not be entitled to claim any relief under section 90(2) of the Act unless a certificate containing such particulars as may be prescribed, of his being a resident in any country outside India, is obtained by him from the Government of that country or any specified territory.

In other words, the tax payers shall be entitled to be governed by the provisions of the DTAA only when they obtain a tax residency certificate (containing particulars as may be prescribed in Form 10F) from the Government of the country of residence of such non-resident tax payer.

10 IMPLICATIONS ON TRANSFER OF SHARES FOR NIL/INADEQUATE CONSIDERATION UNDER THE ACT

10.1. As per Section 56(2)(vii) of the Act, any property (including Equity Shares of the Company) which is in the nature of capital asset of the recipient, other than immovable property is received by an individual/ HUF:

a. without consideration, where the aggregate fair market value of such property exceeds Rs. 50,000, then such aggregate fair market value; or
b. for a consideration which is less than the aggregate fair market value of such property by more than Rs. 50,000, then such difference between the fair market value and the actual consideration paid

would be taxable as income from other sources. However, this is not applicable where shares are received from certain specific persons (such as relatives, etc.) and/ or in specified circumstances (on occasion of marriage, etc.) as mentioned in Section 56(2)(vii) of the Act.

11 BENEFITS AVAILABLE UNDER THE WEALTH-TAX ACT, 1957

Assets as defined under Section 2(ea) of the Wealth tax Act, 1957 does not include shares in companies and hence, shares are not liable to wealth tax.

12 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:

- *The above Statement of 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 equity shares;*
- *The above Statement of Direct Tax Benefits sets out the possible tax benefits available to the Company and its shareholders under the current tax laws (i.e. Act as amended by the, Finance Act 2014 and Wealth Tax Act, 1957) presently in force in India. Several of these benefits are dependent on the Company or its shareholders fulfilling the conditions prescribed under the relevant tax laws;*
- *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 consult his or her/ its own tax consultant with respect to the specific tax implications arising out of their participation in the issue;*
- *In respect of non-residents, the tax rates and the consequent taxation mentioned above shall be further subject to any benefits available under the DTAA, if any, between India and the country in which the non-resident has fiscal domicile; and*
- *The stated benefits will be available only to the sole/first named holder in case the shares are held by joint shareholders*

SECTION IV: ABOUT THE COMPANY

INDUSTRY OVERVIEW

The information in this section includes extracts from publicly available information, data and statistics and has been derived from various government publications and industry sources, including reports that have been prepared by CRISIL Limited ("CRISIL"). Unless otherwise expressly stated, all information contained in this Summary of Industry section has been derived from the report from CRISIL titled "Crisil Research - Domestic Freight Transportation Services Annual Review" ("CRISIL Research"). Neither we nor any other person connected with the Issue including NSR have independently verified this information. The data may have been re-classified by us for the purposes of presentation. Industry sources and publications generally state that the information contained therein has been obtained from sources generally believed to be reliable, but that their accuracy, completeness and underlying assumptions are not guaranteed and their reliability cannot be assured. Industry sources and publications are also prepared based on information as of specific dates and may no longer be current or reflect current trends. Industry sources and publications may also base their information on estimates, projections, forecasts and assumptions that may prove to be incorrect. Accordingly, investors should not place undue reliance on, or base their investment decision on this information.

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Overview of the Indian Economy

India is the fourth largest economy in the world, after the United States of America, European Union and China. (*Source: CIA World Factbook, 2013 - https://www.cia.gov/library/publications/the-world-factbook/rankorder/2001rank.html*). As per the advance estimates released by the Central Statistics Office (CSO), the Indian economy is estimated to have registered a growth rate of 4.7 per cent in 2013-14 (in terms of GDP at factor cost at constant prices). (*Source: Macro-Economic Framework Statement, 2014-15, http://indiabudget.nic.in/ub2014-15/frbm/frbm1.pdf*). A moderate recovery of the Indian economy is expected to set in during 2014-2015 broadly in line with the Reserve Bank of India's (RBI) indicated projections in January 2014. The pace of recovery, nevertheless, is likely to be modest. The recovery is likely to be supported by investment activity picking up due to part resolution of stalled projects and improved business and consumer confidence. In addition, external demand is expected to improve further during 2014-15 stemming from encouraging prospects for global growth, notwithstanding some recent loss in export growth momentum. (*Source: Macro-economic and Monetary Developments 2014-15(An Update), Reserve Bank of India*).In 2014-15, the Indian economy is poised to overcome the sub-5 per cent growth of gross domestic product (GDP) witnessed over the last two years. The growth slowdown in the last two years was broad based, affecting in particular the industry sector. Inflation too declined during this period, but continued to be above the comfort zone, owing primarily to the elevated level of food inflation. Yet, the developments on the macro stabilization front, particularly the dramatic improvement in the external economic situation with the current account deficit (CAD) declining to manageable levels after two years of worryingly high levels was the redeeming feature of 2013-14. The fiscal deficit of the Centre as a proportion of GDP also declined for the second year in a row as per the announced medium term policy stance. Reflecting the above and the expectations of a change for the better, financial markets have surged. Moderation in inflation would help ease the monetary policy stance and revive the confidence of investors, and with the global economy expected to recover moderately, particularly on account of performance in some advanced economies, the economy can look forward to better growth prospects in 2014-15 and beyond. India's services sector that remained resilient even during and immediately after the global financial crisis buckled under the pressure of continued global and domestic slowdown, resulting in sub-normal growth in the last two years. However, early shoots of revival are visible in 2014-15 with signs of improvement in world GDP growth and trade also reflected in pick-up in some key services like transport logistics and retail trading. Different indices and estimates also indicate an expansion in India's services business. *(Source: Economic Survey 2013-2014 of the Ministry of Finance, Government of India, available at http://indiabudget.nic.in/survey.asp)*

Transport Sector Growth

The transport sector reform during the 1990s followed the market liberalization movement that began in 1991. Before that point, the Indian Government made some important policy changes that yielded substantial favorable outcomes. For example, the removal of the ceiling on the number of national trucking permits in 1986 made it possible for the trucking industry to become the most viable across the transport subsectors. By the middle of the 1990s, a reasonably sound enabling environment was in place for private sector participation in operating trucking, bus, shipping, and airline services, although institutional capacity was still far from adequate in the areas of safety, environment, and economic regulations.

In recent years, the accessibility, door-to-door service and reliability have earned road transportation a higher share of both passenger and freight traffic vis-à-vis other transport modes. As a result, road transportation has emerged as the dominant segment in India's transportation sector. Growth in road transportation has been attained despite significant barriers to inter-state freight and passenger movement compared to inland waterways, railways and air which do not face rigorous en-route checks and barriers.

Both freight and passenger movements by road are expected to rapidly expand in the coming years. In particular, freight movement by road transport is expected to show robust growth over the medium term due to a number of factors, which is, substantial investment in improvement in national highway network which will facilitate speedy, reliable, door to door services and rising volumes of exports and imports. The major objective in the Twelveth Five Year Plan would be to augment the capacity of various modes of transport and set up an infrastructure comparable with best in the world. In roads, apart from completing the various phases of national highways development projects (NHDP) which are in progress, substantial progress would be made in development of expressway network to increase the mobility. Standards of maintenance of national highways would be further strengthened and a network of six-lane roads augmented and significantly increased. The Pradhan Mantri Gram Sadak Yojana (PMGSY), which aims at improving the accessibility need to be given higher priority. All the habitations identified under the program would be linked with all-weather roads. Efforts would be made to provide accessibility to all the habitations in the rural areas of the country during the Plan period. The programs for development of road infrastructure in the North-East and Naxalite affected areas taken up during the 11th Plan would be completed which would considerably improve the accessibility to these areas leading to their economic development and social and political integration with the rest of the country. (*Source: (i) The Working Group Report on Road Transport for the Eleventh Five Year Plan, Planning Commission, Government of India, available at http://planningcommission.gov.in/aboutus/committee/wrkgrp11/wg11_roadtpt.pdf; and (ii) http://12thplan.gov.in/12fyp_docs/15.pdf*)

The Domestic Freight Transportation Industry

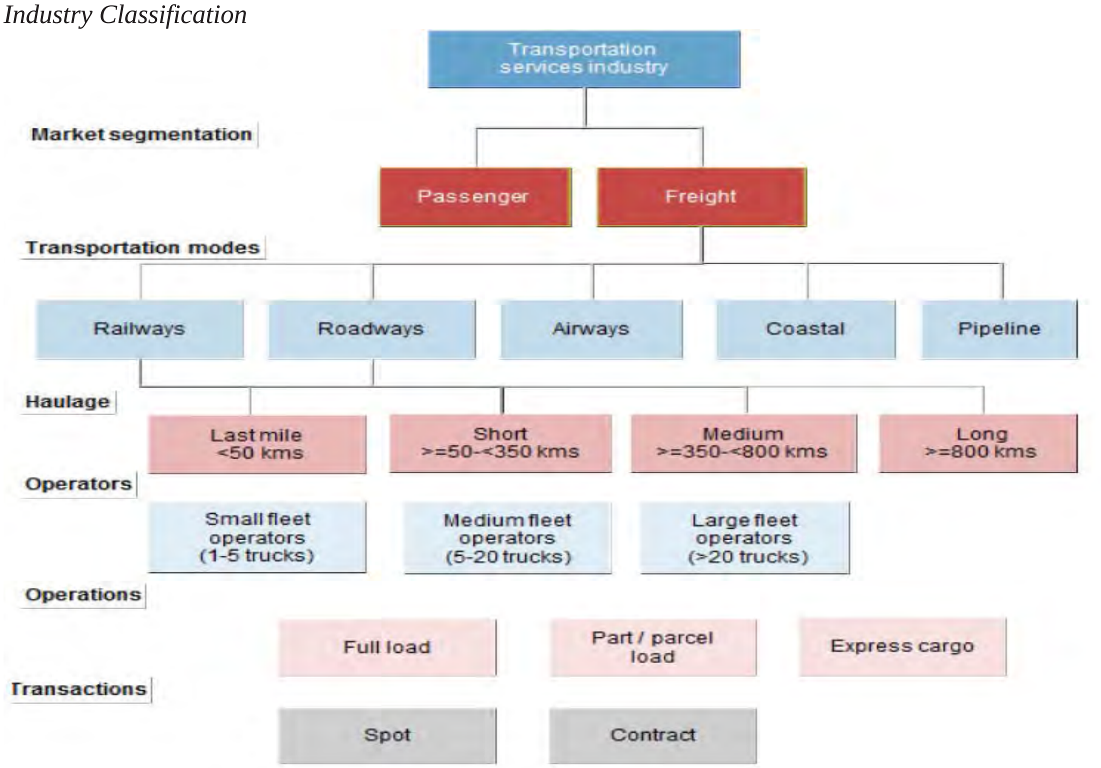
Overview

Domestic freight transportation services involve the movement of goods within India. The modes of surface transport include roadways, railways, coastal and pipelines. Demand for freight transportation services depends upon the size, structure and demographic profile of the economy. Industrial and agricultural production, along with export-import trade primarily drives growth in the freight transportation industry. Among modes, this industry is dominated by roads, followed by rail. Over the years, roadways have captured a very significant share of freight on account of faster service and point-to-point connectivity. During the post reform period (1992-93 to 2004-05) volume of freight carried by road grew at an annual average rate of 6.5 per cent compared with a growth of 3.6 percent in rail freight. Over the years the modal split in freight movement between rail and road has skewed in favour of road. The share of road transport in freight movement which was around 14 percent in 1950-51 has increased to around 61 percent while that of railways has fallen from more than four-fifth to less than two-fifth over the same period. (*Source: The Working Group Report on Road Transport for the Eleventh Five Year Plan, Planning Commission, Government of India, available at http://planningcommission.gov.in/aboutus/committee/wrkgrp11/wg11_roadtpt.pdf*)

Industry structure and participants

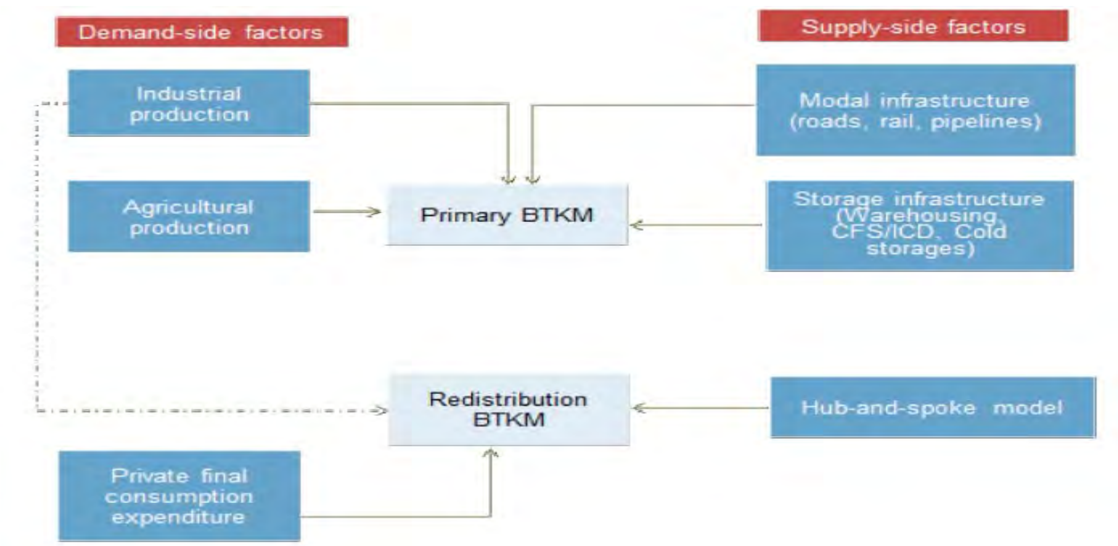
Freight transportation involves conveying different goods through road, rail, water, air or through pipelines. CRISIL Research calculates the share of each mode of transport in terms of billion tonnes per km (BTKM), i.e. the total amount of commodities carried in billion tonnes over the total number of kilometres. The bulk of freight in India is transported through roads, whose share in total freight traffic is estimated to have increased by 8.5 per cent in the last decade, to about 63 per cent in 2013-2014. However, during the same period, the share of railways is estimated to have decreased by 7 per cent to 27.40 per cent in 2013-2014. *(Source: Crisil Research - Domestic Freight Transportation Services Annual Review ("CRISIL Research"))*

Industry Classification



Source: CRISIL Research

Framework of analysis for total freight movement



Source: CRISIL Research

In India, freight is transported across the country mainly through roadways, railways, coastal means and pipelines. To understand the shares of the various modes of transportation, it is necessary to estimate their individual capacities as well as the total available freight. Demand for domestic freight transport comes from industrial and agricultural goods along with export and import trade. These goods form the primary freight, calculated in terms of billion tonnes per km (BTKM), which are then transported via road, railways, ships or pipelines. Supply side drivers include, on road vehicle capacities, modal infrastructure which includes roads, rail, pipelines and coastal shipping; storage infrastructure and increasing proliferation of the hub-and-spoke model. Another key driver for the supply of freight is the availability of allied infrastructure such as warehousing, container freight stations, inland clearance depots, cold storage etc. Industrial goods and consumer products then form the redistribution freight, which is transported from hubs to spokes in the hub and spoke model. Based on the framework, a relationship between the estimated primary freight movement in the country and growth in industry and agricultural GDP has been econometrically established. These macroeconomic variables are regressed to arrive at the total available primary freight. After arriving at the total primary freight, we have segregated bulk and non-bulk movement on the basis of data available with the Union Ministry of Railways for bulk commodities. *(Source: CRISIL Research)*

Industry Structure

The ability to deliver goods to a point of convenience due to their higher accessibility gives roads a distinct advantage over railways, airways or coastal transport. In addition, the road freight transport segment is deregulated and highly fragmented, with small operators having a 65-70 per cent share. High fragmentation in the industry enhances competition, offering customers better bargaining power. *(Source: CRISIL Research)*

Industry Participants

The key industry participants include the transport operators which are the trucking companies, and which solicit freight and convey it from one location to another. The transport operators or freight transportation services providers can be broadly classified as small fleet operators (SFOs), medium fleet operators (MFOs) and large fleet operators (LFOs) on the basis of number of trucks they own or control.

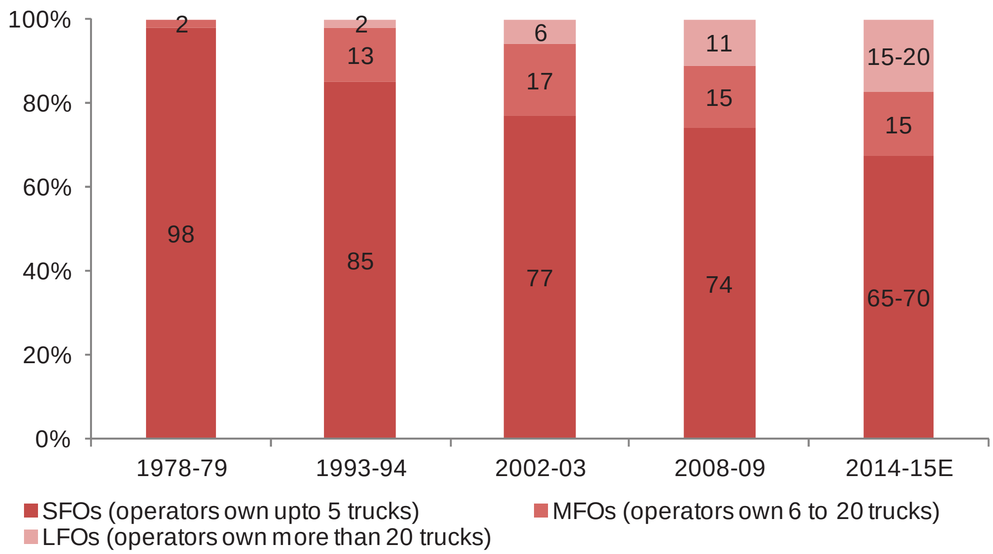
Small Fleet Owners (SFOs)

SFOs are defined as transportation operators owning up to five vehicles. Since SFOs have a small presence and do not have wide range of network to ensure consistency in availability of freight, SFOs typically depend on brokers for business. Further, SFOs dominance in the ‘last mile’ connectivity and local freight movement eliminates the need for SFOs to set up infrastructure like warehouses. The SFO segment is highly fragmented in nature. Low entry barriers for this segment have led to the proliferation of small truck operators resulting in fragmentation. Entry barriers are low due to the following reasons:

Low capital requirements. The initial investment required to start a SFO business can be as low as Rs 0.3-0.5 million for a single truck. Financing options are usually available for commercial vehicles, except for extreme scenarios like a slowdown in the industry when funding can be restricted for loan defaults. However, a strong credit profile can ensure SFOs, loan to value (LTV) of 90 to 95 percent.

Licenses. The licenses and permits are fairly easy to obtain as long as the owners and/ or the driver has knowledge of driving.

LFOs gain share, but small operators still dominate



Note: Above shares are based on ownership. LFOs through their attached fleet are estimated to comprise about 40 per cent of trucking market
Source: CRISIL Research

Medium fleet operators (MFOs)

MFOs are defined as transportation operators owning between six to 20 vehicles. Like SFOs, MFOs generally have regional presence and cater to the tier-I and tier-II routes.

Large fleet operators (LFOs)

LFOs are typically defined as a transport operator that owns or controls a relatively larger fleet of vehicles, typically over 20 trucks. LFOs typically operate on a hub and spoke distribution model, and have the capacity to transport even a single parcel. LFOs provide both the FTL and LTL services since they have large clientele and a wide distribution network. In LTL operations, LFOs aggregate consignments from various clients and transport them to the desired destination. The LFOs also operate on short, medium and large haulage segments, but mostly cater to the medium and long haul operations with distances between 200 km to 1,500 kms or more. Besides transportation, most LFOs also offer other value-added services like warehousing, supply chain solutions and cold chains etc.

Business Models

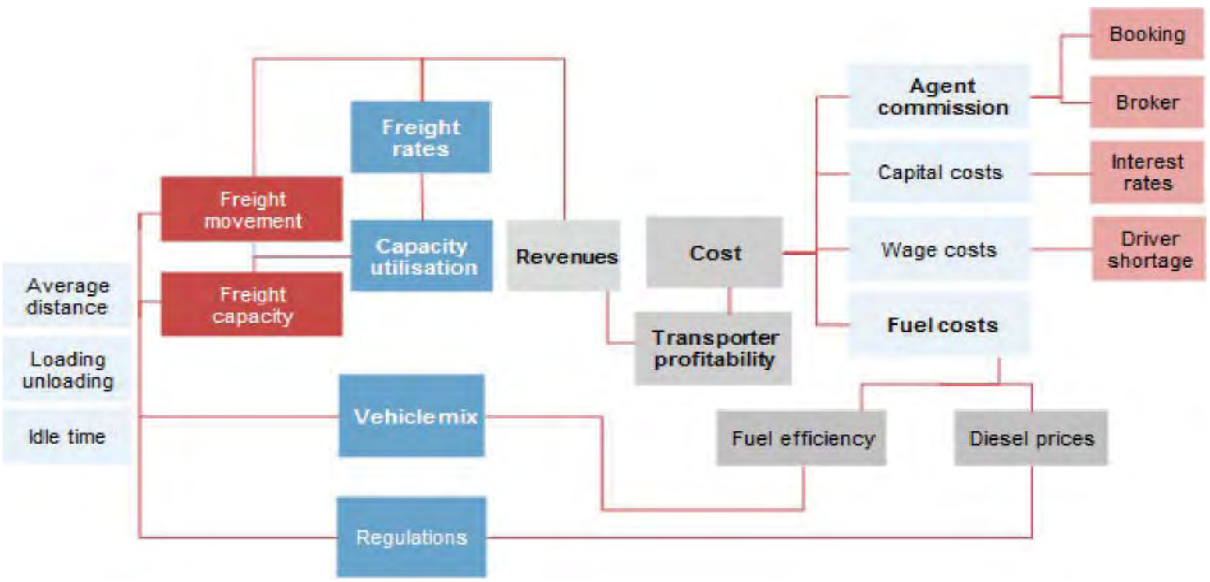
Full Truck Load (FTL)

The FTL segment comprises of a business model wherein the LFOs have contracts with the end-user to provide door-to-door service and pay for the entire load carrying capacity of the truck (or FTL) from one location to another. The service is offered at a predetermined price and is generally used by customers/ manufacturers with large quantities of goods to be transported.

Less than Truck Load (LTL)

The LTL segment service is categorised into two categories: parcel and express cargo. LTL involves partial or less than the full capacity of the truck load. In LTL operations, the customers do not hire the entire truck, and the LTL service provider aggregates consignments from various clients and sends them across to the desired destination. Unlike FTL operations, wherein the consignment originates from a single source, this arrangement requires a wider reach and adequate infrastructure.

Factors affecting transporters' profitability



Framework to gauge impact of variables on transporter profitability

Source: CRISIL Research

Freight rates

A transporter's profitability is largely dependent on freight rates, as it is their source of revenue. Road freight rates are primarily governed by the demand-supply scenario in the freight industry, which is dependent on existing truck capacities. The bargaining power of transporters also plays a role in the freight rates they can command. Given that the industry is highly fragmented, bargaining power differs according to the size of the operator. Typically, LFOs have a better bargaining power than SFOs due to the contractual nature of their business. However, during periods of low freight availability, the bargaining power of all the operators is affected.

Input costs

In the road freight industry, fuel accounts for the largest proportion of around 45 per cent of total operating costs. Therefore, variation in diesel prices significantly influences transporter profitability. Earlier, state-owned fuel retailers sold diesel at government fixed rates, which were much lower than the cost of production. However, from January 2013, the Government of India increased the diesel prices by up to 50 paise per litre every month and ultimately de-regularized diesel prices in October 2014. As a result, during the first half of 2014-2015, diesel prices rose by around 14 per cent year on year. Subsequently, following a sharp drop in crude oil prices since September 2014, diesel prices fell during the second half of 2014-2015. Nevertheless, an increase of Rs 6.5 per litre in excise duty on diesel limited the extent of decline in domestic diesel prices. Overall, the average diesel prices are expected to increase by around 3.5 to 4.0 per cent year on year in 2014- 2015. In 2015-16, the average diesel prices are expected to decline marginally by 1.0 to 2.0 per cent year on year, due to weak crude oil prices. *(Source: CRISIL Research)*

Fleet utilization

Fleet utilisation levels are another determinant of a transporter's profitability as during a slowdown, the cost of maintaining a vehicle may exceed the freight it brings in. Utilisation levels are affected by several factors such as the demand-supply scenario, the goods the operator can transport and the routes which he plies. An LFO with a larger proportion of attached fleet is able to manage his utilisation levels better by restricting hiring vehicles from the spot market. SFOs however, are affected to a greater extent by the competitive rates offered in the spot market due to a higher level of fragmentation amongst themselves. The nature of goods that an operator has the ability to transport may also affect availability of freight as production of certain brackets of goods are more affected in a weak macroeconomic environment. Thirdly, metro routes generally draw more transportation than tier-I and tier-II routes, also affecting fleet utilisation levels. LFOs generally have a pan-India or multi-regional network and ply mostly on the metro routes. They also service tier-I and tier-II routes through spot arrangements with local players in the market, but this does not affect their utilisation levels. On the other hand, SFOs and medium freight operators (MFOs) generally have a regional presence and cater to the tier-I and tier-II routes.

According to CRISIL Research, fleet utilisation levels, which had fallen to around 60 per cent in 2013-2014, have risen to 65 to 70 per cent in 2014-2015 due to better freight availability, increase in industrial activity and uptick in the execution of infrastructure projects. In 2015-2016, with industrial activity and infrastructure project execution gathering pace, the fleet utilisation levels is expected to improve to around 75 per cent.

Load flexibility

An LFO has the flexibility to offer services like full truck load (FTL), less than truck load (LTL) and express cargo transportation. Express cargo and parcel services also offer them higher margins. In the express segment, LFOs realise positive cash flows even at 40 per cent utilisation levels. With this flexibility in the kinds of loads services being offered, an LFO is able to restrict the impact on his margins when freight availability is low. However, SFOs or MFOs are unable to provide these premium services and therefore cannot cushion the impact on their margins in such periods. As a result, LFOs are better able to manage in an unfavourable business environment than SFOs.

Other factors

Other costs that a transport operator bears are fixed costs and variable costs. Fixed costs would typically comprise of interest payments, crew charges, administrative overheads, maintenance repairs, wayside expenses and amounts pertaining to contract amount, insurance payment, road taxes and permit charges, and the variable costs would include the driver and cleaner's salaries, fuel, toll taxes, lubricants, tyres, spare parts and other running expenditures. Fuel costs comprise more than 40 per cent of the total input costs and any change in fuel prices directly hits profitability. Some costs like payments to intermediaries, payments made in the form of border and state taxes at check posts may be appropriated in either fixed or variable cost. Assessment of the cost structure of different commercial vehicles is based on our understanding of the industry's dynamics and industry interactions.

Regulatory Environment

Motor vehicles in India were first regulated under the Indian Motor Vehicles Act, 1914, which was subsequently replaced by the Motor Vehicle Act, 1939. The Motor Vehicle Act, 1939 was amended several times and finally the Motor Vehicle Act, 1988 (the "Motor Vehicle Act") came into force on July 1, 1989. The Motor Vehicles Act was amended on March 1, 2012. The key areas under the Motor Vehicles Act pertaining to transport operators are emission norms, weight norms and age norms.

The Government of India has further proposed an amendment to the Motor Vehicles Act, 1988 by way of the Motor Vehicles (Amendment) Bill, 2014 ("**MV Amendment Bill**") empowering the Central Government to make rules in respect of specifications relating to the manufacture, construction, adaption, equipment and maintenance of electronic carts and electronic rickshaws and conditions for issue of driving license to drive such electronic vehicles. The MV Amendment Bill has received the assent of both houses of Parliament and it is yet to be implemented by way of notification in the official gazette

Emission regulations in India

State emission norms were introduced in 1991 for petrol vehicles and 1992 for diesel ones. In 2002, the Mashelkar committee proposed a roadmap for the phased implementation of Euro-based emission norms in India. Thus, the National Auto Fuel policy was formed in 2003. The Euro based emission norms in India were introduced as India 2000 (Euro 1) in 2000-01, Bharat Stage II (Euro 2) over 2003 to 2005, Bharat Stage III (Euro 3) in 2005-10. The Bharat Stage IV (Euro 4) was introduced in 2010. However, a nationwide rollout of the Bharat Stage IV (BS IV) norms was delayed as oil companies weren't convinced to make the necessary investments required to supply appropriate fuel. Fuel quality plays a very important role in meeting emission regulations, and the specifications for gasoline and diesel have been aligned to the corresponding European fuel specifications for Bharat Stage norms. Even in cities with Bharat Stage IV limits, there were challenges ensuring vehicle compliance.

In 2013, a Planning Commission panel established limits beyond Bharat Stage IV norms and recommended implementation of the Bharat Stage IV norms nationwide from April 2017 and Bharat Stage V from April 2020. As of March 1, 2015, BS-IV norms were in effect in 39 cities. *(Source: CRISIL Research)*

Bharat stage norms Units (Gm/Kwh)	I	II	III	IV
CO	4.5	4.0	2.1	1.5
HC	1.1	1.1	0.7	0.5
Nox	8.0	7.0	5.0	3.5
PM	0.4	0.2	0.1	0.0

(Source: CRISIL Research)

Weight norms

The Motor Vehicles Act prescribes the maximum gross weight for each axle of a truck in relation to the size and number of tyres fitted. The main purpose of this is to avoid overloading of vehicles. The most recently prescribed payload limits are as follows:

Transport Vehicles category	No.of Axles	No. of Tyres	Max Safe Axle Weight
Rigid Vehicles	Two Axle	One tyre on front axle, and two tyres on rear axle	3 tonnes on front axle, 6 tonnes on rear axle
	Two Axle	Two tyres on each axle	6 tonnes on front axle, 6 tonnes on rear axle
	Two Axle	Two tyres on front axle, and four tyres on rear axle	6 tonnes on front axle, 10.2 tonnes on rear axle
	Three Axle	Two tyres on front axle, and Eight tyres on rear tandem axle	6 tonnes on front axle, 19 tonnes on the rear tandem axle
	Four Axle	Two tyres on front axle, and Eight tyres on rear tandem axle	12 tonnes on two front axle, 19 tonnes on the rear tandem axle
Trailers	Two Axle	Four tyres on front axle, Four tyres on rear axle	10.2 tonnes on front axle, 10.2 tonnes on rear axle
	Three Axle	Four tyres on front axle, Eight tyres on rear axle	10.2 tonnes on front axle, 19 tonnes on rear tandem axle

(Source: CRISIL Research)

Prior to 2006, certain states in India used to issue gold cards or tokens allowing overloading of trucks over the prescribed weight limits for a fixed charge. In 2005, the Supreme Court declared that this was a violation of the Motor Vehicles Act as well as the Central Motor Vehicles Rules, 1989. While it emphasized on offloading additional cargo, most state governments have opted for a heavy penalty instead. As a result of the Supreme Court ruling, freight rates rose in the short term and led to better fleet utilisation by transporters. It also led to an increase in MHCV demand by transporters to be able to comply with the payload limits.

Vehicle age norms

The Supreme Court banned commercial vehicles which are older than 15 years in certain cities to control pollution. Since December 2000, the same policy was also implemented in Mumbai and New Delhi. However, from December 2003 onwards, the government replaced the earlier policy with a new rule and barred all commercial vehicles in Mumbai, which are more than eight years old. In 2008, the Calcutta High Court imposed a similar ban and several other cities have followed since. However, these measures have only been partially successful. In addition, no steps have been taken to adopt the international system of levying higher road tax for older vehicles, which discourages the use of such vehicles. In India, the road tax is a one-time levy.

Under the Auto Mission Plan 2006-16, the automotive industry has demanded retirement of vehicles, which are more than 15 years old, by providing certain incentives and concession for replacement under a single window programme for modernisation of vehicle fleet. While age norms act in good stead for reducing pollution, they can adversely impact the transport operator's business operations, especially when majority of the fleet is beyond the minimum specified age limit. *(Source: CRISIL Research)*

See also, the section "*Regulations and Policies*" at page 170 of this Red Herring Prospectus.

Road Safety and Transport Bill, 2014

The Government has proposed a new Road Safety and Transport Bill, 2014 to amend the existing Motor Vehicles Act, 1988 ("**Transport Bill**") which seeks to "provide a framework for safer, faster, cost effective and inclusive movement of passengers and freight in the country". The Transport Bill seeks to promote innovation, and improved technology and vehicle design for safer travel. The Transport Bill proposes unified, transparent and single window driver licensing system with simplified procedures, relaxed requirements for drivers to obtain driving licenses, automated driving tests, unified biometric systems, and adoption of technology based driver testing facilities. The Transport Bill also proposes a unified vehicle registration system with integration of all stakeholders such as the manufacturer, owner, transport authorities, insurer and enforcement authorities. In addition, the Transport Bill also proposes easy online transfer of vehicles across different states in India, as well as participation of the private sector in fitness testing of vehicles. The Transport Bill aims to increase logistics efficiency which is expected to reduce inflation and enable Indian manufacturing to become globally competitive, and therefore proposes a simplified system of permits and single portal clearances for the goods transport industry. The Transport Bill also proposes a two-tier permit system - at national and intrastate levels for the passenger transportation industry, as also develop and regulate various public passenger transport schemes. The Transport Bill also proposes stringent penalties for violation, and a graded point system for imposing fines.

For the logistics sector, the Transport Bill proposes framework for preventing overloading, better planning and development of freight network, establishment of integrated freight transport hubs and inter-modal transport facilities.

Demand Drivers

Share of non-bulk traffic to increase over the next five years

Non-bulk traffic (mostly transported by road), is expected to grow at an 8 to 10 per cent CAGR during 2013-2014 to 2018-2019, as consumption demand improves, especially for consumer durables, pharmaceuticals and automobiles. The share of the non-bulk segment in the overall primary freight traffic is thus expected to increase to 57 to 58 per cent by 2018-2019, from 47 to 48 per cent in 2008-2009. On the other hand, bulk traffic is likely to grow at a slower 5 to 7 per cent CAGR, driven by segments such as coal, fertilisers, iron and steel, etc. *(Source: CRISIL Research)*

Supply constraints faced by railways benefits road transportation

Besides infrastructure constraints like line capacity on busy routes and terminal detentions, railways have also been facing a supply crunch of wagons. As a result, freight movement by rail has grown at a slower pace compared to roads. As these capacity constraints are likely to continue, road freight operators are in a better position to capitalize on incremental demand in the next 5 years, thus increasing their share in total freight transportation. Moreover, road transport is competitive even at higher prices given its advantages of flexibility, better service quality and end-to-end delivery. Therefore, it is expected that the share of roads in the total freight to increase to over 65 per cent in 2018-2019, from 63 per cent in 2014-2015, while the share of railways is likely to decline to 26.6 per cent in 2018-2019 from 27.6 per cent in 2014-2015.

Outlook

While road freight traffic growth is expected to remain moderate in the short term, it is expected to grow at 8 to 9 per cent CAGR to about 2,200 BTKM in 2018-2019, from an estimated 1,500 BTKM in 2013-2014, driven by a revival in freight demand. A healthy demand for non-bulk traffic and continuing supply constraints in the railways is expected to drive growth. *(Source: CRISIL Research)*

Roads will continue to account for majority share of domestic freight traffic

Over the next five years, we expect road freight (in BTKM terms) to grow at 8 to 9 per cent CAGR, outpacing growth in overall primary traffic at 7 to 9 per cent CAGR. A strong growth in non-bulk transport by road and capacity constraints faced by the Railways will enable road freight traffic to grow faster. However, availability of trained drivers would remain a challenge, given the scarce availability of trained drivers. While this is likely to push up wage costs, the scarcity of trained drivers is unlikely to turn into a significant supply constraint in the short term given the current low fleet utilization levels.

Improved industrial activity and infrastructure push to drive freight demand in 2015-2016

In 2015-2016, primary freight (in BTKM terms) is expected to grow at 7 to 8 per cent year on year as compared with an estimated 6.0 per cent in 2014-2015. During the year, rail freight traffic is forecast to grow by 5 to 7 per cent in BTKM terms, which road freight traffic is expected to outpace at 7 to 9 per cent. Industrial GDP is expected to grow at 6.2 per cent in 2015-2016, compared to 5.9 per cent in 2014-2015, aided by improved industrial activity, faster implementation of infrastructure projects, recovery in mining activities and rise in export demand.

- Key freight generating industries like cement, steel, automobiles, consumer durables, pharmaceuticals, fertilizers and textiles are expected to witness improved demand. Higher disposable incomes, coupled with lower inflation, along with government initiatives, will drive demand
- Strong growth in roads, railways, urban infra and irrigation project implementation is expected to result in 10 to12 per cent year on year (in value terms) growth in infrastructure vis-à-vis an estimated 6 per cent growth in 2014-2015
- Mining activity is expected to gain traction, with improvement in coal mining and anticipation of improved iron ore mining. Coal production is expected to improve to 5.4 per cent (4.4 per cent in 2014-2015) due to expansion projects of Coal India and increase in production from captive coal blocks aiding coal mining activities. On the other hand, if iron ore mining in Karnataka, Goa resumes and leases in Odisha and Jharkhand are renewed, iron ore production can improve to up to 23 to 24 per cent (vis-a-vis a decline of 5.5 per cent in 2014-2015).
- Port traffic is expected to grow at 7 per cent in 2015-2016 (5 per cent in 2014-2015), aided by coal imports and container traffic.

Key freight generating parameters expected to improve in 2015-16

Freight generating parameters	Growth in volumes			Key growth drivers in 2015-16
	2013-14	2014-15	2015-16	
Industrial GDP	**4.5%**	**5.9%**	**6.2%**	**(i) Faster implementation of infrastructure projects as the investment climate improves (ii) Improvement in private consumption demand, aided by a rise in discretionary spending, as food and fuel inflation decline, and (iii) a pick-up in mining activity**
-Construction*	5.8%	5.4%	8.7%	Strong growth in infrastructure project execution (roads, railways, urban infra and irrigation) along with construction activities in industrial sector to drive growth
-Cement	2.7%	5.2%	6.3%	Acceleration in central government projects to drive demand
-Coal Mining	1.8%	4.4%	5.4%	Expansion projects of Coal India and ramp up in production from captive coal blocks to aid coal mining activities
-Iron Mining	6.6%	-5.5%	23.4%	Iron ore mining is expected to improve subject to mining resumption in Goa, Karnataka and renewal of leases in Orissa, Jharkhand
-Steel products	2.5%	2.5%	5.5%	Improvement in construction activity and higher sales of automobiles and consumer durables to drive demand
-Two-wheelers	7.3%	9-11%	12-14%	Improvement in income levels, increasing penetration of scooters in semi-urban and rural markets, launch of new models to drive demand
-Cars and UVs	-6.0%	4-6%	9-11%	Improved economic growth, lower inflation, improvement in disposable incomes, lower cost of ownership and launch of new models to drive demand
-Consumer durables	0.3%	3.3%	10.0%	Stability in prices due to declining input costs and improved consumer sentiments. Pent-up demand to also support growth.
-Pharmaceuticals*	17.0%	10.5%	12.5%	Exports to grow led by demand from regulated markets (such as US) for low cost generics. Chronic care drugs to drive domestic demand
-Fertilisers	2.6%	-0.6%	2.1%	Normal monsoon, favourable urea policy abd lower raw material prices to drive demand
-Textiles (RMG)	5.5%	5.9%	6.7%	Improvement in economic scenario and lower raw material prices to drive volume growth
Agri GDP	**3.7%**	**1.1%**	**3.0%**	**Agricultural GDP to grow at a faster pace with expectations of normal monsoons**
Port traffic	**2.0%**	**5.0%**	**7.0%**	**Increase in coal imports and container traffic to support growth**

Note: 1). *In value terms

2). GDP figures are based on new calculation method

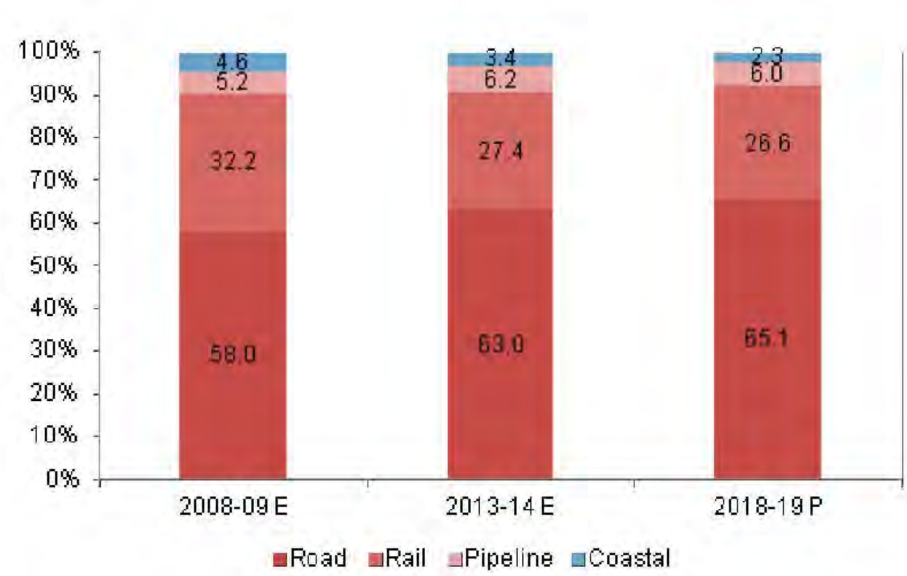
Source: CRISIL Research

Roads remain the preferred mode for non-bulk transportation

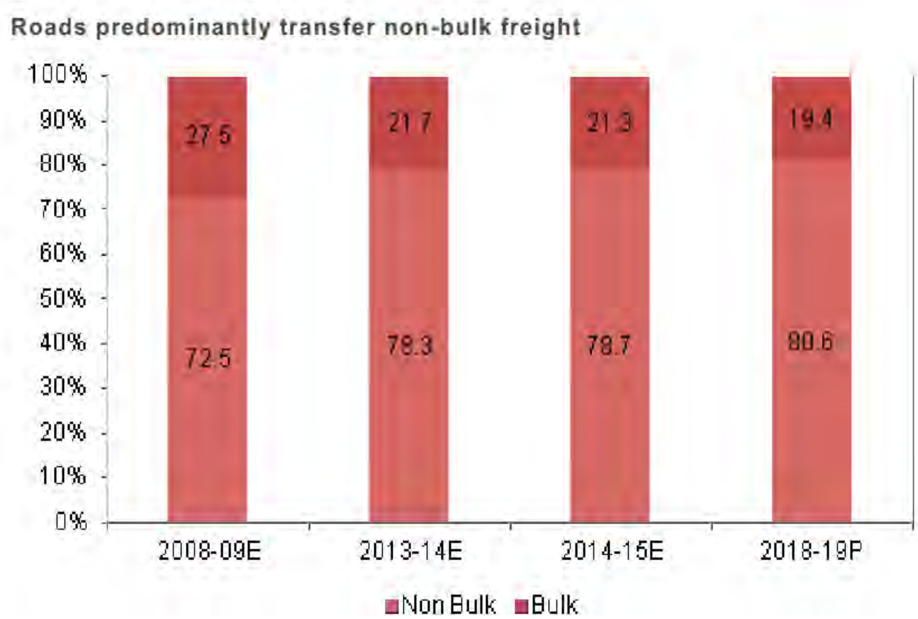
Roads are expected to gain a significant share of the non-bulk commodities transportation market as:

- Railways do not cater to piecemeal freight transportation. The entire rakes are provided for transportation and not just single wagons,
- Road transport has better service quality and is more reliable,
- Road transporters operate on a much smaller scale, and the transporters add a personal touch to their service, which is important, as these commodities are typically expensive and fragile, and are meant for final consumption. Also, given the large number of road transport operators, the customers have better bargaining power.
- Roads provide end-to-end connectivity and safer handling, which is an important factor while transporting low-volume, but high-value commodities.

Consequently, we expect the share of non-bulk commodity in total road primary BTKM to increase to 80.6 per cent by 2018-2019. Currently, non-bulk commodities account for 78.7 per cent of the total road freight traffic.



E: Estimated; P: Projected
(Source: CRISIL Research)



E: Estimated; P: Projected
(Source: CRISIL Research)

OUR BUSINESS

Some of the information contained in the following discussion, including information with respect to our plans and strategies, contain forward-looking statements that involve risks and uncertainties. You should read the section "Forward-Looking Statements" for a discussion of the risks and uncertainties related to those statements and also the section "Risk Factors" for a discussion of certain factors that may affect our business, financial condition or results of operations. Our actual results may differ materially from those expressed in or implied by these forward-looking statements. Our fiscal year ends on March 31 of each year, so all references to a particular fiscal are to the twelve-month period ended March 31 of that year.

In this section, a reference to the "Company" or "we", "us" or "our" means VRL Logistics Limited.

All financial information included herein is based on our Restated Financial Statements included on page F-1 of this Red Herring Prospectus.

Overview

We believe we are one of the leading pan-India surface logistics and parcel delivery service providers. We owned and operated the largest fleet of commercial vehicles in the private sector in India (Source: Limca Book of Records, 2013, data as of May 2012). We provide general parcel and priority parcel delivery (less than truckload services, "**LTL**"), courier and full-truckload ("**FTL**") services through our widespread transportation network in 28 States and four Union Territories across India. Our operational infrastructure for the goods transportation business as of December 31, 2014 comprised 624 branches (comprising 604 leased branches and 20 owned branches) and 346 agencies across India, and of such 624 branches, 48 (41 leased branches and seven owned branches) served as strategic transshipment hubs for our operations. We believe that our differentiated service offerings, large integrated hub-and-spoke transportation network, extensive operational and maintenance infrastructure and in-house technology systems have enabled us to develop our brand across India.

Our goods transportation service business serves a broad range of industries, including the fast moving consumer goods (FMCG) sector as well as other industries including food, textiles, apparel, furniture, appliances, pharmaceutical products, rubber, plastics, metal and metal products, wood, glass, automotive parts and machinery.

We operate through a hub-and-spoke operating model which enables us to transport various parcel sizes and provide our customers with access to multiple destinations for booking and delivery of goods. Our extensive network enables us to provide "last mile" connectivity to even remote areas in India. We believe this offers our customers a compelling value proposition.

As of December 31, 2014, our goods transportation fleet included 3,546 owned vehicles. Our large fleet, most of which is owned by us, enables us to reduce our dependence on hired vehicles, retain control of the value chain and service quality, and establish a reputation for reliable and timely delivery of consignments. The variety of goods transportation vehicles in our fleet also enables us to serve a diverse mix of consignments.

Our in-house technology systems enable us to improve our service quality and consistency and increase our operating efficiency. Our centralized information technology network connects all our branches, agencies, transshipment hubs and other offices enabling seamless real time monitoring of our operations and consignment bookings and delivery status. Our centralised accounting systems also enable us to implement stringent financial controls. Our in-house vehicle body designing facility develops customized configurations to ensure higher payload capacity. Our comprehensive in-house preventive maintenance facility at Hubballi, Karnataka enables us to increase the life of our vehicles, spare parts and components.

Goods transportation is our primary business and revenue from such business in fiscal 2012, 2013, 2014 and the nine months ended December 31, 2014 was ₹ 8,585.06 million, ₹ 9,878.08 million, ₹ 11,281.15 million and ₹ 9,714.83 million, respectively, representing 75.95%, 74.52%, 75.52% and 76.27%%, respectively, of our total revenue from operations in such periods. General and priority parcel services represented 91.75%, 89.15%, 88.51% and 86.43%% of our goods transportation revenue in fiscal 2012, 2013, 2014 and the nine months ended December 31, 2014, respectively.

We also provide luxury bus services across the States of Karnataka, Maharashtra, Goa, Andhra Pradesh, Telengana, Tamil Nadu, Gujarat and Rajasthan. Our bus operations are focused on high density urban commuter cities such as Bengaluru, Mumbai, Pune, Hyderabad and Panjim, and also connect tier-2 and tier-3 cities. Our longest route of operation in India stretches from Bengaluru to Jodhpur. As of December 31, 2014, we owned and operated 455 buses (including 53 staff buses). The wide range of passenger buses in our fleet enables us to better serve the transportation requirements of various customer segments. As of December 31, 2014, we had 81 branch offices (of which 74 were leased offices and seven were owned offices), 739 agencies and 416 prepaid agencies for our bus operations business. We also provide ticketing facilities through our website www.vrlbus.in, as well as through our network of commission agents and online travel agents such as www.redbus.in, www.mybustickets.in, www.makemytrip.com, and www.abhibus.com. Revenue from our bus operations in fiscal 2012, 2013, 2014 and the nine months ended December 31, 2014 was ₹ 2,178.12 million, ₹ 2,848.38 million, ₹ 3,081.10 million and ₹ 2,559.44 million, respectively, representing 19.27%, 21.49%, 20.63% and 20.09%, respectively, of our total revenue from operations in such periods.

We also operate car carrier vehicles for transportation of cars, vehicles for liquid transportation, as well as a courier service business across the State of Karnataka. We also have minor business interests in wind power, air charter services and hospitality.

We have received various industry awards and recognition over the years, including the India Logistics Voice of Customer Award by Frost and Sullivan in 2014 for achieving excellence in logistics and Service Provider of the Year (luxury coaches) in 2013 from World Travel Brands for our bus operations. In addition, our Chairman and Managing Director, Dr. Vijay Sankeshwar and our Managing Director, Mr. Anand Sankeshwar have also received several awards in recognition of their entrepreneurship and business excellence.

As of December 31, 2014 we had 14,092 employees, including 4,506 drivers (but excluding line drivers). Our administrative team plays a central role in our operations, and is responsible for load planning, accounting, information technology, marketing and the human resources functions.

In fiscal 2012, 2013 and 2014 and in the nine months ended December 31, 2014, our total revenue was ₹ 11,352.78 million, ₹ 13,353.24 million, ₹ 15,037.77 million and ₹ 12,793.80 million, respectively, while our profit after tax and exceptional items, as restated, was ₹ 767.22 million, ₹ 457.03 million, ₹ 571.76 million and ₹ 716.90 million, respectively, in such periods.

Business Strengths

We have the following competitive strengths:

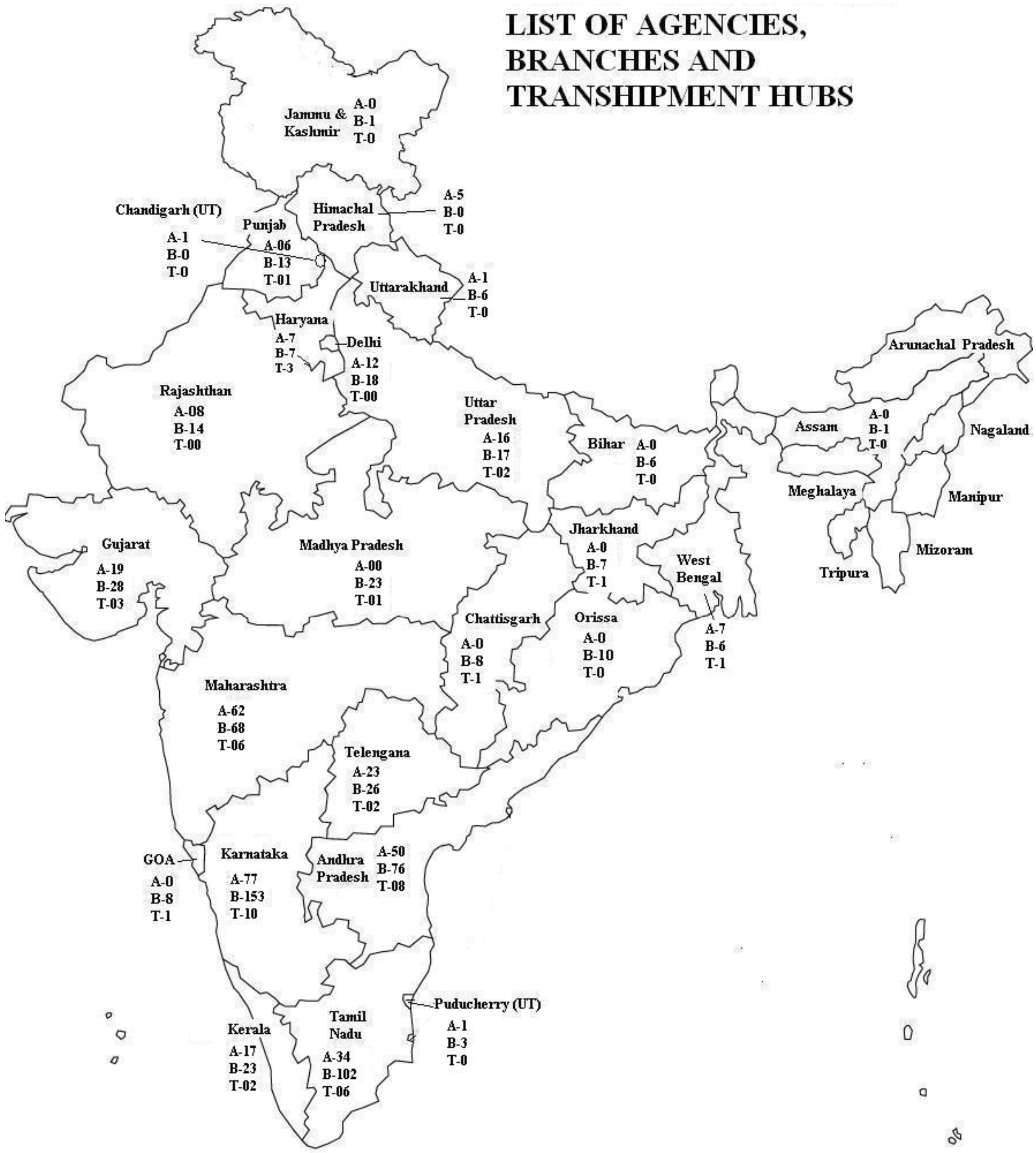
Pan-India surface logistics services provider with an established brand and one of the largest distribution networks in India

We are a pan-India surface logistics services provider and we believe that we are one of the leaders in parcel delivery services across India. We believe that our differentiated service offerings, large integrated hub-and-spoke transportation network and extensive operational infrastructure, including advanced technology systems, have enabled us to establish a leadership position in the surface logistics industry with a strong brand across India. We are an established brand name in the transportation industry in India with over 38 years of operations. We have received various industry awards and recognition over the years, including: the India Logistics Voice of Customer Award by Frost and Sullivan in 2014 for achieving excellence in logistics and Service Provider of the Year (luxury coaches) in 2013 from World Travel Brands to Vijayanand Travels for our bus operations. We believe that our ability to compete effectively is dependent on providing consistent service quality and timely services at competitive prices, thereby strengthening our brand over the years.

Our goods transportation network spans across 28 States and four Union Territories across India. Our operational infrastructure for the goods transportation business as of December 31, 2014 comprised 624 branches (comprising 604 leased branches and 20 owned branches) and 346 agencies across India, and of such 624 branches, 48 (41 leased branches and seven owned branches) served as strategic transshipment hubs for our operations. We continue to rapidly expand our network to other States in the northern and eastern regions of India, and in fiscal 2014, we added 69 branches and 12 agencies to our network. We also continue to identify strategically located properties to increase the proportion of our owned transshipment hubs and to expand our transshipment hub capacities. We believe this will also enable us to further integrate our operations, rationalize routes, optimize load factors, increase cost efficiencies and increase freight volumes. The availability of owned transshipment hubs will also enable us to better plan for future expansion of our operating facilities and network. We provide our goods transportation services over a broad range of distances from Kerala in the south to Jammu in the north, Gujarat in the west to Assam in the east.

The diagram below illustrates our goods transportation network in India and sets forth certain information relating to the State-wise number of branch offices (B), agencies (A) and transshipment hubs (T), as of December 31, 2014:

LIST OF AGENCIES, BRANCHES AND TRANSHIPMENT HUBS



A -AGENCIES
B- BRANCHES
T - TRANSHIPMENT HUBS

MAP-NOT TO SCALE

Our pan-India distribution network enables us to cater to a diverse mix of customers including corporate, small and medium enterprises ("SMEs"), distributors and traders. In addition, we believe that our large scale of operations result in higher freight density in various geographic regions, thereby improving our asset utilization by reducing sub-optimal vehicle loading between destinations. Our large geographic coverage and operational network also ensures that consignments are spread across various locations, and consequently any loss or damage to any consignment due to theft, fire, accidents, burglary or other such factors are relatively low.

Integrated hub-and-spoke operating model ensuring efficient consignment distribution

We believe that our integrated and widespread hub-and-spoke network enables effective consolidation and distribution of consignments of various sizes, supported by our wide geographical presence across India through our branches and agencies.

Our hub-and-spoke operating model enables us to transport various parcel sizes and provide our customers with access to multiple destinations for booking and delivery of goods, and provide "last mile" connectivity to even remote locations in India. This involves effective consolidation of goods from multiple locations at our transshipment hubs, which are continuously operated on a 24X7 basis throughout the year, and re-distribution thereof to their respective destinations, resulting in operating and cost efficiencies, optimal capacity utilization of our transportation vehicles, rationalization of routes, as well as flexibility in operation, allocation and optimal utilization of resources including manpower. This operating model also enables us to cater to a wide range of customers who require multiple pickups and delivery points, to focus our operations on aggregating parcels, and on selective routes, to combine parcel delivery (LTL) and FTL freight to maximize revenue per operating vehicle. Our expansive and integrated hub-and-spoke operating model therefore enables us to optimize our operating margins and profitability.

We believe our ability to accommodate a wide range of parcel sizes, weights and types of freight, and transport multiple types of freight over multiple destinations, enable us to meet all of our customers' transportation needs and differentiate us from our competitors.

In-house software technology capabilities

We have invested significant manpower resources in our in-house software technology capabilities and have developed scalable in-house technology systems and software. All our offices, transshipment hubs, branches and agencies are connected to our central information technology network through an ERP system facilitating real time monitoring of operations and tracking of consignments. We have implemented advanced consignment management systems to ensure real-time tracking. We have also introduced a short messaging service (SMS) system for updates to customers on arrival status for goods transportation and booking alerts, schedule alerts, boarding place alerts to our passengers in our bus operations business. In addition, we have introduced customized software alerts to track vehicle maintenance and optimize load planning. We believe that our in-house technology capabilities enable us to increase our operating efficiencies, improve service quality and maintain stringent operational and fiscal controls over branch and franchisee operations. Our bus ticketing is implemented through a centralized online system that tracks passenger occupancy, and determines anticipated demand and pricing of tickets. Ticketing is facilitated through our website www.vrlbus.in.

In recognition of our technology capabilities and application of such technology in our operations, we have been awarded the New Era Award for Technology, Innovation and Quality by Otherways Management Association, France in 2010, and the Technology Best Practices Adopter Award at Apollo-CV Awards, 2010.

Large fleet of owned vehicles ensuring reliable, quality services

As of December 31, 2014, our goods transportation fleet included 3,546 owned vehicles, of which 1,166 vehicles were less than five years, 2,375 were debt free and 1,235 were fully depreciated. As of December 31, 2014, we owned and operated 455 buses (including 53 staff buses), of which 399 were less than five years, 87 were debt free and six were fully depreciated.

We have followed a strategy of operating our own vehicles and only hire third-party goods transportation vehicles on certain routes where there is no assurance of return loads, during periods of high demand and in emergency situations. The use of third-party vehicles generally results in lower payload capacity compared to our own customised vehicles with lighter and longer bodies enabling higher payload capacity. We believe that operating our owned vehicles enables us to significantly reduce hiring and operational costs. In addition, availability of third-party vehicles may be uncertain during periods of high demand. Our large fleet of owned vehicles therefore allows us to cover a large number of routes, reduce our dependence on third party hired vehicles, improve our service quality and maintain our reputation for reliable and timely delivery of consignments. The variety of goods transportation vehicles in our fleet enables us to serve a diverse mix of consignments while our range of passenger buses enable us to serve the transportation requirements of different customer segments. In addition although our expansive operations across India are subject to various risks associated with the logistics business, as a result of our stringent operational processes we have historically faced minimal claims for damages.

Our regular and periodic preventive maintenance measures ensure longer vehicle life and provide a higher degree of performance reliability. In the passenger transportation segment, this also enables us to develop a reputation as a passenger bus operator that provides a safe, on-time, modern and comfortable travel experience.

Dedicated in-house maintenance facilities and availability of spare parts and fuel

We have developed a comprehensive preventive in-house maintenance program designed to increase the life of our vehicles. Servicing and maintenance operations are undertaken at our workshop facility in Hubballi, Karnataka with several dedicated satellite workshops in strategic locations across India, including in Delhi, Ahmedabad, Mumbai, Pune, Sholapur, Bengaluru, Salem, Perundurai, Chennai, Madurai, Mangalore, Kolkata, Vijayawada and Hyderabad. We believe that these facilities reduce expensive on-road repairs and out-of-route trips and minimize downtime due to breakdown, repairs and resulting service interruptions. We perform periodic preventive and remedial maintenance of our vehicles, and have implemented in-house software applications to track service and spare replacement. We also make efforts to ensure optimal efficiency levels by minimizing vehicle time in the workshop through time-and-motion studies as part of our maintenance procedures and efficiency enhancement studies, and have established a re-engineering department that designs and re-engineers unique solutions for vehicle components to reduce operating cost and enhance their performance. We also have a tyre repair unit at Hubballi to increase the useful life of tyres and allocate unique laser-marked identification numbers for each tyre to prevent substitution.

Our Hubballi facility is designated as an authorized service centre by Ashok Leyland Limited that enables us to provide servicing and maintenance of Ashok Leyland manufactured vehicles even during the warranty period. Ashok Leyland vehicles represent a substantial majority of our goods transportation vehicles. As a part of our authorized service centre arrangement, we are entitled to receive reimbursement of free services charges and labour charges for warranty repairs as determined by Ashok Leyland. This enables us to ensure quality and efficiency of maintenance services for our vehicles.

We have also entered into spare parts supply arrangements with Ashok Leyland Limited and VE Commercial Vehicles Limited who have set up dedicated outlets at our Hubballi facility which allows us to source spare parts at competitive rates and reduce procurement timelines. These spare parts are sourced and used as required, and we are therefore able to reduce inventory cost, cost of spare parts and associated transportation costs and ensure timely availability of genuine spares and components.

We also operate two consumer diesel pumps located at Varur and Chitradurga in the State of Karnataka to ensure quality fuel supply and reduced fuel costs. In addition, our drivers are required to purchase fuel only from certain designated pumps during transit to ensure that we procure our fuel at competitive rates and also maintain the quality of fuel. We also deploy staff at these designated pumps to supervise the refuelling procedure and this arrangement also enables us to ensure enroute compliances of our vehicles.

Dedicated in-house vehicle body design facilities

We have also developed an in-house vehicle body designing facility at Hubballi, Karnataka which is equipped to fabricate vehicles with lighter and longer bodies to carry higher payload, resulting in increased margins per vehicle. Vehicle manufacturers supply chassis based on specifications provided by our Company, and we fabricate the bodies for vehicles specific to our requirements using our in-house designing facility. We thereby reduce the overall weight of the vehicles, which enables us to carry higher tonnage on the vehicle without violating permissible payload limits. We evaluate the purchase of chassis based on various factors including cost, useful life, warranty terms, technological advancements, expected maintenance costs, fuel economy, driver comfort and manufacturer support.

Diversified customer base and revenue sources

We serve a diverse mix of end markets across several industry sectors. In our goods transportation business, we serve a number of customers in the FMCG industry as well as in general commodities such as food, textiles, apparel, furniture, appliances, pharmaceutical products, rubber, plastics, metal and metal products, wood, glass, automotive parts and machinery.

We have a large and diverse base of customers in our goods transportation business, developed around our hub-and-spoke operating model, and serve a diverse mix of end consumers in various industry verticals. We believe that the high levels of customer retention and growth in the number of customers reflects the value proposition we provide and positions us for further growth.

In addition, our "paid" and "to pay" customers, primarily small and medium enterprises, distributors and traders, represent a significant majority of our goods transportation revenues. Revenues from our "paid" and "to pay" customers (excluding FTL customers) represented 10.84% and 59.20%, respectively, of our revenues from goods transportation in fiscal 2014 while they represented 10.97% and 59.16%, respectively, of our revenues from goods transportation in the nine months ended December 31, 2014.

Since we cater to a diverse customer base, we have historically been able to pass a significant portion of increases in operating costs such as fuel prices, toll charges and other operating expenses through periodic review and increase our base freight rates.

Ability to recruit and retain experienced and qualified drivers

Our ability to recruit and retain experienced and qualified drivers is critical to our operations. We have followed a strategy of recruiting drivers as full time employees with a defined salary structure, associated benefits and attractive incentive schemes. Although we face significant competition in recruiting drivers, we have historically been successful in attracting and retaining a large pool of experienced and trained drivers.

In addition to salary and associated benefits, incentive schemes applicable to drivers include performance measures based on safety record, time, distances covered, fuel consumption and useful life of tyres. We also provide our drivers with group insurance facility to cover life risks during employment. We believe such incentives enhance driver performance and safety records as well as increase retention rates. In addition to a competitive compensation structure, we also focus on training and development initiatives for drivers and other employees, and have developed a training facility at Hubballi which conducts training for drivers. We believe that our ability to recruit and retain experienced and professional drivers will continue to be an important competitive advantage in the future.

We believe that the amendments to the Motor Vehicles Act, 1988, proposed by the Road Transport and Safety Bill, 2014 (the "Transport Bill") are likely to result in an increase in the availability of qualified drivers through the introduction of simplified licensing procedures. Further, the proposed Transport Bill contemplates providing an integrated transportation system in collaboration with State-owned transport corporations and private operators which is expected to improve competitive conditions for private operators such as us. For further information, see "*Regulations and Policies*" on page 170 of this Red Herring Prospectus. We believe that we are well positioned to benefit from the implementation of such amendments.

Track record of growth and robust financial position

We strive to maintain a robust financial position with emphasis on having a strong balance sheet and increased profitability. Our total revenue increased at a CAGR of 20.44% from ₹ 7,146.13 million in fiscal 2010 to ₹ 15,037.77 million in fiscal 2014, while our profit after taxation, as restated, increased at a CAGR of 18.75% from ₹ 287.54 million in fiscal 2010 to ₹ 571.76 million in fiscal 2014. In fiscal 2012, 2013 and 2014, total revenue from operations was ₹ 11,303.83 million, ₹ 13,254.97 million and ₹ 14,937.84 million, respectively, reflecting our robust operations. Our return on net worth (RONW) in fiscal 2012, 2013 and 2014 was 40.96%, 15.79% and 18.65%, respectively. In fiscal 2012, 2013 and 2014, net cash from operating activities was ₹ 1,659.22 million, ₹ 1,629.80 million and ₹ 2,032.62 million, respectively. As of December 31, 2014, our long term debt equity ratio was 1.09 times.

Our EBITDA, calculated as our profit before tax and extraordinary items before depreciation and amortization and interest costs, was ₹ 1,968.03 million, ₹ 2,050.49 million and ₹ 2,165.69 million in fiscal 2012, 2013 and 2014, respectively, while it was ₹ 2,194.90 million in the nine months ended December 31, 2014.

Our fleet size for goods and passenger transport business grew from 2,730 as of March 31, 2010 to 3,874 as of March 31, 2014:

As of March 31,	Number of Vehicles	Total Revenue (₹ million)
2010	2,730	7,146.13
2011	2,978	8,929.15
2012	3,528	11,352.78
2013	3,590	13,353.24
2014	3,874	15,037.77

Our large and diverse base of customers in our goods transportation business has enabled us to ensure that we are not dependent on any particular customer or group of customers for our revenues. Although we have a pan-India operational network and have a large number of customers, in the last five fiscal years, our average bad debt has been minimal, and has not exceeded ₹ 1.00 million in any such period.

In addition, revenues from our "paid" and "to pay" customers, who are primarily small and medium enterprises, distributors and traders, represent a significant majority of our goods transportation revenues. This enables us to realize our revenue immediately and ensure lower working capital requirements. Further, we maintain a stringent cash management system through a centralized bank account which ensures that payments received from customers daily are deposited into this account either on the same day or the following day for reconciliation. The authority to sign cheques for our bank accounts are limited to only certain personnel with limits on such amounts, which reduces the impact of any potential fraud in our cash management procedures. In addition, no single customer contributed more than 1.00% of our revenues from goods transportation business in fiscal 2014.

Our strong balance sheet and positive operating cash flows enable us to fund our strategic initiatives, pursue opportunities for growth and better manage unanticipated cash flow variations.

Experienced and motivated management team

We have been successful in attracting an experienced senior management team with operational and technical capabilities, sales and marketing experience, and financial management skills. Our management team is led by our Chairman and Managing Director, Dr. Vijay Sankeshwar, who has about four decades of industry experience. The industry experience of our senior management team has enabled us to develop our large network of offices, branches, transshipment hubs and agencies, pan-India coverage, and strong relationship with our drivers and other employees, as well as our agencies. We believe that this has enabled us to develop our brand and address various industry risks over the years. Our senior management team is sufficiently empowered in order to decentralize operational decision making processes and address our business requirements.

Business Strategies

The following are key components of our operating and growth strategy:

Increase our goods transportation network and fleet size

We continue to expand our pan-India network of branches and agencies for our goods transportation business. We intend to add a significant number of branches in northern, central and eastern regions of India as well as increase the depth of our existing network in key States.

As part of our expansion strategy, we also intend to further expand our fleet of trucks. Our fleet of goods transportation vehicles increased from 2,519 as of March 31, 2010 to 3,546 as of December 31, 2014. A portion of the proceeds of this Issue will be utilized towards increasing our fleet of goods transportation vehicles. For further information, see "*Objects of the Issue – Details of the Objects – Purchase of goods transportation vehicles*" on page 103 of this Red Herring Prospectus.

Increase the proportion of owned transshipment hubs at strategic locations and expand our transshipment hub capacities

We intend to expand our existing transshipment hub operations through significant addition of logistics and storage capacities. As of December 31, 2014, we had 48 strategically located transshipment hubs across India, of which seven were owned by us. We also intend to increase the proportion of owned transshipment hubs at strategic locations across India to ensure stability of our future operational network and superior operational control.

The development of owned transshipment hubs will enable us to implement operational and cost efficiencies through introduction of mechanized freight handling equipment, expansion of our maintenance facilities, setting up fuel stations for our vehicles and improving overall work environment. We believe this will also enable us to further integrate our operations, rationalize routes, optimize load factors, increase cost efficiencies and increase freight volumes. The availability of owned transshipment hubs will also enable us to better plan future expansion of our operating facilities and network.

Continue to improve operating efficiencies through technology enhancements

We continue to further develop our technology systems to increase asset productivity, operating efficiencies and strengthen our competitive position. We believe that our in-house technology capabilities will continue to play a key role in effectively managing our pan-India operations, maintain strict operational and fiscal controls and continue to enhance customer service levels.

We have invested significant resources, and intend to further invest in our in-house technology capabilities to develop customized systems and processes to ensure effective management control. We continue to focus on further strengthening our operational and fiscal controls and linking our operational processes to our centralized ERP system. We also continue to introduce integrated GPS tracking systems, introduce cost efficiencies through reduction of fuel pilferage, and developing safety and value added services for our customers. We also intend to introduce preventive and predictive maintenance software linked to our vehicles.

Focus on higher margin parcel delivery services

We continue to focus on further growing our parcel delivery (comprising general parcel and priority parcel delivery) business, complemented by our FTL freight services. Parcel delivery services ensure a diversified customer base, higher rates per load, and incremental revenues with superior margins. Parcel delivery services involve consolidation of parcels from numerous customers to multiple destinations, variable freight rates based on weight and volume of parcels and typically generate higher net revenue per vehicle. Our operating model of relying on owned vehicles instead of hiring third-party trucks also enables us to target higher margins by ensuring optimal load factors and charging premium parcel delivery rates for remote locations.

We continue to increase our market share of the parcel delivery business in India through our pan-India integrated network, providing wider geographic coverage, faster delivery schedules and reliable services at competitive prices. We continue to focus on increasing our general parcel and priority parcel volumes and density by targeting small and medium sized enterprises, who we believe represent a diversified, attractive and under-served customer segment.

The parcel delivery services business, comprising general parcel and priority parcel services, contributed 91.75%, 89.15%, 88.51% and 86.43% of our total revenue from goods transportation business in fiscal 2012, 2013, and 2014 and in the nine months ended December 31, 2014, respectively. In recent years, the share of non-bulk commodities in freight movement across India has increased as a percentage of the overall primary freight segment. We believe we are well positioned to target anticipated demand growth for higher margin parcel delivery services in India.

In addition, the proposed implementation of the goods and services tax (GST) in India, aimed at implementing a comprehensive indirect tax levy on manufacture, sale and consumption of goods and services at a national level, is expected to remove the current multiple taxation effect of octroi, central sales tax, State-level sales tax, entry tax, as well as taxes on transportation of goods and services. The GST regime is expected to benefit the logistics sector particularly inter-State movement of goods. In addition, the introduction of uniform billing systems and advanced infrastructure is expected to result in better implementation of the benefits of tax credits.

Consolidate our bus operations business

We intend to consolidate our bus operations business and focus on increased margins through optimal route planning and maximising occupancy levels through increased direct marketing efforts as well as through our commission agents. We believe that the proposed Transport Bill, which proposes a unified vehicle registration system and a simplified system of vehicular and transport permits, will significantly improve operating efficiencies and reduce operational costs for our passenger transportation business by reducing various operational hurdles relating to inter-State transportation of passengers, and simplifying the regulatory framework around vehicle permits and driver licenses. Further, the proposed Transport Bill contemplates providing an integrated transportation system in collaboration with State-owned transport corporations and private bus operators which is expected to improve competitive conditions for private operators such as us. However, it is currently unclear when and in what form the Transport Bill will finally be signed into law, and our growth strategy in our bus operations business is likely to be significantly impacted by the introduction of any such proposed modification to the prevailing regulatory environment.

Enhance operational controls to ensure timely delivery and quality service

We continue to focus on enhancing operational controls and cost efficiencies through optimal freight mix, cost management and increasing asset life through preventive and predictive maintenance initiatives. Our ability to provide timely delivery and quality service is key to our reputation and further expansion of our goods transportation business. We continue to use stringent and integrated management control systems to optimize freight mix to maximize load factors and profitability. We also continue to implement various measures aimed at incremental improvement in operational efficiencies, such as deploying multiple drivers across long distances. We continue to implement security measures and timely service in our bus operations including close circuit cameras on some of our passenger buses. We also continue to adopt industry best practices and training for our employees.

Our Operations

Goods Transport Business

We offer a full range of road transportation solutions to our customers, which include parcel delivery services (or LTL services) comprising general parcel delivery and priority parcel delivery as well as FTL freight services.

Our goods transportation business serves a broad range of industries, including the FMCG industry as well as other sectors such as food, textiles, apparel, furniture, appliances, pharmaceutical products, rubber, plastics, metal and metal products, wood, glass, automotive parts and machinery. We provide our customers with the flexibility to handle a wide range of parcel sizes, weights and types of freight over a broad range of distances which is not typically provided by other parcel delivery or FTL freight carriers. We believe that our ability to transport multiple types of freight over multiple destinations across India differentiates us from our competitors.

Our goods transportation business is carried out under our principal brand “VRL Logistics”. On certain shorter routes in the parcel delivery services businesses within the State of Karnataka and Goa, we also operate through a separate internal division under the Maruti Parcel Carriers brand. Our parcel delivery services, provided under the Maruti Parcel Carriers brand, caters to only short delivery routes within the State of Karnataka and Goa at freight rates lower than our regular rates since such services are provided directly between one branch and another without any loading and unloading through transshipment hubs, thereby reducing operating costs for such consignments.

Parcel Delivery Services (LTL Services)

Our parcel delivery services include general parcel delivery and priority parcel delivery services.

We provide parcel delivery services across 28 States and four Union Territories. Our operational infrastructure as of December 31, 2014 comprised 624 branches (comprising 604 leased branches and 20 owned branches) and 346 agencies across India, and of such 624 branches, 48 (41 leased branches and seven owned branches) served as strategic transshipment hubs for our operations.

General Parcel

Customers may book consignments either at our branches or at our agents' offices, following which the consignment is transported through one or more of our transshipment hubs. At each transshipment hub, the relevant parcels are segregated and finally delivered to the delivery office. The customer then collects the consignment from our delivery office. We also provide door-to-door services at an additional cost. If the consignment is not collected by the consignees from our branches within the specified period we also collect demurrage charges, i.e. costs levied for storage resulting from the delay in collection of the consignment by the customer. The general parcel business is not a time-bound service. However, we endeavour to ensure faster delivery times to enhance customer satisfaction.

In fiscal 2012, 2013, 2014 and in the nine months ended December 31, 2014 our revenues from the general parcel services business was ₹ 6,864.68 million, ₹ 7,765.55 million, ₹ 9,062.55 million and ₹ 7,549.45 million, respectively, and contributed 79.96%, 78.61%, 80.33% and 77.71%, respectively, of our revenue from our goods transportation business in these periods.

Priority Parcel

Priority parcel delivery services involve door-to-door delivery in a time-bound manner. The priority parcel service business is primarily focused on customers that require time-bound deliveries of their goods to various locations. In addition to the regular freight rate, we levy additional charges for our door-to-door services. We endeavour to differentiate ourselves from other express cargo providers through our wide service network and door-to-door services predominantly through owned vehicles.

In fiscal 2012, 2013, 2014 and in the nine months ended December 31, 2014 our revenues from the priority parcel services business was ₹ 1,012.42 million, ₹ 1,041.03 million, ₹ 921.87 million and ₹ 847.42 million, respectively, and contributed 11.79%, 10.54%, 8.17% and 8.72%, respectively, of our revenue from our goods transportation business in these periods.

Full-Truckload Services (FTL Services)

We provide FTL services to our customers through our broad network of branches and agents as well as through a network of independent brokers that we have developed a relationship with over the years. While we strategically focus on the higher margin parcel delivery business, we also provide FTL services across India, particularly in regions and routes (particularly return routes) where we are not able to ensure optimal load factors or capacity utilization for our vehicles.

We provide door-to-door FTL services to our customers, in which the goods are loaded on to our vehicles at the premises of the customer and then delivered to the specified destination. This service is typically used by manufacturers that require large quantities of goods to be transported. This service is offered at a pre-determined rate. We believe that the provision of FTL services enables us to optimize capacity utilization of vehicles.

In our FTL business, we have developed a large network of independent brokers that have partnered with us for a number of years. These brokers complement our own branch network by enabling access to customers that require FTL services.

In fiscal 2012, 2013, 2014 and in the nine months ended December 31, 2014 our revenues from the FTL services business was ₹ 597.87 million, ₹ 829.56 million, ₹ 1,012.33 million and ₹1,056.76 million, respectively, and contributed 6.96%, 8.40%, 8.97% and 10.88%, respectively, of our revenue from our goods transportation business in these periods.

Courier Services Business

We have also established a courier services business as a part of our goods transportation business that provides courier services for time sensitive documents and packages. Our courier services business is relatively small, and is restricted to most of the cities and towns in the State of Karnataka.

In addition to walk-in customers, our courier services business provides pick up services for commercial documents and packages directly from customers, and delivers them to their assigned destination in a time-bound manner and on a door-to-door basis. In compliance with applicable Indian regulations, we do not provide services for mail and letters. Our service offerings in the courier business include time-bound deliveries of documents and packages and local ground transport of hand-deliveries. Pricing is typically based on the weight and the destination of the package, and due to the highly competitive nature of the express courier business, competitive pricing is critical to our ability to effectively compete in the market.

The courier service business contributed 0.40%, 0.34%, 0.36% and 0.37% of our total revenue from operations in fiscal 2012, 2013, 2014 and in the nine months ended December 31, 2014, respectively. Our courier service business covers all major cities and towns in the State of Karnataka.

Car Carrier

Our automobile carrier services involve transportation of cars from the production facilities to the dealers. The car carrier service is primarily focused on manufacturers of the cars and the contractors who provide the logistics solutions to such car manufacturers. As of December 31, we owned 102 car carrier vehicles.

In fiscal 2012, 2013, 2014 and in the nine months ended December 31, 2014 revenues from our car carrier services was ₹ 98.64 million, ₹ 220.70 million, ₹ 257.12 million and ₹ 242.22 million, respectively, and contributed 1.15%, 2.23%, 2.28% and 2.49%, respectively, of our revenue from goods transportation business in these periods.

Liquid Transportation

We also own certain vehicles to provide services for transportation of liquid substances such as fuel which caters mainly to oil supply companies.

In fiscal 2012, 2013, 2014 and in the nine months ended December 31, 2014 our revenues from the liquid transportation services was ₹ 11.46 million, ₹ 21.24 million, ₹ 27.28 million and ₹ 18.99 million, respectively, and contributed 0.13%, 0.22%, 0.24% and 0.20%, respectively, of our revenue from goods transportation business in these periods.

Pricing and Payment Options

The pricing of our services in the goods transportation business is determined on the basis of the weight or volume of the relevant consignment as well as the distance of the delivery point. We have three kinds of payment options (FTL income not considered in the following options):

"Paid" Option

Under this payment option, the customer pays our freight charges at the time of booking. This facility is generally used by walk-in customers and enables us to realize revenues immediately. This mode of payment represented 11.29%, 10.87%, 10.84% and 10.97% of our revenues from goods transportation services in fiscal 2012, 2013, 2014 and in the nine months period ended December 31, 2014, respectively.

"To Pay" Option

Under the "to pay" payment option, the customer does not pay the charges at the time of booking but the person to whom the goods are to be delivered (i.e. consignee) is required to pay our freight at the time of collection of the goods. This payment option is most preferred by our customers and represented 57.93%, 55.90%, 59.20% and 59.16% of our revenues from goods transportation services in fiscal 2012, 2013, 2014 and in the nine months period ended December 31, 2014, respectively.

This payment option is popular among customers in the unorganised sector, particularly SMEs, distributors and traders. Although we run the risk of non-payment by the consignee, since we continue to retain possession of the consignment until payment, risk of default is minimized. We believe that this payment option and mode of booking consignments provides us with a significant competitive advantage in sourcing freight.

Ongoing Accounts

Under this payment option, our services are provided to the customers on credit and we maintain an ongoing account of receivables from such customers. The customer is required to settle the account on a periodic basis. This facility is only extended to select high-volume and regular customers, usually large enterprises. This payment option represented 22.54%, 22.38%, 18.47% and 16.30% of our revenues from goods transportation services in fiscal 2012, 2013, 2014 and in the nine months period ended December 31, 2014, respectively.

Goods Transportation Fleet

Vehicle Fleet Size

As of December 31, 2014, our fleet for the goods transportation business included 3,546 vehicles that were owned by us, of which 1,166 were less than five years. As of December 31, 2014, 66.98% of our goods transportation vehicles were debt free and 34.83% were fully depreciated.

In recent years we have been focussed on increasing our fleet size particularly in the heavy commercial vehicles of carrying capacities between 19 tonnes and 31 tonnes.

The following table sets forth certain information relating to our fleet of vehicles used in our goods transportation business that were owned by us as of December 31, 2014:

As of	Small Vehicles[1]	Light Commercial Vehicles[2]	Heavy Commercial Vehicles[3]	Car Carriers[4]	Tankers[5]	Cranes [6]	Total Vehicles Owned	Capital Expenditure incurred for Owned Vehicles (excluding capital advances) during the year (₹ million)
March 31, 2010	180	842	1,480	-	07	10	2,519	**239.76**
March 31, 2011	171	892	1,575	-	07	10	2,655	**455.24**
March 31, 2012	139	883	1,916	102	27	12	3,079	**1,082.07**
March 31, 2013	122	883	1,941	102	27	13	3,088	**44.87**
March 31, 2014	122	882	2,210	102	23	13	3,352	**781.84**
December 31,2014	122	934	2,361	102	14	13	3,546	**501.98**

(1) Small vehicles are defined as vehicles with carrying capacity up to 2,500 kilograms.
(2) Light commercial vehicles are defined as vehicles with carrying capacity between 2,500 kilograms and 7,500 kilograms.

[3] Heavy commercial vehicles are defined as vehicles with carrying capacity of more than 7,500 kilograms.
[4] Used for transportation of automobiles.
[5] Used for transportation of liquid.
[6] Cranes are predominantly used for internal operations.

Vehicle Body Design for Goods Transportation Vehicles

We purchase the chassis from vehicle manufacturers and fabricate vehicle bodies in accordance with our specific requirements at our in-house designing facility located at Hubballi, Karnataka. Since we procure a large number of chassis, the manufacturers supply chassis at competitive prices based on the specifications provided by us. As the price of the chassis is typically fixed at the time of the order, we benefit from any subsequent price increase until the order is completed.

We evaluate the purchase of chassis based on various factors including cost, useful life, warranty terms, technological advancements, expected maintenance costs, fuel economy, driver comfort and manufacturer support. The vehicle body designing is carried out by us and we structure the body either as low-deck, high-deck or closed, and use steel, aluminium and/or fibre reinforced plastic for fabricating the vehicle body, depending on the usage of the vehicles. We also endeavour to maintain the overall weight of the vehicles as low as possible, which enables us to carry higher tonnage on our vehicles without violating permissible payload limits. We design vehicle bodies with varying specifications to ensure that we can allocate the appropriate vehicle for carrying relevant goods across routes and maximize utilization levels and operating margins per vehicle.

Vehicle Maintenance Facilities

Operating a well-maintained fleet enables us to minimize downtime due to repairs and resulting service interruptions. The age and other attributes of our fleet also enhance our ability to attract drivers, increase fuel efficiency and minimize breakdowns.

Over the years, we have introduced advanced technologies for our vehicles including auto-component wash, machine-shop, MIG welding, fibre reinforced plastic fabrication unit, demineralised water plant for usage of demineralized water for batteries and radiator, tyre repairing unit, well-equipped carpentry division, steel and aluminium fabrication unit, and GPS tracking systems on certain vehicles which are used for longer routes.

We have developed a comprehensive preventive maintenance program designed to increase the life of our vehicles and perform regular servicing and maintenance operations at our workshop in Hubballi, Karnataka with satellite workshops in strategic locations such as Delhi, Ahmedabad, Mumbai, Pune, Sholapur, Bengaluru, Salem, Perundurai, Chennai, Madurai, Mangalore, Kolkata, Vijayawada and Hyderabad, thereby reducing expensive on-road repairs and out-of-route trips. We perform constant preventive and remedial maintenance on our vehicles. We have also implemented a software application developed in-house that provides alerts and reminders when a service or spare replacement is due on the basis of kilometres operated or the life of the vehicle.

Our maintenance facilities also include a sub assembly section wherein certain key sub-assemblies of vehicles such as gear box, rear axle, pneumatic valves, electrical sub-assemblies, fuel injection pump, power steering, propeller shaft, machine shaft, fibre-reinforced plastic for vehicle cabin and bodies etc., are kept prepared for replacement in vehicles. Maintaining stock of such ready assemblies enables us to replace any assembly on a vehicle that require such replacement, thereby reducing maintenance downtime. This also improves quality of maintenance compared to repairing these parts on vehicles. The assemblies removed from the vehicles are dismantled, repaired and/ or replaced with necessary parts and retained as a float assembly for use on other vehicles.

We also attend to maintenance of accident vehicles in an efficient manner by replacing the various assemblies within a shorter period of time, including vehicle body components. We also re-use spare parts and consumables from the replaced assemblies for other vehicles during the maintenance. Further, in-house maintenance activities also results in generation of scrap in significant amounts which is then disposed off at better prices due to the scale of our operations and quality of the replaced parts.

Our workshop caters to our goods transportation vehicles as well as our passenger transportation vehicles. We ensure optimal efficiency levels by minimizing vehicle time in the workshop through time-and-motion studies as part of our maintenance procedures and efficiency enhancement studies. We have set up a research and development team at Hubballi, Karnataka that is responsible for re-engineering of vehicle components, developing innovative products and processes focused on improving the performance, efficiency and life of our vehicles and monitoring and management of our operations. We also identify products and technologies used in other industries for application in our operations.

An integral part of the maintenance process involves refurbishment of tyres, designed to extend the useful service life of previously worn out tyres, and we have implemented laser markings with unique serial numbers for tyres to track each tyre from time of purchase until being scrapped. Timely repairs and preventive maintenance of tyres increases the useful life of our tyres and reduces our tyre expenses.

Spare Parts and Consumables

In addition to procuring spare parts from other major suppliers, we have entered into arrangements with Ashok Leyland Limited and VE Commercial Vehicles Limited for the supply of automobile spare parts. Under such arrangements, they have set up dedicated outlets in our premises at Hubballi, Karnataka for the supply of spare parts for our vehicles. These spare parts and consumables are available to us at competitive rates within our premises, given our history of transactions with these spare parts suppliers. The spare parts are used as and when required and paid for on a weekly basis, which reduces the cost of carrying inventory, cost of transportation incurred in procuring such spare parts and also ensures timely availability.

We procure consumables such as steel, aluminium and fibre reinforced plastic for fabricating the body of the vehicle on a spot contract basis at prevailing market rates. For other consumables such as tyres, grease, engine oil and other lubricants which are more frequently required by us for our vehicles, we typically enter into annual contracts with manufacturers at a price which is fixed for the period of the contract. For example, we have arrangements with Michelin India Tyres Private Limited and CEAT Limited for procurement of tyres at competitive rates. We also maintain records of comparative rates for our spare parts and consumables in our ERP system to maintain control over spare parts cost.

Fuel

We also operate two high speed diesel consumer pumps located at Varur and Chitradurga in the State of Karnataka to provide fuel for our own vehicles. We also purchase fuel from major oil companies. We actively manage our fuel costs by purchasing fuel in bulk for storage at Varur and Chitradurga, thereby taking advantage of relatively lower fuel prices at our pumps in comparison to the prices at third party pumps. In addition, our drivers are required to purchase fuel only from certain designated pumps during transit.

We have historically been able to pass a significant portion of long-term increases in fuel prices and related taxes to customers in the form of increases in our base freight rate. However, the GoI has recently deregulated the price of diesel, leading to significant fluctuations in the price of diesel linked to global diesel prices. We expect our fuel costs to change significantly as a result of such change in diesel price.

We also have special fleet cards issued by large oil companies which provide us with benefit points each time we purchase fuel from designated pumps, and these benefit points can be redeemed against subsequent fuel purchases. We also get price discount from the dealers of the authorised pumps from where we regularly purchase fuel for our vehicles. In addition, we have introduced incentives for drivers related to fuel efficiency of the vehicles they drive.

Goods Transportation Process

Parcel and Freight Pick-up

In order to provide a large network of pick-up locations, we have established branches across India and have in addition developed an agent network that handles customer pick-ups. As of December 31, 2014, we had 624 branches and 346 agencies across India. We generally pick up freight from our branches, agencies or customers directly.

Consolidation at Transshipment Hubs

We believe that our transshipment hub network is an integral part of our business strategy and operations. Our transshipment hubs are strategically located across India along major road networks and goods distribution regions. We either own or lease our transshipment hubs.

As of December 31, 2014, our 48 branches served as strategic transshipment hubs, and seven of such transshipment hubs were owned by us while the remaining were on leased premises. We also intend to increase the proportion of owned transshipment hubs at strategic locations across India to ensure stability of our future operational network and superior operational control. The development of owned transshipment hubs will enable us to implement operational and cost efficiencies through introduction of mechanized freight handling equipment, expansion of our maintenance facilities, setting up fuel stations for our vehicles and improving overall work environment.

Our transshipment hubs operate as an integrated network, connecting our booking offices and delivery centers and enabling us to provide efficient transportation services by directing consignments to the nearest transshipment hub. At these transshipment hubs, numerous smaller parcels from various locations are unloaded, consolidated based on their destination and then dispatched directly to our delivery centers or to other transshipment hubs. All our transshipment hubs are interlinked, which provides us with the opportunity to ensure effective delivery of the goods and also provide real time tracking of the movement of a consignment. The consolidation of the goods at these hubs takes place with the use of equipment required to handle goods in a safe, efficient and smooth manner.

In order to continually emphasize optimal load building and enhance operating margins, we review every load before it is dispatched from our transshipment hubs. This ensures that every truck is filled to capacity. In case a transshipment hub does not have sufficient freight for a particular destination, the goods are unloaded onto the next nearest transshipment hub to be further consolidated at that hub before delivering them to their assigned destination.

Delivery

Once the goods are transported to the delivery offices, they are segregated and sent to the respective consignees.

Goods Transportation Customers

We have a large and diverse base of customers developed around our hub-and-spoke operating model. In addition, we serve a diverse mix of end markets across several industry sectors. In our goods transportation business, we serve a large number of customers in the FMCG industry as well as in general commodities such as food, textiles, apparel, furniture, appliances, pharmaceutical products, rubber, plastics, metal and metal products, wood, glass, automotive parts and machinery.

In fiscal 2012, 2013, 2014 and in the nine months ended December 31, 2014, our largest customer represented 1.27%, 1.48%, 0.91% and 1.10%, respectively, of our revenue from goods transportation in these periods, while our top ten customers represented 5.07%, 5.28%, 5.41% and 6.08%, respectively, of our revenue from goods transportation in these periods. We continue to focus on small and medium sized customers, who we believe represents an under-served market. Although our top customers may vary from one reporting period to another depending on the unique requirements of a particular industry segment or individual customer, we believe, we have experienced a high degree of returning customers over the years. We believe that the high levels of customer retention and growth in the number of customers reflects the value proposition we provide and positions us for further growth. We also operate centralised separate 24X7 customer care centre for our goods transportation services.

Bus Operations

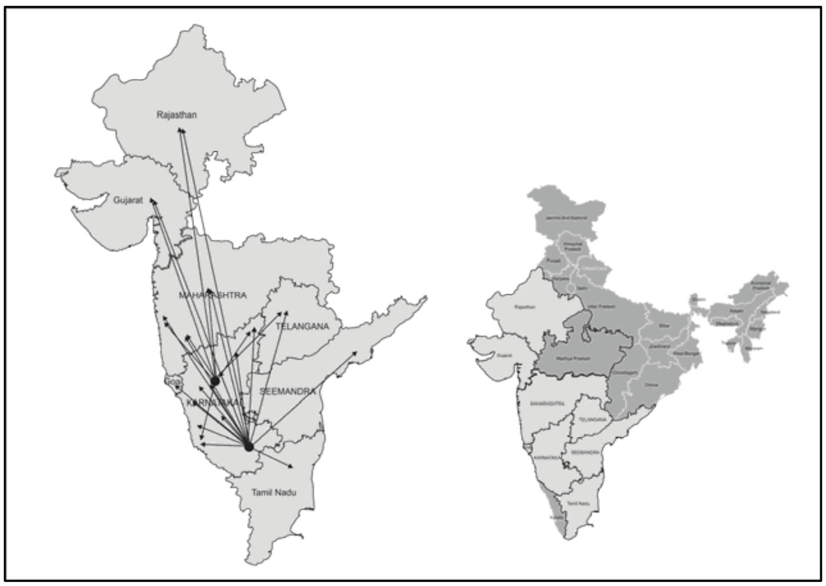
We operate bus services in the States of Karnataka, Maharashtra, Goa, Andhra Pradesh, Telengana, Tamil Nadu, Gujarat and Rajasthan. We focus on high density metropolitan and tier-2 cities in growing commuter regions of India by providing high quality, locally focused bus operations.

Our bus operations business is our second largest business line and contributed ₹ 2,178.12 million, ₹ 2,848.38

million, ₹ 3,081.10 million and ₹ 2,559.44 million in fiscal 2012, 2013 and 2014 and in the nine months ended December 31, 2014, respectively, representing 19.27%, 21.49%, 20.63% and 20.09%, respectively, of our total revenue from operations in these periods.

Revenue from our bus operations is dependent on available seats, ticket prices, and occupancy rates on particular routes and at particular times of the day. We follow an effective pricing strategy through integrated route and schedule planning. We use our management information systems to evaluate pricing dynamics on our bus routes to effectively respond or anticipate customer demand. The number of buses, seats, and fare slabs offered on each route are determined on the basis of a continuous analytical process that enables us to forecast bus passenger load factors. Past ticket prices, seasonality, the effects of competition and current booking trends are used to forecast demand. Current fares and knowledge of future events at destinations that are likely to affect traffic volumes are included in our forecasting model to arrive at optimal seat allocations for our fares on specific routes. We use various strategies, taking into account occupancy rates, to arrive at a strategy for achieving the best possible average revenue per passenger on a route. Various factors may affect our occupancy rate, including the opening of new routes, which generally begin with lower occupancy rates and stabilise at higher occupancy rates.

Bus Routes



The main routes on which we operate our passenger buses are: Bengaluru-Ahmedabad, Bengaluru-Jodhpur, Hubballi-Bengaluru, Hubballi-Mumbai, Mumbai-Bengaluru, Mumbai-Mangalore, Bidar-Bengaluru, Bijapur-Bengaluru, Bengaluru-Mangalore, Bengaluru-Goa, Bengaluru-Shirdi, Hubballi-Pune, Bijapur-Bengaluru, Hopset-Bengaluru, Hospet-Mumbai, Belgaum-Bengaluru, Belgaum-Mumbai, Belgaum-Pune, Hyderabad-Goa, Hyderabad-Mangalore, Hyderabad-Bangalore, Hyderabad-Mumbai, Hyderabad-Shirdi, Goa-Mumbai, Pune-Nagpur, Gulbarga-Mangalore and Gulbarga-Bengaluru. The graphic on the left illustrates the routes that we cover in the passenger transportation business.

Bus Fleet

We operate a wide range of buses to cater to different customer segments. These vehicles are frequently upgraded to suit the changing customer needs. As of December 31, 2014, our fleet of buses included: 112 Volvo multi-axle seater buses, 0 Volvo seater buses, 17 Isuzu seater buses, 48 air-conditioned sleeper buses, 151 sleeper buses, 53 staff buses and 74 seater buses.

The following table sets forth certain information relating to our fleet of vehicles in our bus operations business as of the dates indicated:

As of	**Air-conditioned Seater Volvo Multi-Axle Buses**	**Air-conditioned Seater Volvo Buses**	**Airconditioned Seater isuzu Buses**	**Air-Conditioned Sleeper Buses**	**Non-Air-conditioned Sleeper and Seater Buses**	**Non-Air-conditioned Semi-sleeper Buses**	**Non-Air-conditioned Seater Buses**	**Staff Buses**	**Total**
March 31, 2010	8	20	0	7	91	6	64	15	**211**

March 31, 2011	36	20	20	15	139	6	60	27	**323**
March 31, 2012	96	20	20	19	190	6	72	26	**449**
March 31, 2013	112	19	20	28	212	0	69	42	**502**
March 31, 2014	112	17	20	48	206	0	74	45	**522**
December 31, 2014	112	0	17	48	151	0	74	53	**455**

Passengers

The following table sets forth certain information relating to our passenger bus operations in the periods indicated:

	Fiscal			**Nine Months ended December 31,**
	2012	**2013**	**2014**	**2014**
Fleet Size[(1)]	449	502	522	455
Revenues from the passenger transportation services business (excluding revenue from carriage of commercial parcels) (₹. millions)	2,032.86	2,679.76	2,889.60	2,411.86

[(1)] Fleet size represents the number of buses as on the last date of the reporting period.

We facilitate ticket bookings for our passengers using a wide network of agents. As of December 31, 2014, we had 81 branch offices (of which 74 were leased offices and seven were owned offices), 739 agencies and 416 prepaid agencies for our bus operations business. We also provide ticketing facilities through our website www.vrlbus.in, as well as through our network of commission agents and online travel agents such as www.redbus.in, www.mybustickets.in, www.makemytrip.com, and www.abhibus.com. Our agents are paid commissions based on the sales of tickets. Ticketing for our passenger buses is done through a centralized online system, which enables us to determine the price on a centralised basis depending on anticipated demand. We have also introduced SMS system for updates to customers on arrival status for goods transportation and booking alerts, as well as schedule alerts and boarding place alerts to our passengers in our bus operations business.

Customer Service and Safety

We believe that providing high quality and reliable service will enable us to develop customer loyalty. We strictly maintain scheduled departure and arrival timings of our buses. We also provide certain value added services such as SMS alerts for updates to customers on arrival status for goods transportation and booking alerts, schedule alerts, boarding place alerts to our passengers in bus operation business, open ticket facility and customer care facilities.

We focus on ensuring safe and secure travel for our passengers and have introduced a number of initiatives to ensure our passengers' safety and security. We have introduced a dedicated training centre for our bus drivers, specialised training programs from vehicle manufacturers, back-up drivers for our buses, spare buses for all routes, close circuit cameras on our vehicles, as well as exclusive seats for female passengers. We have also installed GPS tracking systems on some of our buses used on longer routes. We also conduct surprise checks to ensure that our operations are carried out in an appropriate manner and in accordance with our specified safety procedures. At our Hubballi office, we also operate centralised separate 24X7 customer care centres for our bus operations. At our facilities in Chitradurga, Varur and Tumkur, toilets and sanitation facilities have been provided to our enroute passengers, and at our Bangalore passenger boarding point at Anand Rao Circle, which caters to the maximum number of our passengers, we have set up baby care room, canteen and waiting facilities.

Further, in fiscal 2014, we set up a restaurant at Tumkur primarily for our passengers on that route which provides food at reasonable rates. The restaurant business contributed ₹ 10.15 million and ₹ 14.36 million in fiscal 2014 and in the nine months ended December 31, 2014, respectively, representing 0.07% and 0.11%, respectively, of our total revenue from operations for these periods.

Wind Power Business

We commenced our wind power business in 2006 at Kappatgudda, Gadag district in the State of Karnataka by setting up a wind farm of 42.5 MW capacity. The sale of power contributed ₹ 253.89 million, ₹ 271.06 million, ₹ 250.14 million and ₹ 198.69 million in fiscal 2012, 2013 and 2014 and in the nine months period ended December 31, 2014, respectively, representing 2.25%, 2.05%, 1.67% and 1.56%, respectively, of our total revenue from operations for these periods.

The wind farm consists of 34 Wind Turbine Generators (WTGs) having individual capacity of 1.25 MW. The turbines were developed by Suzlon Energy Limited, and the power generated is sold to Hubli Electricity Supply Company Limited ("HESCOM") under certain Power Purchase Agreements (PPAs). We have also entered into an operations, management and maintenance agreement with Suzlon Global Services Limited in relation to the maintenance of our wind turbine generators.

The following table sets forth certain information relating to our power business in the periods indicated:

	Fiscal			Nine Months ended December 31,
	2012	**2013**	**2014**	**2014**
Gross Power Generated (kWh) *	74,949,978	79,991,660	73,817,429	58,621,635
Net Power Generated (kWh)* *	74,700,801	79,748,884	73,592,920	58,455,587
Revenue Generated (₹ million)	253.89	271.06	250.14	198.69

* Net of transmission and step up loss
** Net of Captive consumption

Carbon Credits

Our wind power project has been registered with the Clean Development Mechanism Board (under the United Nations Framework Convention on Climate Change (UNFCCC) mechanism) in accordance with the Kyoto Protocol. The Government of India, Ministry of Environment and Forests has, in its meeting held on October 22, 2007, given our wind power project the host country approval. In fiscal 2012, 2013 and 2014 we received revenues of ₹ 101.45 million, ₹ 60.36 million and ₹ 60.87 million, respectively, from sale of certified emissions. We did not receive any income from sale of certified emissions in the nine months ended December 31, 2014.

We earn income by trading complete amount of possible Green House Gas (GHG) emission reductions generated by our windmill project. In fiscal 2010, we had earned revenue from sale of Verified Emission Reductions (VERS) representing the revenue stream for the carbon units corresponding to the generation of power from windmills, since inception till the date of registration of our Clean Development Mechanism (CDM) project with the United Nations Framework Convention on Climate Change (UNFCCC). The carbon credits accruing to us after the registration and procurement of necessary approvals for the trade of carbon credits have been recognised as Certified Emission Reductions (CERS).

We had entered into an agreement with Asian Development Bank (ADB) (as trustee of the Asia Pacific Carbon Fund), for sale of CERS, generated during the period March 2009 to December 2012 (delivery period). We had generated and delivered the relevant units of CERS in accordance with the aforesaid agreements and recognised revenue accordingly. However, as per the aforesaid agreement, whenever we generate surplus CER's i.e. CER's in excess of the contract CER's on or before 31 December 2012, which has been later verified and certified, ADB shall have the right but not the obligation, to purchase the said surplus CER's from us.

Air Charter Business

We have a fleet of two aircrafts comprising a Premier 1A aircraft and a Premier 1 aircraft from Hawker Beechcraft Inc., USA. The aircrafts are mainly used by our Company for its senior management to visit various offices and supervise the nationwide spread of our operations. At other times, the aircrafts are hired to high net worth individuals as well as government officials.

We commenced our air charter business in 2008 which contributed ₹ 47.73 million, ₹ 41.73 million, ₹ 77.51 million and ₹ 88.04 million in fiscal 2012, 2013 and 2014 and in the nine months period ended December 31, 2014, respectively, representing 0.42%, 0.31%, 0.52% and 0.69%, respectively, of our total revenue from operations for these periods.

For both the aircrafts, we have Non Scheduled Operator Permits issued by the Director General of Civil Aviation (DGCA), Government of India for both the aircrafts. In order to manage the operational aspects of our air charter business, we have engaged Airworks India (Engineering) Private Limited for maintenance of the aircrafts, and have appointed Air Transport and Tourism Advisors India Private Limited to coordinate the requirements and licenses and approvals of the DGCA for our flights.

Awards

We have received various industry awards and recognition over the years, including:

- India Logistics Voice of Customer Award by Frost and Sullivan in 2014 for achieving excellence in logistics
- Service provider of the year (luxury coaches) in 2013 from World Travel Brands to Vijayanand Travels (our bus division)
- National record in 2013 as largest fleet of vehicles in the private sector as of May 31, 2012 from the Limca Book of World Records
- India says Yes Award to AC bus journey with VRL Travels in 2014 from HolidayIQ.com
- Certificate of Excellence in recognition of exemplary growth to our Company in the India Inc 500 awards in 2011
- Apollo Fleet of the Year Award in 2011 for leadership in operation – large fleet operator to our Company from Apollo

Our Chairman and Managing Director, Dr. Vijay Sankeshwar, has also received various awards in recognition of his entrepreneurship, including the Transport Personality of the Year Award in the CEAT India Road Transportation Awards - 2012.

Competition

The goods and passenger transportation industry is unorganized, competitive and highly fragmented in India. We believe that the principal competitive factors include service quality, reliability, price and the availability and configuration of vehicles that are able to comprehensively address varying requirements of different customer segments and specific customer needs. We believe that our ability to compete effectively is primarily dependent on ensuring consistent service quality and timely services at competitive prices, thereby strengthening our brand over the years.

In the goods transportation industry, we compete with a variety of local, regional, and national goods transportation service providers of varying sizes and operations and, to a lesser extent, with railroads and air freight carriers. The parcel delivery services market in particular comprises unorganized transportation companies with not more than 20 vehicles. We are one of the largest organised fleet owners operating in the parcel delivery services market segment. In the priority parcel services segment, we compete with various large transportation companies including Transport Corporation of India, Gati and Safexpress through our priority service vertical. In the FTL services segment, our primary competitors include Transport Corporation of India, Associated Road Carriers and Delhi Assam Roadways.

We have experienced increasing consolidation in the goods transportation industry in recent years. We believe that the market will continue to experience further consolidation due to a number of economic factors that have forced smaller carriers to exit the business, merge or close their operations. These factors include potential changes to the regulatory and tax regime applicable to the goods transportation industry, rising insurance costs, scarcity of capital, volatility of fuel prices, economies of scale available to larger carriers and customer demand for comprehensive service solutions that can only be provided by a large carrier. We believe that our large network and comprehensive service offering as well as our established reputation enable us to compete effectively in these markets.

We believe that several aspects of our operations distinguish us from our competitors providing certain competitive advantages, particularly our extensive hub-and-spoke operating model. Other parcel delivery (LTL) and FTL carriers are able to efficiently manage freight that is compatible with their respective operating systems but typically do not have the flexibility to accommodate a wide range of parcel sizes and delivery options. Small parcel delivery (LTL) carriers typically lack the necessary critical mass, freight density and capital to adopt such a system. FTL carriers lack a system to accommodate both multiple pick-ups and multiple deliveries and would require significantly larger sales forces. Additionally, the hub-and-spoke operating model requires advanced operating and management information systems, which we have developed internally over an extended period of time.

In the passenger transportation business we compete, and expect to continue to compete with State owned road transport corporations and a variety of local, regional and inter-regional private bus operators. In Karnataka and Maharashtra, we compete with State owned corporations.

Our Employees

We believe that a motivated and empowered employee base is key to our operations and business strategy, and have developed a large pool of skilled and experienced personnel. As of December 31, 2014 we had 14,092 employees, including 4,506 drivers (but excluding line drivers), who are based in different locations across the country. Our administrative employees play an important role in our centralised support services such as load planning, accounting, information technology, marketing and human resource functions. We have developed a decentralized senior management structure in order to ensure timely decision making which is key to our operations.

As of December 31, 2014, we employed 4,506 drivers (but excluding line drivers) trained to operate various kinds of vehicles. Our drivers do not belong to any labour unions. The recruitment, training and retention of qualified drivers are essential to our growth and to meet the service requirements of our customers. We recruit drivers based on various criteria relating to their safety record, road test evaluations, driving experience and other personal evaluations, including physical examinations and mandatory medical testing. The performance of our drivers is periodically evaluated.

We also provide our drivers with comfortable equipment, effective training, direct communication channels with senior management, competitive salaries and benefits that include fixed monthly payments, statutory benefits and other incentives designed to encourage performance, safety and long-term employment. These incentive schemes are provided on a monthly basis and include incentives based on distance travelled, fuel efficiencies and meeting delivery and / or route schedules. We have also introduced a loss recovery method levied for violations of certain operational procedures and milestones stipulated by us. Our drivers also receive cash awards for providing superior service and developing satisfactory safety records.

Our employees are not affiliated to any trade union, and since the inception of our Company, we have not experienced any employee related disturbances or stoppages of our operations.

Information Technology

All our branches, transshipment hubs, offices and agencies have been connected to our central information technology network that facilitates real time monitoring of our operations and consignment deliveries, delivery reports and information exchange between various offices, delivery offices and transshipment hubs. This enables effective coordination and tracking of any consignment. In an attempt to reduce the risk of disruption to our business operations should a disaster occur, we have put into place back-up systems and alternative procedures. However, these alternative procedures and systems may be subject to similar interruptions.

We have installed GPS based tracking devices in select vehicles that operate on long routes. In addition to tracking movement of the vehicles, it also tracks stoppage time and location of such stops, thereby encouraging drivers to strictly follow route and schedule instructions. Most of our software requirements are met in-house.

We have introduced various bespoke, innovative and incremental technological improvements in our operating procedures to ensure effective operational and fiscal controls. We have introduced vehicle maintenance and inventory control mechanisms that track the maintenance schedules of our vehicle fleet including preventive maintenance, life of tyres, as well as use of spare parts and consumables. We have also introduced bespoke consignment booking applications, consignment receipt, delivery planning and schedules at our various branches and transshipment hubs, and consignment delivery tracking applications.

In order to ensure superior operational controls, we have introduced measures to monitor movement of our vehicles, driver performances in terms of average fuel consumption per kilometer for each vehicle, distance travelled, advances paid to drivers and fuel vouchers issued for refuelling. Our accounting applications also ensure financial controls as well as vehicle insurance and statutory compliance trackers including for vehicle fitness tests and vehicle tax due alerts.

In our bus operations, we have introduced an online application for booking tickets that can be accessed by our agents as well.

Health, Safety and Environment

We are committed to best practices and we believe that we comply in all material respects with applicable health, safety and environment laws and regulations. In order to ensure effective implementation of best practices, we ensure that all our vehicles have the required permits, emission test certificates and insurance as required under law at all times. We believe that accidents and occupational health hazards can be significantly reduced through the systematic analysis and control of risks and by providing appropriate training to our employees, particularly our drivers.

Intellectual Property

We own the intellectual property rights in our corporate logo. We also own certain domain names, which include: www.vrlgroup.in, www.vrllogistics.com, www.vrllogistics.in, and www.vrltravels.in. Also see "*Government and Other Approvals*" on page 366 of this Red Herring Prospectus. We also operate our passenger buses under the *Vijayanand Travels* brand and also operate some of our smaller parcel delivery services within the States of Karnataka and Goa under *Maruti Parcel Carriers* brand. Both these brands / divisions are included in our Company. We have however not made any application for the registration of these trademarks.

Insurance

Our operations are subject to hazards inherent to the transportation industry, such as accidents, fires, earthquakes, riots, political disturbances, floods and other force majeure events, acts of terrorism and explosions, including hazards that may cause injury and loss of life, severe damage to and the destruction of property and equipment and environmental damage. For instance, our facility at Hubballi, Karnataka is insured against loss caused due to fire, accidents, earthquake etc. We obtain policies for all our vehicles to cover third-party liabilities during transit, in addition to the comprehensive coverage we obtain for new vehicles. We generally maintain insurance covering certain assets and operations at levels that we believe to be appropriate. For example in terms of the Carriage by Road Rules, 2011, as amended, the liability of common carrier for loss or damage to any consignment is limited to 10 times of the freight paid or payable provided such amount shall not exceed the value of the goods declared in the goods forwarding note. We have obtained group insurance scheme for our drivers to cover their risk to life while in our employment. We also maintain standard fire and special perils policies. Notwithstanding our insurance coverage, damage to our vehicles could nevertheless have a material adverse effect on our business, financial condition and results of operations to the extent such occurrences disrupt normal operations of our business or to the extent our insurance policies do not cover our economic loss resulting from such damage. For further information, see “*Risk Factors*” on page 16 of this Red Herring Prospectus.

Regulation

Road Safety and Transport Bill, 2014

The Government has proposed a new Road Safety and Transport Bill, 2014 to amend the existing Motor Vehicles Act, 1988 (“**Transport Bill**”) which seeks to “provide a framework for safer, faster, cost effective and inclusive movement of passengers and freight in the country”. The Transport Bill seeks to promote innovation, and improved technology and vehicle design for safer travel. The Transport Bill proposes unified, transparent and single window driver licensing system with simplified procedures, relaxed requirements for drivers to obtain driving licenses, automated driving tests, unified biometric systems, and adoption of technology based driver testing facilities. The Transport Bill also proposes a unified vehicle registration system with integration of all stakeholders such as the manufacturer, owner, transport authorities, insurer and enforcement authorities. In addition, the Transport Bill also proposes easy online transfer of vehicles across different states in India, as well as participation of the private sector in fitness testing of vehicles. The Transport Bill aims to increase logistics efficiency which is expected to reduce inflation and enable Indian manufacturing to become globally competitive, and therefore proposes a simplified system of permits and single portal clearances for the goods transport industry. The Transport Bill also proposes a two-tier permit system - at national and intrastate levels for the passenger transportation industry, as also develop and regulate various public passenger transport schemes. The Transport Bill also proposes stringent penalties for violation, and a graded point system for imposing fines.

For the logistics sector, the Transport Bill proposes framework for preventing overloading, better planning and development of freight network, establishment of integrated freight transport hubs and inter-modal transport facilities.

The Company believes that the amendments to the Motor Vehicles Act, 1988, proposed by the Transport Bill are likely to result in an increase in the availability of qualified drivers through the introduction of simplified licensing procedures. Further, the proposed Transport Bill contemplates providing an integrated transportation system in collaboration with State-owned transport corporations and private operators which is expected to improve competitive conditions for private operators such as us. Further, the Company believes that it is well positioned to benefit from the implementation of such amendments.

Additionally, while the Company believes that the Transport Bill, if signed into law and implemented effectively, will significantly affect its operations in a positive manner by reducing various operational hurdles relating to inter-State transportation of goods and passengers, and simplifying the regulatory framework around vehicle permits and driver licenses, it is currently unclear when and in what form the Transport Bill will finally be signed into law.

Motor Vehicles (Amendment) Bill, 2014

The Government of India has further proposed an amendment to the Motor Vehicles Act, 1988 by way of the Motor Vehicles (Amendment) Bill, 2014 (“**MV Amendment Bill**”) empowering the Central Government to make rules in respect of specifications relating to the manufacture, construction, adaption, equipment and maintenance of electornic carts and electronic rickshaws and conditions for issue of driving license to drive such electronic vehicles. The MV Amendment Bill has received the assent of both houses of Parliament and it is yet to be implemented by way of notification in the official gazette

Goods and services tax

The Government of India has proposed a comprehensive national goods and services tax (“**GST**”) regime that will combine taxes and levies by the Central and State Governments into a unified rate structure. In addition, the proposed implementation of GST in India, is expected to remove the current multiple taxation effect of octroi, central sales tax, state-level sales tax, entry tax, as well as taxes on transportation of goods and services. Therefore the logistics sector would be benefitted, particularly in relation to inter-State movement of goods. In addition, the introduction of uniform billing systems and advanced infrastructure is expected to result in better implementation of the benefits of tax credits as well as increased supply chain efficiencies. While the Government of India and other state governments have announced that all committed incentives will be protected following the implementation of the GST, given the limited availability of information in the public domain concerning the GST, there is no assurance as to this or any other aspect of the tax regime following implementation of the GST. The implementation of this rationalized tax structure may be affected by any disagreement between certain state governments, which may create uncertainty. Any such future increases or amendments may affect the overall tax efficiency of companies operating in India.

Properties

Our registered office is located at R.S. No. 351/1, Varur Post Chabbi Taluk Hubli, District Dharwad, Hubballi 581 207, Karnataka, India. In addition to the above, we also own additional space adjoining the above premises which is used for transshipment, labour shed, workshop and working area. Our registered office located at Hubballi is owned by us. Our corporate headquarters is located at Giriraj Annexe, Circuit House Road, Near Court Circle, Hubballi – 580 029, Karnataka, where we have taken on lease 12,660 square feet of space.

Our operational infrastructure for the goods transportation business as of December 31, 2014 comprised 624 branches (comprising 604 leased branches and 20 owned branches) and 346 agencies across India, and of such 624 branches, 48 (41 leased branches and seven owned branches) served as strategic transshipment hubs for our operations. Similarly, as of December 31, 2014, we had 81 branch offices (of which 74 were leased offices and seven were owned offices), 739 agencies and 416 prepaid agencies for our bus operations business.

The following table sets forth certain information on our owned properties, as certified by Vaishnavi Consultants, Hubli, Karnataka by way of certificate dated March 24, 2015:

Sl. No.	Location	Date of Sale Deed	Purpose
1.	CTS No - 4883/95A, 4883/95B, 4883/95F, 4883/95E and 4883/95G, Aralikatti Deshpande Galli, Belgaum.	December 18, 1997	Booking and delivery office for goods transportation business
2.	CTS No -4883/95C, 4883/95H, Aralikatti Deshpande Galli, Belgaum.	December 18, 1997	Booking and delivery office for goods transportation business
3.	CTS No - 4883/96A/1A, 4883/96A/1B Aralikatti Deshpande Galli, Belgaum.	December 18, 1997	Booking and delivery office for goods transportation business
4.	CTS No. - 4102, Dharwad Road, Belgaum.	February 01, 2006	Booking and delivery office for goods transportation business
5.	CTS No. - 4883/95/I (partly), Aralikatti Deshpande Galli, Belgaum.	June 02, 2010	Booking and delivery office for goods transportation business
6.	CTS No. - 808, Ward No. V, Bijapur.	October 04, 2006	Booking office for passenger transportation business

Sl. No.	Location	Date of Sale Deed	Purpose
7.	CTS Nos. – 1761/C and 1763 (partly), Ward No - III, Station Back Road, Mahalbagayat, Bijapur.	September 1, 2009	Booking and Delivery Office for goods transportation business, transshipment hub and Workshop
8.	R. S. No.-27/2, Grama Hobali Kunchiganalu, Chitradurga.	June 08, 1998	Fuel station, workshop and utility area for passenger and goods transportation business
9.	CTS No. - 2659/6, Municipal Door No. 94/5-B-7 and 94/6-4, 3rd ward, 5th division, Davangere.	September 30, 1993	Delivery office for goods transportation business
10.	CTS No. - 2658, Municipal Door No. - 95/1-B, 3rd ward, 5th division, Davangere.	Mar 21, 2005	Booking office, transshipment hub and parking area for the goods transportation office
11.	CTS No. – 2655, Door No. - 97, 3rd ward, 5th division, Davangere	November 15, 2006	Booking office, transshipment hub and parking area for the goods transportation office
12.	CTS No. - 15 B/MF, Market Fort, Maratha Colony, Dharwad.	April 24, 2006	Booking and delivery office for goods transportation business
13.	R. S. No-58/2, Vaddarahatti, Gangavati.	August 02, 2004	Booking and Delivery Office for goods transportation business, transshipment hub and Workshop
14.	CTS No. - 197, Block No. II, Sanjeeva Nagar, Vakkalgera, Gulbarga.	February 08, 1993	Booking and Delivery Office for goods transportation business
15.	CTS No. -3778/1/1/A, 3778/1/4, 3778/1/5, 3778/1/6, Ward No - 26, Pala Badami Road, Gadag.	August 21, 2007	Booking and delivery office for goods transportation business
16.	R. S. No. -351/1, Chabbi Village, Varur.	September 24, 2001	Registered office, Transshipment

Sl. No.	Location	Date of Sale Deed	Purpose
17.	R. S. No - 352/2+3A, Chabbi Village, Varur.	December 14, 2004	hub, maintenance area, workshop, utility area, fuel station, Hamali's Accomodation Sheds,body-building unit, tyre-repairing plant for goods and passenger transportation business
18.	R. S. No - 352/1, Chabbi Village, Varur.	December 14, 2004	
19.	R. S. No - 352/2+3B, Chabbi Village, Varur.	December 22, 2004	
20..	R. S. No. - 353/1B, Chabbi Village, Varur.	December 14, 2004	
21.	R. S. No. - 354/3, Chabbi Village, Taluk Hubballi.	November 20, 2009	
22.	R. S. 351/2A, 351/2B, 351/2K, 351/2D, 351/2E, 351/2F, Chabbi Village, Varur.	March 4, 2006	
23.	CTS No. - 122/78A, Ward No. – III, New Cotton Market, Hubballi.	May 16, 2005	Booking and delivery office for goods transportation business and a portion has been leased out
24.	CTS Nos. -146/B, 147, 148, 149, 150/B, 151/B and 152, Ward No. – III, Neeligin Road, Hubballi.	July 27, 2006	Parking for goods and passenger transportation vehicles
25.	CTS No. - 121/A, Shop Nos. - 223, 224 & 225, 'Tirukaram Complex', Hosur, P. B. Road, Hubballi.	August 21, 2006	Booking office for passenger transportation business
26.	S. Nos. -34-4A, 34-6, 34-10 and 34-5, Bangrakulur Village and S. No. 40/9A (partly), Padukodi Village, Mangalore.	August 21, 2003	Transshipment hub, Booking and delivery office for goods transportation
27.	CTS Nos. – 35-2A2BP5, 35-2A2C and 35 -2A2D, BangraKuloor Village, Mangalore.	December 14, 2006	Parking for goods and passenger transport vehicles
28.	R. S. No. - 16/P1, 16P/2 and 16P/3, Siddalingpur Village, Mysore.	January 6, 2006	Transshipment hub,Booking and delivery office for goods transportation
29.	Shop Nos. - 4, 5, 6 & 7, Ground Floor, Plot No. 160 – 163, Sector No. 19 (Part), Vashi, Navi Mumbai	January 13, 2009	Booking and delivery office for goods transportation business
30.	Plot No. - 145, Transport Nagar, Bhilwara.	September 27, 2004	Booking and delivery office for goods transportation business
31.	Plot No. - 146, Transport Nagar, Bhilwara.	September 27, 2004	
32.	Plot No. -147, Transport Nagar, Bhilwara.	September 27, 2004	
33.	Shop No. - 07, Building No. B-1, Wing C, Wonder City, Survey No. 75, Hissa No. 1A, 2A, 3A and 4A, Katraj, Pune.	August 6, 2010	Booking office for passenger transport business
34.	Shop No. - 08, Building No. B-1, Wing C, Wonder City, Survey No. 75, Hissa No. 1A, 2A, 3A and 4A, Katraj, Pune.	July 16, 2010	

Sl. No.	Location	Date of Sale Deed	Purpose
35.	Shop Nos. 1-3, HIG, Block No. 5 at R. S. No - 108, 109A, 109B1, (partly) Krishnapur Village, Hubballi.	November 30, 1998	Booking office for goods transportation business
36.	Unit No. – 7, Sector 19A, CIDCO Building, Vashi, Navi Mumbai.	January 5, 2007	Booking and delivery office, and regional office for goods transportation business
37.	Unit No. – 8, Sector 19A, CIDCO Building, Vashi, Navi Mumbai.	January 5, 2007	
38.	Unit No. – 9, Sector 19A, CIDCO Building, Vashi, Navi Mumbai.	January 5, 2007	
39.	Plot No-27, 28, 41 & 42,S.no-269,Raichur Industrial Area, Raichur.	August 24, 2011	Booking and delivery office for goods transportation business
40.	R. S. No-369, CTS No-4090, 4091, 4092, 4093, Old Dharwad Road, Belgaum.	December 5, 2011	Unused vacant land
41 .	Building No-203, 204, 211 & 212, Bhiwandi Mumbai.	August 13, 2012	Transshipment hub,Booking and delivery office for goods transportation
42	Sy.No.1, Vasantha Narasapura Village, Kora Hobli, Taluk &Dist.Tumkur.	July 5, 2013	Hotel Building
43	Sy.No.120A/2a, Andralu Village, Taluk & Dist. Bellary.	February 7, 2014	Unused vacant land

REGULATIONS AND POLICIES

We are engaged in the business of, *inter alia*, providing goods and passenger transportation services along with having the businesses of courier services, air charter, hospitality and generation of electricity through wind power. Our business is subject to central and state legislation which regulates substantive and procedural aspects of the transport and logistics sector, wind power generation and the air charter business. The information detailed in this chapter has been obtained from the various legislations, including rules and regulations promulgated by the regulatory bodies that are available in the public domain. The following is an overview of certain laws and regulations which are relevant to our business. The information set out below is not exhaustive, and are only intended to provide general information to the investors. Prospective investors should seek independent legal advice on the laws and regulations applicable to our businesses and the sectors in which we operate.

Foreign Ownership of Indian Securities

Foreign investment in Indian securities is governed by the provisions of the FEMA read with the applicable FEMA Regulations. The DIPP has issued 'Consolidated FDI Policy Circular of 2014' ("**FDI Policy**") which consolidates the policy framework on FDI, with effect from April 17, 2014. The FDI Policy consolidates all the press notes, press releases, and clarifications on FDI issued by DIPP.

Foreign investment is permitted (except in the prohibited sectors) in Indian companies either through the automatic route or the approval route, where approval from the Government of India or RBI is required, depending upon the sector in which foreign investment is sought to be made.

Under the automatic route, the foreign investor or the Indian company does not require any approval from the RBI or Government of India for investments. However, if the foreign investor has any previous joint venture/tieup or a technology transfer/trademark agreement in the "same field" in India as on January 12, 2005, prior approval from the FIPB is required even if that activity falls under the automatic route, except as otherwise provided.

Under the approval route, prior approval of the Government of India through FIPB is required. FDI for the items or activities that cannot be brought in under the automatic route may be brought in through the approval route. Where FDI is allowed on an automatic basis without the approval of the FIPB, the RBI would continue to be the primary agency for the purposes of monitoring and regulating foreign investment. In cases where FIPB approval is obtained, no approval of the RBI is required except with respect to fixing the issuance price, although a declaration in the prescribed form, detailing the foreign investment, must be filed with the RBI once the foreign investment is made in the Indian company.

100% foreign direct investment ("FDI") through the automatic route is permitted in companies carrying on the business of "Courier services for carrying packages, parcels and other items which do not come within the ambit of the Indian Post Office Act, 1898 and excluding the activity relating to the distribution of letters. For the "non-scheduled air transport service/ non-scheduled airlines, chartered airline, and cargo airlines", FDI is allowed up to 74% (49% under the automatic route, and beyond that up to 74%, one needs the prior approval of the FIPB) and for "non-conventional energy generation and distribution", 100% FDI is allowed under the automatic route.

Laws relating to the transportation business

Carriage by Road Act, 2007 ("Carriage by Road Act")

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

A "common carrier" has been defined under the Carriage by Road Act as a person engaged in the business of collecting, storing, forwarding or distributing goods to be carried by goods carriages under a goods receipt or

transporting for hire of goods from place to place by motorised transport on road, for all persons indiscriminatingly and includes a goods booking company, contractor, agent, broker, and courier agency engaged in the door-to-door transportation of documents, goods or articles utilising the services of a person, either directly or indirectly, to carry or accompany such documents, goods or articles, but does not include the Government.
Under the Carriage by Road Rules, 2011 as amended, issued under Carriage by Road Act, the liability of common carrier for loss or damage to any consignment is limited to 10 times of the freight paid or payable provided such amount shall not exceed the value of the goods declared in the goods forwarding note.

Motor Vehicles Act, 1988 ("Motor Vehicles Act")

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

Motor Vehicles (Amendment) Bill, 2014

The Government of India has further proposed an amendment to the Motor Vehicles Act, 1988 by way of the Motor Vehicles (Amendment) Bill, 2014 ("**MV Amendment Bill**") empowering the Central Government to make rules in respect of specifications relating to the manufacture, construction, adaption, equipment and maintenance of electornic carts and electronic rickshaws and conditions for issue of driving license to drive such electronic vehicles. The MV Amendment Bill has received the assent of both houses of Parliament and it is yet to be implemented by way of notification in the official gazette.

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

The Government has proposed a new Road Safety and Transport Bill, 2014 to amend the existing Motor Vehicles Act, 1988 ("**Transport Bill**") which seeks to "provide a framework for safer, faster, cost effective and inclusive movement of passengers and freight in the country". The Transport Bill seeks to promote innovation, and improved technology and vehicle design for safer travel. The Transport Bill proposes unified, transparent and single window driver licensing system with simplified procedures, relaxed requirements for drivers to obtain driving licenses, automated driving tests, unified biometric systems, and adoption of technology based driver testing facilities. The Transport Bill also proposes a unified vehicle registration system with integration of all stakeholders such as the manufacturer, owner, transport authorities, insurer and enforcement authorities. In addition, the Transport Bill also proposes easy online transfer of vehicles across different states in India, as well as participation of the private sector in fitness testing of vehicles. The Transport Bill aims to increase logistics efficiency which is expected to reduce inflation and enable Indian manufacturing to become globally competitive, and therefore proposes a simplified system of permits and single portal clearances for the goods transport industry. The Transport Bill also proposes a two-tier permit system - at national and intrastate levels for the passenger transportation industry, as also develop and regulate various public passenger transport schemes. The Transport Bill also proposes stringent penalties for violation, and a graded point system for imposing fines.

For the logistics sector, the Transport Bill proposes framework for preventing overloading, better planning and development of freight network, establishment of integrated freight transport hubs and inter-modal transport facilities.

The Company believes that the amendments to the Motor Vehicles Act, 1988, proposed by the Transport Bill are likely to result in an increase in the availability of qualified drivers through the introduction of simplified licensing procedures. Further, the proposed Transport Bill contemplates providing an integrated transportation system in collaboration with State-owned transport corporations and private operators which is expected to improve competitive conditions for private operators such as us. Further, the Company believes that it is well positioned to benefit from the implementation of such amendments.

Additionally, while the Company believes that the Transport Bill, if signed into law and implemented effectively, will significantly affect its operations in a positive manner by reducing various operational hurdles relating to inter-State transportation of goods and passengers, and simplifying the regulatory framework around vehicle permits and driver licenses, it is currently unclear when and in what form the Transport Bill will finally be signed into law.

For risks in relation to such proposed regulatory changes, see "*Risk Factors – Changing laws, rules and regulations and legal uncertainties, including adverse application of corporate and tax laws, may adversely affect our business, financial condition, results of operations and prospects*." on page 38 of this Red Herring Prospectus.

The Central Motor Vehicle Rules, 1989 ("Central Motor Vehicle Rules")

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

The Karnataka Motor Vehicles Rules, 1989 ("Karnataka Motor Vehicle Rules")

The Karnataka Motor Vehicle Rules provides for the issue of license to drivers and conductors of stage carriers, registration of motor vehicles, issue of different types of permits for the motor vehicles and also lays down rules concerning the construction, equipment and maintenance of motor vehicles. Under the Karnataka Motor Vehicle Rules, the driver on duty is responsible for the proper exhibition or production of permit, insurance certificate, registration certificate and fitness certificate as well as driving license. The drivers of goods vehicles should also maintain a record of required information in Form KMV under the Karnataka Motor Vehicle Rules. The Karnataka Motor Vehicle Rules require owners to obtain the following permits: stage carriage permit, contract carriage permit, private service vehicle permit, goods carriage permit, special permit, tourist vehicle permit and National Permit for goods carriage.

The Petroleum Act, 1934 ("Petroleum Act")

The Petroleum Act primarily deals with import, transport, storage, production, refining and blending of petroleum. It prescribes that import, transport and storage of petroleum can only be done in accordance with the rules prescribed by the Central Government. The Act empowers the Central Government to make rules regarding, inter alia, the places at which and prescribing the conditions subject to which petroleum may be stored; the nature, situation and condition of all receptacles in which petroleum may be stored and prescribing the form and conditions of licenses for the import of petroleum Class A and for the transport or storages of any petroleum.

A storage license is required for the storing of petroleum. However, a person need not obtain a license for the transport or storage of petroleum Class B if the total quantity in his possession at any one place does not exceed two thousand and five hundred litres and none of it is contained in a receptacle exceeding one thousand litres in capacity; or petroleum Class C if the total quantity in his possession at any one place does not exceed forty-five thousand litres and such petroleum is transported or stored in accordance with the rules prescribed; or petroleum Class A not intended for sale if the total quantity in his possession does not exceed thirty litres.

Section 9 of the Petroleum Act prescribes that the owner of a motor conveyance, who complies with the requirements of the law relating to the registration and licensing of such conveyance and its driver such as obtaining necessary driver's license and road permits and the owner of any stationary internal combustion engine, shall not be required to obtain a license (a) for the import, transport or storage of any petroleum contained in any fuel tank incorporated in the conveyance or attached to the internal combustion engine; or (b) for the transport or storage of petroleum Class A not exceeding one hundred litres in quantity; in addition to any quantity possessed under (a) mentioned above, provided the petroleum is intended to be used to generate motive power for the motor conveyance or engine and the total quantity of petroleum Class A does not exceed one hundred litres.

The Petroleum Rules, 1976 ("Petroleum Rules")

The Petroleum Rules prescribe that no person shall deliver or dispatch any petroleum to anyone in India other than the holder of a storage license. However no license is required for the storage of petroleum in well-head tank; or for the storage of petroleum as transit cargo within the limits prescribed. A certificate of safety should be submitted to the licensing authority before storage of petroleum. All operations within an installation, service station or storage shed should be conducted under the supervision of an experienced responsible agent or supervisor who is conversant with the terms and conditions of the license. With respect to storage, the rules also prescribe various conditions for protection against fire, drainage, cleanliness, protection of the area.

Laws applicable to companies engaged in the courier business

There is no specific legislation that is applicable to the companies engaged in the courier business. The courier business is a service which is taxed under the service tax regime and was made taxable with effect from November 1, 1996 when the Finance Act, 1996 introduced courier services as taxable services.

Section 65(105) (f) of the Finance Act, 1996 defined courier service as "service provided or to be provided to a customer, by a courier agency in relation to door-to-door transportation of time-sensitive documents, goods or articles." Further, a "courier agency" is defined in Section 65(33) as "a commercial concern engaged in the door-to-door transportation of time-sensitive documents, goods or articles utilising the services of a person, either directly or indirectly, to carry or accompany such documents, goods or articles."

The charges for certain facilities undertaken by courier agencies and relatable to door to door transportation such as integrated transportation, warehousing, packing and inventory management, are also includible in the gross amount for payment of service tax. The service provider, that is, the courier agency, is required to pay the service tax. Accordingly, the courier agency is also required to register itself with the concerned Superintendent of Central Excise.
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Laws applicable to aircrafts and air charter business

The Aircraft Act, 1934 ("Aircraft Act")

The Aircraft Act empowers the Central Government to regulate manufacture, possession, use, operation, sale, import and export of any aircraft or class of aircraft and for securing the safety of aircraft operation. The Aircraft Act enables the Central Government to make rules, orders and issue directions in a number of matters, including, inter alia, regulation of air transport services, the economic regulation of civil aviation and air transport services including the approval, disapproval or revision of tariff of operators of air transport services and the officers or authorities who may exercise powers in this behalf, the licensing, inspection and regulation of aerodromes, the inspection and control of the manufacture, repair and maintenance of aircraft, the registration and marking of aircraft, the conditions under which aircraft may be flown, or may carry passengers, mails or goods, or may be used for industrial purposes and the certificates, licenses or documents to be carried by aircraft, the licensing of persons employed in the operation, manufacture, repair or maintenance of aircraft and the air-routes by which and, the conditions under which aircraft may operate.

Aircraft Rules, 1937 ("Aircraft Rules")

The Aircraft Rules provide for the registration and marking of the aircraft, licensing of aircraft personnel and aerodromes, safety conditions, provision of certificate of airworthiness and other regulatory provisions concerning the operation and maintenance of aircraft. The Directorate General of Civil Aviation ("**DGCA**") is the competent authority for providing the above mentioned license and approvals. The DGCA is the regulatory body in the field of Civil Aviation primarily responsible for regulation of air transport services to/from/within India and for enforcement of civil air regulations, air safety and airworthiness standards.

As per the Air Transport Circular No.03 of 2009, issued by the Ministry of Civil Aviation, every individual being appointed as director in a company holding a Non-Scheduled Operator Permit issued by the Director General of Civil Aviation, is required to obtain a prior "Security Clearance" from the Ministry of Civil Aviation.

The Carriage by Air Act, 1972 ("Carriage by Air Act")

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

Laws applicable to companies engaged in wind power generation

The Ministry of Non-Conventional Energy Sources ("**MNES**") started functioning as a separate ministry in 1992 with the mandate of research, development, commercialization and deployment of renewable energy systems/devices for various applications in rural, urban, industrial and commercial sector. In 1987, MNES established the Indian Renewable Energy Development Agency ("**IREDA"**), a financial institution to complement the role of MNES and make available finance to renewable energy projects. IREDA functions under the administrative control of MNES and is involved in extending financial assistance and related services to promote deployment of renewable energy systems in India. In 1999, the Centre for Wind Energy Technology (C-WET), an autonomous specialized R & D institution was established by the MNES at Chennai to carry out its mandate, inter alia looking into technology, testing and certification. In addition, it has also been playing a vital role in the wind resource assessment programme of India.

The MNES issued the MNES Guidelines for Wind Power Projects ("**MNES Guidelines**") on July 13, 1995, which have been subsequently revised from time to time, on establishment and operation of wind power projects. The MNES Guidelines were issued to ensure healthy and orderly growth of the wind power sector as well as high-quality of wind farm projects and equipments for the benefit of State Electricity Boards ("**SEBs**"), manufacturers, developers and end-users of energy to ensure proper and orderly growth of the wind power sector. The MNES Guidelines, inter alia, make provision for proper planning, sighting, selection of quality equipment, implementation and performance monitoring of wind power projects.

The MNES Guidelines seek to create awareness in various stakeholders about planned development and implementation of wind power projects The MNES Guidelines mandate approval of site for wind power installations, registration of renewable energy generated product manufacturer as an approved manufacturer of WTG for wind turbines and sanction by the concerned authority such as the state electricity board or the state nodal agency for development of wind power projects. Additionally, wind power projects also need to obtain generic approvals for setting up a manufacturing facility in India. The land used for setting up wind power projects may be private land, revenue land (government owned) or forest land. Private lands are purchased directly from the owners and in the event such land is agricultural land, such land is converted into non-agricultural land, if so required by the government. In case of land owned by the government, it is made available to the respective state governments on long term lease or out right sale basis as per the prevailing policies of the concerned state government. In case of forest land, the Ministry of Environment and Forest has announced a special policy in November 2003, which is updated from time to time, which elaborates the procedures and guidelines for diversion of the forest lands under the Forest (Conservation) Act, 1980 for the purpose of establishing wind power projects.

Under the Electricity Act, 2003 which repealed all the earlier enactments pertaining to this sector, the activity of generation of the power does not require any license or permission. Persons engaged in the generation of electricity from wind power are required to register the project being undertaken with State Nodal Agency and obtain permission for inter-grid connectivity from the utility. The electricity generated from the wind power projects can be use for captive consumption, sale to utility or for transaction under open access as per the prevailing state policy as well as regulatory orders, if any. Various states have announced administrative policies relating to wheeling, banking and buy-back of power.

There are a number of benefits afforded to wind power projects such as, accelerated depreciation on specified devices such as wind mills; sales tax, excise duty relief; option to avail loans through IREDA; tax holidays for newer power projects for 5 years and concessional import duty on specified wind turbine parts. Under Section 80IA of the Income Tax Act, 1961, wind power projects qualify as business eligible for hundred percent deductions of profits and gains derived from such business for ten consecutive assessment years.

The Electricity Act, 2003

The Electricity Act was enacted to consolidate the laws relating to the generation, transmission, distribution, trading and use of electricity and generally for taking measures conducive to the development of the electricity industry. These include promoting competition, protecting interests of consumers and the supply of electricity to all areas, rationalization of electricity tariffs, ensuring transparent policies regarding subsidies, promotion of efficient and environmentally benign policies, the constitution of the Central Electricity Authority and regulatory commissions and the establishment of an appellate tribunal.

The Central Electricity Authority's functions include, *inter alia*, (a) specifying technical standards for construction of electrical plants, electric lines and connectivity to the grid; (b) specifying grid standards for operation and maintenance of transmission lines; (c) specifying the conditions for installation of meters for transmission and supply of electricity; (d) advising the Central Government on matters relating to the National Electricity Policy; and (e) advising the appropriate government and commission on all technical matters relating to the generation, transmission and distribution of electricity. The Electricity Act also provides for a Central Electricity Regulatory Commission ("CERC") and a State Electricity Regulatory Commission ("SERC") for each state. Among other functions, the CERC is responsible for: (a) regulating of interstate transmission of electricity; (b) determining of tariff for inter-state transmission of electricity; (c) issuing of licenses to function as a transmission licensee with respect to inter-state operations; and (d) specifying and enforcing standards with respect to the quality, continuity and reliability of service by a licensee. SERCs perform similar such functions at the state level.

Electricity Rules, 2005

The Electricity Rules, 2005, as amended, were framed under the Electricity Act and provide the requirements in respect of captive generating plants and generating stations. The authorities constituted under these rules may give appropriate directions for maintaining the availability of the transmission system of a transmission licensee.

National Electricity Policy

The National Electricity Policy, as amended (the "NEP"), was notified by the Central Government on February 12, 2005, pursuant to Section 3 of the Electricity Act.

The main objectives of the NEP are as follows:

- providing access to electricity for all households in next five years;
- meeting the power demand fully by 2012, overcoming energy and peaking shortages and creating an adequate spinning reserve;
- providing a supply of reliable and quality power at specified standards in an efficient manner and at reasonable rates;
- increasing per capita availability of electricity to over 1,000 units by 2012;
- establishing the minimum lifeline consumption of 1 unit/household/day by 2012;
- creating a financially and commercially viable electricity sector; and
- protecting consumers' interests.

Labour and Environmental Regulations

Labour Laws

Motor Transport Workers Act, 1961 ("Motor Transport Workers Act")

The Motor Transport Workers Act provides for the welfare of motor transport workers and to regulate the conditions of their work. It applies to every motor transport undertaking employing five or more motor transport workers. Section 2(g) defines 'Motor transport undertaking' as a motor transport undertaking engaged in carrying passengers or goods or both by road for hire or reward, and includes a private carrier. The Motor Transport Workers Act prescribes that such motor transport undertakings should be registered under the Act. A 'motor transport worker' means a person who is employed in a motor transport undertaking directly or through an agency, whether for wages or not, to work in a professional capacity on a transport vehicle or to attend to duties in connection with the arrival, departure, loading or unloading of such transport vehicle and includes a driver, conductor, cleaner, station staff, line checking staff, booking clerk, cash clerk, depot clerk, time-keeper, watchman or attendant.

The Motor Transport Workers Act lays down detailed provisions for regulating work hours, payment of wages and protection of the welfare and health of the employees. Any contravention of a provision regarding employment of motor transport workers is punishable with imprisonment for a term which may extend to three months, or with fine which may extend to five hundred rupees, or with both, and in the case of a continuing contravention with an additional fine which may extend to seventy-five rupees for every day during which such contravention continues after conviction for the first such contravention.

The Contract Labour (Regulation and Abolition) Act, 1970, as amended (the "CLRA")

The CLRA requires establishments that employ or employed on any day in the previous twelve months, twenty or more workmen as contract labour to be registered and prescribes certain obligations with respect to the welfare and health of contract labour.

The CLRA requires the principal employer of an establishment to which the CLRA applies to make an application to the registering officer in the prescribed manner for registration of the establishment. In the absence of registration, contract labour cannot be employed in the establishment. Likewise, every contractor to whom the CLRA applies is required to obtain a license and not to undertake or execute any work through contract labour except under and in accordance with the license issued.

To ensure the welfare and health of the contract labour, the CLRA imposes certain obligations on the contractor in relation to establishment of canteens, rest rooms, drinking water, washing facilities, first aid facilities, other facilities and payment of wages. However, in the event the contractor fails to provide these amenities, the principal employer is under an obligation to provide these facilities within a prescribed time period.

Penalties, including both fines and imprisonment, may be levied for contravention of the provisions of the CLRA.

The Factories Act, 1948 ("Factories Act")

The Factories Act defines a 'factory' to cover any premises which employs ten or more workers and in which manufacturing process is carried on with the aid of power and any premises where there are at least twenty workers even though there is or no electrically aided manufacturing process being carried on. Each State Government has rules in respect of the prior submission of plans and their approval for the establishment of factories and registration and licensing of factories. The Factories Act provides that an occupier of a factory i.e. the person who has ultimate control over the affairs of the factory and in the case of a company, any one of the directors, must ensure the health, safety and welfare of all workers. There is a prohibition on employing children below the age of fourteen years in a factory. The occupier and the manager of a factory may be punished with imprisonment for a term up to two years or with a fine up to ₹ 100,000 or with both in case of contravention of any provisions of the Factories Act or rules framed there under and in case of a contravention continuing after conviction, with a fine of up to one thousand rupees per day of contravention.

Karnataka Labour Welfare Fund Act, 1965 ("Karnataka Labour Welfare Fund Act")

The Karnataka Labour Welfare Fund Act provides for the constitution of a fund for financing and conducting activities to promote welfare of labour in the State of Karnataka. It is applicable to all industrial and other establishments. The Karnataka Labour Welfare Act establishes a separate Board for administration of the Fund which consists of representatives of employers, employees and the State. The Fund consists of, *inter alia*, all unpaid accumulations, all fines realized from the employees, voluntary donations and other contributions and sums as prescribed by the Act.

Public Liability Insurance Act, 1991 ("Public Liability Act")

The object of the Public Liability Act is to provide through insurance immediate relief to persons affected due to accident while handling hazardous substance by the owners on no fault liability basis. Where death or injury to any person (other than a workman) or damage to any property has resulted from an accident, the Public Liability Act mandates that the owner is liable to give relief to such person as specified by the Act. The Public Liability Act requires the owner to take out insurance policies before he starts handling any hazardous substance whereby he is insured against liability to give such relief.

Fatal Accidents Act, 1855 ("Fatal Accidents Act")

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

Maternity Benefit Act, 1961 ("Maternity Benefit Act")

The Maternity Benefit Act provides that a woman who has worked for at least eighty days in the twelve months preceding her expected date of delivery is eligible for maternity benefits. Under the Maternity Benefit Act, a woman working in a factory may take leave for six weeks immediately preceding her scheduled date of delivery and for this period of absence she must be paid maternity benefit at the rate of the average daily wage. The maximum period during which a woman shall be paid maternity benefit is twelve weeks. Women entitled to maternity benefit are also entitled to medical bonus of two hundred and fifty rupees. Contravention of the Maternity Benefit Act is punishable by imprisonment up to one year or a fine up to five thousand rupees or both.

The Employees Provident Funds and Miscellaneous Provisions Act, 1952, as amended (the "EPF Act")

The EPF Act provides for the institution of compulsory provident fund, pension fund and deposit linked insurance funds for the benefit of employees in factories and other establishments. A liability is placed both on the employer and the employee to make certain contributions to the funds mentioned above.

The Employees' State Insurance Act, 1948, as amended (the "ESI Act")

The ESI Act provides for certain benefits to employees in case of sickness, maternity and employment injury. All employees in establishments covered by the ESI Act are required to be insured, with an obligation imposed on the employer to make certain contributions in relation thereto. In addition, the establishment is also required to register itself under the ESI Act and maintain prescribed records and registers.

Payment of Wages Act, 1936, as amended (the "Payment of Wages Act")

Every employer is required to pay wages to persons employed by him within wage-periods not exceeding one month under the Payment of Wages Act. This Act also provides for certain authorized deductions that may be made from the wages payable to such employed persons, including fines imposed for acts or omissions specified by notice with the previous approval of the appropriate Government or prescribed authority, deductions for absence from duty, deductions for house-accommodation amenities and services rendered by the employer and accepted as terms of employment by the employed person, deductions for recovery of advances and loans and deductions for payments to co-operative societies and insurance schemes. The appropriate Government has the power, under the Payment of Wages Act, to appoint authorities to hear and decide claims arising out of deductions from wages or delay in payment of wages, including all matters incidental to such claims.

Employees' Compensation Act, 1923, as amended (the "Employees' Compensation Act")

The Indian Parliament approved certain amendments to the Employee's Compensation Act, 1923, as amended, to substitute, inter-alia, references to "workmen" with "employees" including in the name of the statute. The amendment came into force on January 18, 2010.

Under the Employees' Compensation Act, if personal injury is caused to an employee by accident arising out of and in the course of employment, the employer would be liable to pay such employee compensation in accordance with the provisions of the Employees' Compensation Act. However, no compensation is required to be paid (i) if the injury does not disable the employee for a period exceeding three days, (ii) where the employee, at the time of injury, was under the influence of drugs or alcohol, or (iii) where the employee wilfully disobeyed safety rules or wilfully removed or disregarded safety devices.

The Minimum Wages Act, 1948, as amended (the "Minimum Wages Act")

State Governments may stipulate the minimum wages applicable to a particular industry. The minimum wages may consist of a basic rate of wages and a special allowance; or a basic rate of wages with or without the cost of living allowance and the cash value of the concessions in respect of supplies of essential commodities; or an all-inclusive rate allowing for the basic rate, the cost of living allowance and the cash value of the concessions, if any. Every employer is required to maintain such registers and records as prescribed by the Minimum Wages Act.

Workmen are to be paid for overtime at overtime rates stipulated by the appropriate State Government. Contravention of the provisions of this legislation may in certain cases result in imprisonment up to six months or a fine up to ₹ 500 or both.

The appropriate State Government may prescribe rules including the mode of calculating the cash value of wages, time and conditions of payment and permissible deductions from wages.

The Payment of Bonus Act, 1965, as amended (the "Bonus Act")

Pursuant to the Bonus Act, an employee in a factory or in any establishment where twenty or more persons are employed on any day during an accounting year, who has worked for at least thirty working days in a year is eligible to be paid bonus on the basis of profits, production or productivity.

The Bonus Act also provides for the Government of India to make rules regarding preparation of registers, records, and other documents provided and grants powers to be exercised by the inspectors appointed under the Bonus Act.

Contravention of the provisions of the Bonus Act by a company is punishable by imprisonment for up to six months or a fine of up to ₹ 1,000 or both, against persons in charge of, and responsible to the company for, the conduct of the business of the company at the time of contravention.

The Payment of Gratuity Act, 1972, as amended (the "Gratuity Act")

Under the Gratuity Act an employee who has been in continuous service for a period of five years will be eligible for gratuity upon his retirement or resignation, superannuation or death or disablement due to accident or disease. However, the entitlement to gratuity in the event of death or disablement will not be contingent on an employee having completed five years of continuous service. The maximum amount of gratuity payable may not exceed ₹ 1,000,000.

An employee is said to be in 'continuous service' for a certain period notwithstanding that his service has been interrupted during that period by sickness, accident, leave, absence without leave, lay-off, strike, lock-out or cessation of work not due to the fault of the employee. The employee is also deemed to be in continuous service if the employee has worked (in an establishment that works for at least six days in a week) for at least 240 days in a period of twelve months or 120 days in a period of six months immediately preceding the date of reference.

Contravention of the provisions of the Gratuity Act by an employer is punishable by imprisonment for minimum of three months up to one year or a minimum fine of ₹ 10,000 and a maximum of ₹ 20,000 or both.

Environmental Laws

Our business is subject to environment laws and regulations. The applicability of these laws and regulations varies from operation to operation and is also dependent on the jurisdiction in which we operate. Compliance with relevant environmental laws is the responsibility of the occupier or operator of the facilities.

Our operations require various environmental and other permits covering, among other things, water use and discharges, stream diversions, solid waste disposal and air and other emissions. Major environmental laws applicable to our operations include:

The Environment (Protection) Act, 1986, as amended (the "EPA")

The EPA is an umbrella legislation in respect of the various environmental protection laws in India. The EPA vests the Government of India with the power to take any measure it deems necessary or expedient for protecting and improving the quality of the environment and preventing and controlling environmental pollution. This includes rules for *inter alia*, laying down the quality of environment, standards for emission of discharge of environment pollutants from various sources, inspection of any premises, plant, equipment, machinery, examination of manufacturing processes and materials likely to cause pollution. Penalties for violation of the EPA include fines up to ₹ 100,000, imprisonment of up to five years or both.

There are provisions with respect to certain compliances by persons handling hazardous substances, furnishing of information to the authorities in certain cases, establishment of environment laboratories and appointment of Government analysts.

The Hazardous Wastes (Management, Handling and Transboundary Movement) Rules, 2008, as amended (the "Hazardous Wastes Rules")

The Hazardous Wastes Rules impose an obligation on every occupier of a facility generating hazardous waste for safe and environmentally sound handling of hazardous waste generated at such facility. Every person engaged in generation, processing, treatment, packaging, storage, transportation, use, collection, destruction, conversion, offering for sale and transfer of hazardous waste must obtain an approval from the applicable State Pollution Control Board. The occupier, the importer, the transporter and the operator are liable for damages to the environment or third party resulting from the improper handling and disposal of hazardous waste. The operator and the occupier of a facility are liable for any fine that may be levied by the respective State Pollution Control Boards, penalty for the contravention of the provisions of the Hazardous Waste Rules includes imprisonment up to five years and imposition of fines as may be specified in the EPA or both.

The Water (Prevention and Control of Pollution) Act, 1974, as amended (the "Water Act")

The Water Act aims to prevent and control water pollution as well as restore water quality by establishing and empowering the Central Pollution Control Board and the State Pollution Control Boards. Under the Water Act, any person establishing any industry, operation or process, any treatment or disposal system, use of any new or altered outlet for the discharge of sewage or new discharge of sewage, must obtain the consent of the relevant State Pollution Control Board, which is empowered to establish standards and conditions that are required to be complied with. In certain cases the State Pollution Control Board may cause the local Magistrates to restrain the activities of such person who is likely to cause pollution. Penalty for the contravention of the provisions of the Water Act include imposition of fines or imprisonment or both.

The Central Pollution Control Board has powers, *inter alia,* to specify and modify standards for streams and wells, while the State Pollution Control Boards have powers, *inter alia*, to inspect any sewage or trade effluents, and to review plans, specifications or other data relating to plants set up for treatment of water, to evolve efficient methods of disposal of sewage and trade effluents on land, to advise the State Government with respect to the suitability of any premises or location for carrying on any industry likely to pollute a stream or a well, to specify standards for treatment of sewage and trade effluents, to specify effluent standards to be complied with by persons while causing discharge of sewage, to obtain information from any industry and to take emergency measures in case of pollution of any stream or well.

A central water laboratory and a state water laboratory have been established under the Water Act.

The Air (Prevention and Control of Pollution) Act, 1981, as amended (the "Air Act")

Pursuant to the provisions of the Air Act, any person, establishing or operating any industrial plant within an air pollution control area, must obtain the consent of the relevant State Pollution Control Board prior to establishing or operating such industrial plant. The State Pollution Control Board is required to grant consent within a period of four months of receipt of an application, but may impose conditions relating to pollution control equipment to be installed at the facilities. No person operating any industrial plant in any air pollution control area is permitted to discharge the emission of any air pollutant in excess of the standards laid down by the State Pollution Control Board. The penalties for the failure to comply with the above requirements include imprisonment of up to six years and the payment of a fine as may be deemed appropriate.

Under the Air Act, the Central Board for the Prevention and Control of Water Pollution has powers, *inter alia*, to specify standards for quality of air, while the State Board for the Prevention and Control of Water Pollution have powers, *inter alia*, to inspect any control equipment, industrial plant or manufacturing process, to advise the State Government with respect to the suitability of any premises or location for carrying on any industry and to obtain information from any industry.

Applicable taxation legislations

The tax regime is both transport-specific and commodity-specific. Vehicles are detained for checking essential documents such as registration book, driving license, permits, etc. (Regional Transport Office (RTO) checking). They are also detained for checking payment of commercial taxes such as sales tax, entry tax, octroi and other local levies. In addition, detentions take place for booking traffic rule violations (Police checking) and also at State borders (Border Post checking). All transport vehicles must be carrying required documents which will be examined at check-posts through which the transport department monitors the flow of goods into the State and also makes an assessment of tax. Under the Constitution of India, the basis of excise duties and sales tax, the two principal components of the domestic trade taxes, are distinctly defined – excise duty as tax on production of goods and sales tax on consumption (sale or purchase). At the same time, there are specific taxes levied on the transportation sector, for instance, road tax, national and state permits, etc. Taxation of motor vehicles is also a widely used instrument for raising resources.

Karnataka Tax on Entry of Goods Act, 1979 ("Karnataka Entry Tax Act")

The Karnataka Entry Tax Act levies tax on entry of any specified goods into a local area for consumption, use or sale, at specified rates not exceeding five percent of the value of the goods as may be specified. The tax levied is payable by every registered dealer or a dealer liable to get himself registered under this Act. A dealer is defined in the Karnataka Entry Tax Act as any person who, in the course of business, whether on his own account or on account of a principal or any person, brings or causes to be brought into a local area any goods or takes delivery or is entitled to take delivery of goods on its entry into a local area.

Karnataka Special Tax on Entry of Certain Goods Act, 1979 ("Karnataka Special Entry Tax Act")

The Karnataka Special Entry Tax Act levies a tax on the entry of any notified goods into any local area for consumption, use or sale therein, on the value of the notified goods. The tax is payable by the importer in accordance with the Act and the Rules there under.

Karnataka Motor Vehicle Taxation Act, 1957 ("Karnataka Motor Vehicle Taxation Act")

The Karnataka Motor Vehicle Taxation Act imposes a tax on all motor vehicles suitable for use on road also provides that a motor vehicle for which the certificate of registration is current shall be deemed to be a vehicle suitable for use on roads. The Karnataka Motor Vehicle Taxation Act requires every owner of or every person in possession of a motor vehicle liable to tax under this Act to file a declaration in the prescribed form giving all relevant particulars with the taxation authority. When the tax levied with respect to the motor vehicle is paid, a receipt and a taxation card is issued by the taxation authority to the person paying the tax.

Central Sales Tax Act, 1956 ("Central Sales Tax Act")

The Central Sales Tax Act formulates principles for determining (a) when a sale or purchase takes place in the course of inter-state trade or commerce; (b) when a sale or purchase takes place outside a State and (c) when a sale or purchase takes place in the course of imports into or export from India.

This Act provides for levy, collection and distribution of taxes on sales of goods in the course of inter-state trade or commerce and also declares certain goods to be of special importance in inter-State trade or commerce and specifies the restrictions and conditions to which State laws imposing taxes on sale or purchase of such goods of special importance (called as declared goods) shall be subject. Central Sales tax is levied on inter State sale of goods. Sale is considered to be inter-state when (a) sale occasions movement of goods from one State to another or (b) is effected by transfer of documents during their movement from one State to another.

A sale or purchase of goods shall be deemed to take place in the course of inter-state trade or commerce if the sale or purchase is affected by a transfer of documents of title to the goods during their movement from one state to another. When the goods are handed over to the carrier, he hands over a receipt to the seller. The seller sends the receipt to buyer. The buyer gets delivery of goods on submission of the receipt to the carrier at other end. The receipt of carrier is 'document of title of goods'. Such document is usually called Lorry Receipt (LR) in case of transport by Road or Air Way Bill (AWB) in case of transport by air. Though it is called Central Sales Tax Act, the tax collected under the Act in each State is kept by that State only. Central Sales Tax is payable in the State from which movement of goods commences (that is, from which goods are sold). The tax collected is retained by the State in which it is collected. The Central Sales Tax Act is administered by sales tax authorities of each State. The liability to pay tax is on the dealer, who may or may not collect it from the buyer.

Karnataka Sales Tax Act, 1957 ("Karnataka Sales Tax Act")

The Karnataka Sales Tax Act levies a tax payable by every dealer on his taxable turnover. This Act also lays down provisions concerning production of accounts and other necessary documents by the dealer, establishment of check post or barrier and inspection of goods while in transit and the issue of transit pass for a vehicle carrying taxable goods. Under the Karnataka Sales Tax Act, every transporting agency or courier agency engaged in the business of transporting taxable goods in the State has the duty to furnish required information to the concerned Officer.

Central Excise Act ("Excise Act")

Excise is a duty on excisable goods manufactured or produced in India. The Excise Act prescribes four basic conditions for levy of central excise duty: (1) The duty is on goods; (2) The goods must be excisable; (3) The goods must be manufactured or produced; (4) Such manufacture or production must be in India. The liability of payment of excise is on the manufacturer.

Karnataka Value Added Tax Act, 2003 ("Karnataka Value Added Tax Act")

Value Added Tax (VAT) is based on a system of taxation whereby only value addition at each stage of sale or purchase of goods, in series of transactions of sale from the producer/manufacturer until the goods reach the actual consumer, alone is subjected to tax. Section 53 of the Karnataka Value Added Tax Act requires the owner or a person in charge of a goods vehicle to carry a goods vehicle record, a trip sheet or a log book and a tax invoice or a bill of sale or a delivery note or such other documents as may be prescribed in respect of the goods carried in the goods vehicle.

The owner or a person in charge of a goods vehicle should report at the first check-post or barrier situated on the route ordinarily taken from the place in the State, from which the movement of goods commences, to its destination and produce the necessary documents before any officer-in-charge of check post or barrier and obtain the seal of such officer affixed thereon and in respect of a bill of sale, give one copy thereof and, in respect of a delivery note, give a copy marked as original, to such officer and carry and retain with him the other copy until termination of the movement of goods. On entering the State limits, the owner or a person in charge of a goods vehicle should report at the first situated check post or barrier and on leaving the state limits, report at the last situated check post or barrier and give a declaration containing such particulars as may be prescribed in respect of the goods carried in the goods vehicle.

Where a vehicle is carrying goods which are taxable under the Karnataka Value Added Tax Act, from any place outside the State and bound for any place outside and passes through the state of Karnataka; or imported into the State from any place outside the country and such goods are being carried to any place outside the State; the driver or any other person-in-charge of such vehicle is required to furnish the necessary information and obtain a ‘transit pass’ from the officer-in-charge of the check post. The Act also requires every transporting agency and courier agency to engage din the business of transporting taxable goods in the State to furnish t the prescribed authority information relating to such goods.

Service Tax Laws

Service tax is imposed on courier services, cargo handling services; goods transport agency services, transport of goods by air services and travel agent’s services. Service provided by a cargo handling agency in relation to cargo handling services have been subjected to service tax by the Finance Act, 2002. Cargo handling service refers to loading, unloading, packing or unpacking of cargo and includes cargo handling services provided for freight in special containers or for non-containerised freight, services provided by a container freight terminal or any other freight terminal, for all modes of transport and cargo handling service incidental to freight, but does not include handling of export cargo or passenger baggage or mere transportation of goods. Service provided to a customer by a goods transport agency in relation to transport of goods by road in a goods carriage is a taxable service subject to service tax. A goods transport agency means any commercial concern which provides service in relation to transport of goods by road and issues consignment note. Service provided to any person, by an aircraft operator, in relation to transport of goods by aircraft is subject to service tax. An aircraft operator is any commercial concern which provides the service of transport of goods by air craft. Service provided to a customer by a travel agent, in relation to the booking of passage for travel has been made subject to service tax by the Finance Act, 2004.

Goods and Services Tax:

The Government of India has proposed a comprehensive national goods and services tax (“**GST**”) regime that will combine taxes and levies by the Central and State Governments into a unified rate structure. In addition, the proposed implementation of GST in India, is expected to remove the current multiple taxation effect of octroi, central sales tax, state-level sales tax, entry tax, as well as taxes on transportation of goods and services. Therefore the logistics sector would be benefitted, particularly in relation to inter-State movement of goods. In addition, the introduction of uniform billing systems and advanced infrastructure is expected to result in better implementation of the benefits of tax credits as well as increased supply chain efficiencies. While the Government of India and other state governments have announced that all committed incentives will be protected following the implementation of the GST, given the limited availability of information in the public domain concerning the GST, there is no assurance as to this or any other aspect of the tax regime following implementation of the GST. The implementation of this rationalized tax structure may be affected by any disagreement between certain state governments, which may create uncertainty. Any such future increases or amendments may affect the overall tax efficiency of companies operating in India.

Other Laws those are applicable to our Company

The Food Safety and Standards Act, 2006 (“***FSS Act***”)

The FSS Act provides for the establishment of the Food Safety and Standards Authority of India, which establishes food safety standards and the manufacture, storage, distribution, sale and import of food. It is also required to provide scientific advice and technical support to the Government of India and Indian state governments in framing the policy and rules relating to food safety and nutrition. The FSS Act also sets forth requirements relating to the license and registration of food businesses, general principles for food safety, responsibilities of food business operators and liability of manufacturers and sellers, and provides for adjudicated of such issues by the Food Safety Appellate Tribunal.

Consumer Protection Act 1986 (“Consumer Protection Act”)

The Consumer Protection Act was enacted to provide cheap, speedy and simple redressal to consumer disputes through quasi-judicial machinery set up at each District, State and National level. The provisions of this Act cover ‘Products’ as well as ‘Services’. The products are those which are manufactured or produced and sold to consumers through wholesalers and retailers. The services are of the nature of transport, telephones, electricity, constructions, banking, insurance, medical treatment and other such services.

HISTORY AND CERTAIN CORPORATE MATTERS

Dr. Vijay Sankeshwar, one of our Promoters, commenced the goods transportation business in the State of Karnataka through a proprietary firm in 1976. The assets and liabilities of the proprietary firm was subsequently acquired by a private limited company under the name "Vijayanand Roadlines Private Limited" and a certificate of incorporation dated March 31, 1983 was issued by the RoC. The Company became a deemed public limited company in 1994 and an endorsement to this effect was made by the RoC on July 1, 1994 on its certificate of incorporation. Pursuant to a special resolution passed by the shareholders in the Extraordinary General Meeting held on February 14, 1997, the status of the Company was changed from a deemed public limited company to a public limited company. The name of the Company was changed to "VRL Logistics Limited" to underscore the broad range of services the Company provides, and a fresh certificate of incorporation, consequent on change of name, was issued by the RoC on August 25, 2006.

Pursuant to a shareholders' resolution dated March 29, 2003, the Company's registered office was changed from Tulaja Bhavani Temple Premises, Dajibanpeth, Hubballi - 581 207 to R.S. No. 351/1, Varur Post Chabbi Taluk Hubli, District Dharwad, Hubballi 581 207 with effect from April 1, 2003 due to operational reasons.

Major Events:

Calendar Year	Key Events, Milestones and Achievements
1976	The goods transportation business was commenced by Dr. Vijay Sankeshwar, our Promoter, through a proprietary concern.
1983	The assets and liabilities of the proprietorship firm were purchased by a private limited company by the name of Vijayanand Roadlines Private Limited.
1992	Commencement of the courier service business in the State of Karnataka.
1996	Commencement of the passenger transportation service business.
2003	Vijayanand Printers Limited became a wholly owned subsidiary of our Company.
2003	Our Company was listed in the Limca Book of Records as the "Single largest fleet owner of commercial vehicles in the private sector in India".
2004	Our Company acquired Vijayanand Travels, a proprietorship concern, to take over its passenger transportation business.
2004	Our Company commenced commercial operations out of owned infrastructure facilities at Varur, Hubballi
2005	Our Company was certified ISO 9001:2000 for its passengers travel service at Hubballi, Bangalore and Belgaum.
2006	Our Company was certified ISO 9001:2000 for providing logistics services for transportation of cargo, express cargo and courier services.
2006	The equity and preference shareholding in Vijayanand Printers Limited was divested in full to Times Group.
2006	Our Company commenced its wind power business and installed 34 wind turbine generators with a capacity of 1.25 MW each.
2007	Our Company purchased a Premier 1A aircraft from Hawker Beechcraft Incorporation, USA to commence its air charter business.
2009	Our Company was awarded the "Best Logistics Service Provider" in the FMCG and retail sectors by Frost & Sullivan.
2010	Our wind power project was registered as Clean Development Mechanism (CDM) project with the United Nations Framework Convention on Climate Change (UNFCCC).
2011	Foray into car carrying and liquid transportation
2012	Investment in our Company by NSR by subscription to Preference Shares.

2012	Turnover of the Company crosses ₹ 10,000 million
2013	Purchase of second hand aircraft from M/s Force Motors Limited to add to the air charter fleet
2014	Turnover* of the Company crosses ₹15,000 million

** Including other income*

As of the date of filing this Red Herring Prospectus, the Company has 11 shareholders. For further details, see "*Capital Structure*" on page 98 of this Red Herring Prospectus.

For details regarding the raising of capital, see "*Capital Structure*", "*Our Business*" and "*Management's Discussion and Analysis of Financial Condition and Results of Operations*" on pages 82, 143 and 223 of this Red Herring Prospectus respectively.

For details regarding the raising of debt, see "*Financial Indebtedness*" on page 258 of this Red Herring Prospectus.

For details regarding the market of our business lines and our competitors, see "*Industry Overview*" and "*Our Business*" on pages 129 and 143 of this Red Herring Prospectus respectively.

For details regarding the business profile, technology, managerial competence and capacity build-up, major suppliers and customers, see "*Our Business*" and "*Our Management*" on pages 143 and 192 of this Red Herring Prospectus respectively.

Main Objects:

The main objects of the Company contained in its Memorandum of Association are:

1. To carry on the business of the public carriers, transporters and carriers of goods, passengers, merchandise, commodities and luggage of all kinds and descriptions in any part of India and/or abroad, on land, water, rail or road and air or by any means of conveyance whatsoever, in its own name or as an agent.

2. To take over all the assets and liabilities of "Vijayanand Roadlines" which is an existing Proprietorship concern.

3. To undertake and carry on the business of courier services for carrying packages, parcels and other items; loading and unloading forwarding and clearing agents, warehousemen, muccadams and caremen for and on behalf of owners of goods, luggage, parcels, materials, articles, commodities, live-stock & other movables of all kinds and descriptions.

4. To undertake and carry on the business of non-scheduled air transport services by aeroplane/helicopters and to provide non-scheduled air-transport services for the carriage of passengers, mail and freight.

5. To generate electrical power by non-conventional, conventional by utilising wind, thermal, solar, hydel, geo-hydel, tidal waves, bio-mass fuels, coal, gas, lignite, diesel, oil, waste or any other source of energy and for the purpose establish co-generation power plants, Energy conservation projects, power houses, transmission and distribution systems for generation, distribution, transmission and supply of electrical power, energy to the State Electricity Board, State Government, Appropriate Authorities, licenses specific industrial units and other consumers for industrial, commercial, agricultural, household and any other purpose in India and elsewhere in any area to be specified by the State Government, Central Government, Local Authority, State Electricity Boards and any other competent authority in accordance with the provisions of Indian Electricity Act, 1910 and/or Electricity (Supply) Act, 1948 or any other modifications or re-enactment thereof and rules made thereunder; and to undertake trading of Certified Emission Reduction as part of Clean Development Mechanism in connection with generation of electrical power.

6. To act as agents, representatives, surveyors, sub-insurance agents, franchisors, consultants, advisors, collaborators, in life and general insurance in all its branches and manifestations.

The main object clause of our Memorandum of Association enables us to undertake activities for which funds are being used through this Issue. The existent activities of the Company are in accordance with the object clause of the Memorandum of Association. For details of the objects of the Issue, please see section "*Objects of Issue*" on page 102 of this Red Herring Prospectus.

Amendments to the Memorandum of Association of the Company

Since incorporation, the following changes have been made to the Company's Memorandum of Association:

Date of general meeting	Amendment
May 20, 1988	Increase in the authorized capital from ₹ 0.5 million comprising of 500 equity shares of ₹ 1,000 each to ₹1.5 million comprising of 1,500 equity shares of ₹1,000 each
July 8, 1995	Increase in the authorized capital from ₹ 1.5 million comprising of 1,500 equity shares of ₹ 1,000 each to ₹ 5.0 million comprising of 5,000 equity shares of ₹ 1,000 each
February 14, 1997	Increase in the authorized capital from ₹ 5.0 million comprising of 5,000 equity shares of ₹ 1,000 each to ₹ 200 million comprising of 200,000 equity shares of ₹ 1,000 each.
March 3, 2005	Increase in the authorized capital from ₹ 200 million comprising of 200,000 equity shares of ₹ 1,000 each to ₹ 400 million comprising of 400,000 Equity Shares of ₹ 1,000 each.
August 7, 2006	Alteration of Object Clause as described below: Rewording of existing clause 1, deletion of clauses 3 and 5 of the main objects, renumbering clause 4 as clause 3 and insertion of new clause 4 and 5. The clauses 1, 4 and 5, as modified state as follows: 1. To carry on the business of the public carriers, transporters and carriers of goods, passengers, merchandise, commodities and luggage of all kinds and descriptions in any part of India and/or abroad, on land, water, rail or road and air or by any means of conveyance whatsoever, in its own name or as an agent. 4. To generate electrical power by non-conventional, conventional by utilising wind, thermal, solar, hydel, geo-hydel, tidal waves, bio-mass fuels, coal, gas, lignite, diesel, oil, waste or any other source of energy and for the purpose establish co-generation power plants, Energy conservation projects, power houses, transmission and distribution systems for generation, distribution, transmission and supply of electrical power, energy to the State Electricity Board, State Government, Appropriate Authorities, licenses specific industrial units and other consumers for industrial, commercial, agricultural, household and any other purpose in India and elsewhere in any area to be specified by the State Government, Central Government, Local Authority, State Electricity Boards and any other competent authority in accordance with the provisions of Indian Electricity Act, 1910 and/or Electricity (Supply) Act, 1948 or any other modifications or re-enactment thereof and rules made thereunder; and to undertake trading of Certified Emission Reduction as part of Clean Development Mechanism in connection with generation of electrical power. 5. To act as agents, representatives, surveyors, sub-insurance agents, franchisors consultants, advisors, collaborators, in life and general insurance in all its branches and manifestations.
August 7, 2006	Sub-division of 400,000 equity shares of the face value of ₹ 1,000 each into 40,000,000 Equity Shares of ₹10 each.
December 2, 2006	Increase in the authorized capital from ₹ 400 million comprising of 40,000,000 Equity Shares of ₹ 10 each to ₹ 1,000 million comprising of 100,000,000 Equity Shares of ₹ 10 each.
March 24, 2007	Increase in the authorized capital from ₹ 1,000 million comprising of 100,000,000 Equity Shares of ₹ 10 each to ₹ 1,250 million comprising of 125,000,000 Equity Shares of ₹ 10 each.
April 4, 2012	Increase in the authorized capital from ₹ 1,250 million comprising of 125,000,000 Equity Shares of ₹ 10 each to ₹ 2,370 million comprising of 125,000,000 Equity Shares of ₹ 10 each and 1,120,000 Compulsorily and Mandatorily Convertible Participatory Preference

	Shares having face value of ₹100 each.

Details regarding acquisition of business/undertakings, mergers and schemes of amalgamation

(a) Acquisition of Vijayanand Roadlines

In 1983, the Company acquired the certain assets and liabilities of Vijayanand Roadlines, the sole proprietorship concern of our Promoter, Dr. Vijay Sankeshwar, pursuant to a sale deed, with effect from April 1, 1983and allotted 148 fully paid-up shares to Dr. Vijay Sankeshwar, the proprietor of Vijayanand Roadlines on May 25, 1983 as consideration. The Company also allotted 126 shares to Mrs. Lalita Sankeshwar on May 25, 1983 in lieu of the transfer of a truck to the Company and remission of a loan of ₹ 110,800 given by Mrs. Lalita Sankeshwar to Vijayanand Roadlines. No independent valuation was obtained at the time of acquisition of Vijayanand Roadlines.

(b) Acquisition of business of Vijayanand Travels

In 1996, the Company acquired passenger buses and provided them on hire to Vijayanand Travels, a proprietary concern of Mrs. Lalita Sankeshwar. Vijayanand Travels initially started its operations within the State of Karnataka in 1996 and over a period of time, began operating buses between various destinations within Karnataka and Maharashtra. The business of Vijayanand Travels was acquired by the Company on June 30, 2004 for a total consideration of ₹ 5 million and the Company continued operating the passenger bus business with its name as a separate division. No independent valuation was obtained at the time of acquisition of Vijayanand Travels.

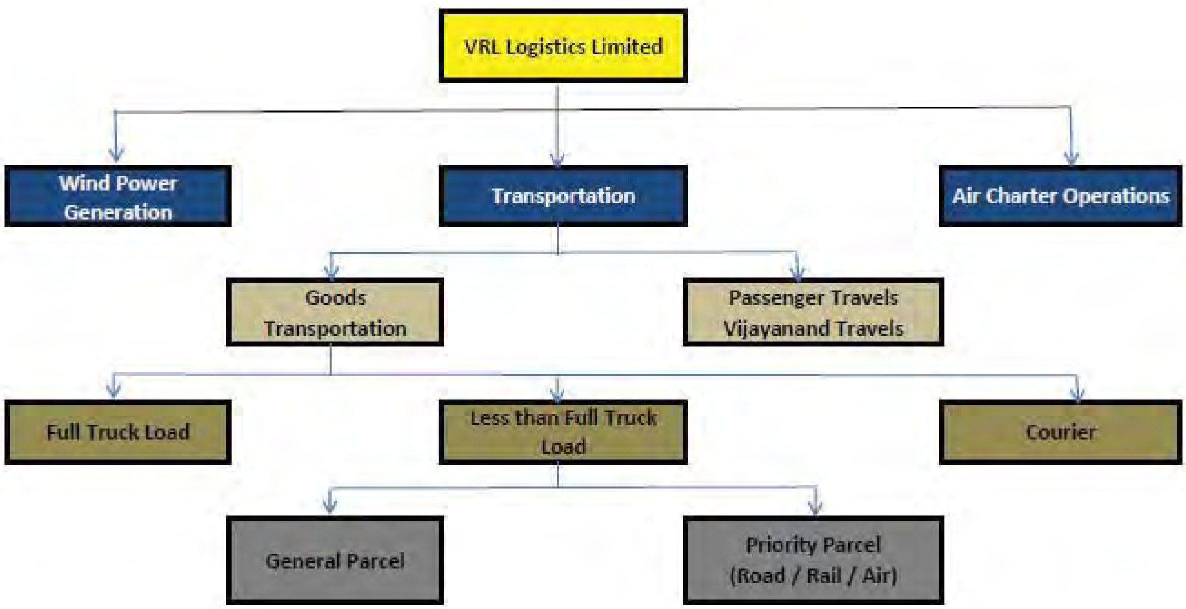
(c) Acquisition of business of Maruti Parcel Carriers

Maruti Parcel Carriers was a proprietary concern of Mrs. Vani Sankeshwar, wife of Mr. Anand Sankeshwar, one of our Promoters and our Managing Director. This business was started by taking vehicles on hire from the Company. On June 30, 2004, the Company acquired the business of Maruti Parcel Carriers for a total consideration of ₹ 5 million and continued operating the parcel business with its name as a separate division of the Company. No independent valuation was obtained at the time of acquisition of Maruti Parcel Carriers.

(d) Acquisition and sale of Hubli Apparels Private Limited

Hubli Apparels Private Limited was a company promoted by Dr. Prashant Holkunde and Mrs. Bharati Holkunde, who is the daughter of Dr. Vijay Sankeshwar, one of our Promoters and our Chairman and Managing Director. Subsequently, Dr.Vijay Sankeshwar was allotted some shares in Hubli Apparels Private Limited thereby making him the largest shareholder in the company. On October 27, 2006, Dr. Prashant Holkunde and Mrs. Bharati Holkunde transferred their complete shareholding in Hubli Apprarels Private Limited to the Company for a consideration of ₹ 6 million. The Company thereafter sold its entire shareholding to Mr. Anand Sankeshwar for ₹ 7 million thereby making Dr.Vijay Sankeshwar and Mr. Anand Sankeshwar the major shareholders of Hubli Apparels Private Limited. On March 16, 2007, by way of an agreement with Prateek Apparels Private Limited, the Promoters sold their entire stake in Hubli Apparels Private Limited.

Corporate Organization Structure (as of the date of filing this Red Herring Prospectus)



Raising of capital by our Company

Other than as disclosed under the sections titled "*Capital Structure*" and "*Financial Indebtedness*" on pages 82 and 258 respectively of this Red Herring Prospectus, we have not raised any capital either in the form of equity or debt. Further, our Company has not undertaken any public offering of debt instruments since its incorporation.

Changes in the activities of our Company during the last five years

There have been no changes in the activities undertaken by our Company during a period of five (5) years prior to the date of filing of this Red Herring Prospectus which may have had a material effect on the profits or loss of our Company or affected our business including discontinuance of lines of business, loss of agencies or markets and similar factors.

Defaults or rescheduling of borrowings with financial institutions/ banks and conversion of loans into equity

There have been no defaults or rescheduling of borrowings with financial institutions or banks. Further, none of our loans have been converted into Equity Shares. For more details on the provisions of default under the loan agreements, please refer to "*Risk Factors - Our indebtedness and the conditions and restrictions imposed by our financing agreements could adversely affect our ability to conduct our business and operations.*" in the section on "*Risk Factors*" on page 23 of this Red Herring Prospectus.

Strikes and lock-outs

Our Company has not been subject to any strikes or lock outs.

Injunctions or restraining orders

There are no injunctions / restraining orders that have been passed against our Company.

Our shareholders

As on the date of this Red Herring Prospectus, the total number of shareholders of our Company is 11. For further details of our Company's shareholding pattern, please refer to the chapter "*Capital Structure*" on page 93 of this Red Herring Prospectus.

Details of NSR

Neither NSR nor any of its directors have been debarred from accessing the capital market under any order or directions made by SEBI or any other authorities.

Shareholders' agreements

Shareholders' agreement by and between NSR, Dr. Vijay Sankeshwar, Mr. Anand Sankeshwar, Ms. Vani Sankeshwar, Mrs. Lalita Sankeshwar, Ms. Bharati Holkunde, Mr. K. N. Umesh, Mr. L Ramanand Bhat, Mr. Y M Honnalli and the Company.

The Company, the Promoters, certain members of Promoter Group, namely, Ms. Vani Sankeshwar, Mrs. Lalita Sankeshwar, Ms. Bharati Holkunde, certain KMPs, namely Mr. K. N. Umesh, Mr. L Ramanand Bhat and Mr. Y M Honnalli and NSR-PE Mauritius LLC ("**NSR**") entered into a share purchase and subscription agreement dated December 15, 2011 ("**SPSA**") pursuant to which NSR was issued and allotted 11,046,875 Preference Shares at an issue price of ₹ 113.15 per Preference Share. Further, pursuant to the SPSA, Mr. Anand Sankeshwar, one of our Promoters, transferred 4,418,750 Equity Shares to NSR at a purchase price of ₹ 113.15. The 11,046,875 Preference Shares allotted to NSR were converted to 14,836,162 Equity Shares on September 1, 2013 in terms of the SPSA and the first amendment agreement to the SPSA dated March 27, 2012. In furtherance of the SPSA, our Company, the Promoters, other shareholders, and NSR have also entered into a shareholders' agreement dated December 15, 2011 ("**SHA**") as amended by the first amendment agreement dated December 12, 2014, the amendment and termination agreement dated December 12, 2014 ("**Termination Agreement**") and the third amendment agreement dated March 25, 2015 ("**Third Amendment Agreement**").

Some of the key terms of the SHA are provided below:

Nominee Director: Till such time as NSR continues to hold 5% of the issued Equity Shares, NSR shall continue to have the right to nominate a Director, a member and an observer to the committees and sub-committees of the Board. In terms of the first amendment agreement dated December 12, 2014, the Director nominated by NSR shall be liable to retire by rotation and the Promoters and existing Shareholders covenant and undertake that they shall, at all the general meetings of the Company where the Nominee Director retires by rotation, vote in a manner ensuring that the Nominee Director is duly and immediately reappointed as a Director of the Company, until such time that NSR holds 5% or more of the issued Equity Shares. In terms of the Third Amendment Agrement, the right of NSR to nominate a Director shall stand terminated, irrespective of its shareholding in our Company, upon commencement of unconditional trading of the Equity Shares pursuant to the Issue.

Quorum: For constitution of quorum for a meeting of our Board or committees and sub-committees of the Board, the Director nominated by NSR is required to be present (except for the meetings of the finance committee of the Board) or is required to provide consent in writing for conducting the meeting. Further, for constitution of quorum for a meeting of the shareholders of the Company, a representative of NSR is required to be present throughout the meeting.

Affirmative Rights: Certain decisions by the Board or shareholders of the Company require the affirmative vote of the Director nominated by NSR, including:

(i) decision on and determination of the details of an initial public offering (including timing and pricing) or any offering of any Equity Shares or any other instrument convertible into or exchangeable for Equity Shares;

(ii) increase, decrease, alteration or modification of the share capital of our Company or creation, issuing or delisting any Equity Shares or any other instruments convertible into exchangeable for Equity Shares;

(iii) provision of any guarantees or indemnity towards securing financial or other obligations with respect to the obligations of any third party;

(iv) granting any loans or advances other than in the ordinary course of business and making any capital contributions to, or investments in any other person;

(v) merger, de-merger, spin-off, amalgamation, consolidation or any other similar form of corporate restructuring;

(vi) divestment or selling assets (including a lease or exchange), incurring capital expenditure or acquisition of assets or businesses, selling an interest in any other entity or making any other investment (whether in a single transaction or a series of transactions) other than in accordance with the annual budget and/or the business plan, exceeding, in aggregate, ₹ 200,000,000;

(vii) creation of any subsidiary, joint venture, partnership or associate or capitalization of any person;and

(viii) directly or indirectly effect a change in control or management of our Company including approving any transfer of Equity Shares to any shareholder.

Right of first refusal: In the event of our Company proposing a preferential allotment of Equity Shares, NSR shall have a right of first refusal over the Equity Shares proposed to be issued. In the event NSR does not subscribe to all or any part of the Equity Shares offered, the Company shall be at liberty to offer such Equity Shares to persons who are not shareholders of the Company, on terms no less favourable than those offered to NSR.

Restriction on transfer of shares in our Company: Promoters and other shareholders are not permitted to transfer any Equity Shares held by them without prior written consent of NSR.

Right of first offer: If the Promoters and other shareholders intend to transfer the Equtiy Shares held by them to any third party, it shall first offer such Equity Shares to NSR. If NSR rejects the offer, then the transferor shall offer the Equity Shares to a potential transferee with the consent of NSR. In the event NSR accepts the offer to purchase the Equity Shares to be transferred, the transferring shareholder shall have the right to refuse the acceptance of NSR, only in the event that the price offered by the potential transferee is higher than the price at which the Equity Shares were offered to NSR. Further, in the event of transfer of Equity Shares by shareholders in this situation, NSR shall have a right to tag-along. Further, if NSR intends to transfer its shares then it shall first offer the shares to the Promoters and if they reject to accept the offered shares then NSR is free to transfer the shares to any person except to competitors of the Company as mentioned in the Shareholders' Agreement.

Public offering: Our Company, the Promoters and NSR shall endeavour to ensure the commencement of trading of the Equity Shares pursuant to public offering on or prior to the date falling on the fourth anniversary of the completion date under the SPSA. Further, NSR shall not be required to provide its Equity Shares for being locked-in including for the purposes of promoters' contribution. Any committee or sub-committee of the Board constituted in connection with the public offering shall have the Director nominated by NSR as a member and the committee formed for the public offering purposes and shall not take any actions without the affirmative vote of the Director nominated by NSR. In the event of the Equity Shares held by NSR being insufficient for the purpose of conducting the public offering as required under applicable law, the Promoters shall be required to offer the Equity Shares held by them as part of the offer for sale in the public offering. If the Promoters' aggregate post-Issue shareholding falls below 65% of the issued Equity Shares of our Company or are insufficient for an offer for sale as required by applicable law, NSR shall offer such number of its Equity Shares as would be sufficient for the purpose of conducting the public offering. However, NSR shall not be under any obligation to offer for sale in the public offering any Equity Shares, if such offer would reduce its shareholding percentage below 50% of its existing shareholding on a fully diluted basis.

Sale to Promoters: Upon failure to conduct an initial public offering within four years of the completion date under the SHA, the Equity Shares are not listed on a recognised stock exchange or have not started trading unconditionally pursuant to a public offering, NSR shall have the right to transfer the Equity Shares held by it to the Promoters and the Promoters shall have the obligation to purchase the Equity Shares. If the Promoters cannot purchase all the Equity Shares of NSR, then NSR shall have the option to require our Company to buy back all the Equity Shares held by NSR. If NSR is unable to exercise the aforementioned rights due to changes in applicable laws, then NSR shall require the Promoters to arrange for a transfer of its Equity Shares on terms and conditions acceptable to NSR.

Non-compete: The SHA contains certain restraints with respect to the Promoters in relation to making any investments, setting up entities which compete with our Company's business or carrying on any competing business.

Term: The SHA is valid until the earlier of (i) the commencement of unconditional trading of the Equity Shares pursuant to a public offering; or (ii) prior to conversion of the Preference Shares into Equity Shares until such time as NSR holds 3% or more of the issued Equity Shares and after the conversion of all the Preference Shares into Equity Shares until such time as NSR holds 5% or more of the issued Equity Shares.

Pursuant to the Termination Agreement entered into among our Company, our Promoters, Ms. Vani Sankeshwar, Mrs. Lalita Sankeshwar, Ms. Bharati Holkunde, Mr. K. N. Umesh, Mr. L. Ramanand Bhat, Mr. Y. M. Honnalli and NSR have, among others, (i) consented to increase the number of Directors and to the reconstitution of the Board in order to comply with the provisions of laws and regulations applicable to the Issue, provided that the Director nominated by NSR shall continue to be on the Board and NSR shall be entitled to appoint an observer until such time that NSR hold 5% or more of the issued equity share capital of the Company; and (ii) consented to the disposal by Dr. Vijay Sankeshwar, Mr. Anand Sankeshwar and NSR, of such number of Equity Shares as may be determined by each of Dr. Vijay Sankeshwar, Mr. Anand Sankeshwar and NSR. Further the Termination Agreement provides that all the letters, certificates, waivers and consents provided by NSR for the purposes of the Issue shall cease to be valid and shall not have any effect if the listing and commencement of unconditional trading of the Equity Shares on the Stock Exchanges does not occur on or before December 31, 2015.

Further, pursuant to the Third Amendment Agreement, NSR has consented to the termination of all rights under the SHA, upon commencement of unconditional trading of the Equity Shares on the Stock Exchanges.

Guarantees

For details of the guarantees given by our Promoters, Dr. Vijay Sankeshwar and Mr. Anand Sankeshwar, to our lenders, see "*Financial Indebtedness*" on page 258 of this Red Herring Prospectus.

Strategic and financial partners

As of the date of filing this Red Herring Prospectus, the Company does not have any strategic or financial partners.

Subsidiaries and holding company

The Company does not have any subsidiaries or any holding company as on the date of filing of this Red Herring Prospectus.

OUR MANAGEMENT

Under the Articles of Association, the Company can have not less than three and not more than 15 Directors. Our Company currently has twelve Directors comprising six Independent Directors, two Executive Directors, and four Non-Executive and Non-Independent Directors.

As required under the Air Transport Circular No.03 of 2009, issued by the Ministry of Civil Aviation, every individual being appointed as director in a company holding a Non-Scheduled Operator Permit issued by the Director General of Civil Aviation, is required to obtain a prior "Security Clearance" from the Ministry of Civil Aviation. As the Company is a holder of a Non-Scheduled Operator Permit issued by the Director General of Civil Aviation, the Company also needs to comply with the said security clearance formality in order to appoint individuals as directors in the Company.

The Ministry of Civil Aviation has by way of its letter dated February 17, 2015 granted the security clearance for the appointment of Mr. Ramesh Shetty, Dr. Anand Pandurangi, Dr. Raghottam Akamanchi, Mr. Shankarasa Ladwa, Mr. S. R Prabhu and Dr. Ashok Shettar as directors on the Board of the Company. The Ministry of Civil Aviation in its letter observed that only 12 directors can be appointed as per the earlier Articles of Association of the Company which has subsequently been amended to be in line with the Companies Act, 2013. Owing to the said observation of Ministry of Civil Aviation, the Company has deferred the appointment of Dr. Ashok Shettar as director on the Board of the Company and is in the process of seeking the consent of the Ministry of Civil Aviation for his appointment. All other persons except Dr. Ashok Shettar have been appointed as Directors at the EGM held on February 19, 2015.

The Company has on August 4, 2009 obtained a security clearance for Dr. Prabhakar B. Kore and Mr. Jayateertha S. Korlahalli to be appointed as a Director on the Board of the Company. Further, the Company obtained security clearances for the appointment of Mr. Darius D. Pandole and Mrs. Medha Pawar as Directors on February 17, 2012 and December 8, 2014 respectively.

The following table sets forth details regarding the Board of Directors as of the date of this Red Herring Prospectus.

Name, Designation, Occupation, Term and DIN	Age	Nationality	Address	Other Directorships
Dr. Vijay Sankeshwar *Chairman and Managing Director* Occupation: Business Term: January 1, 2012 till December 31, 2016. Not liable to retire by rotation. DIN: 00217714	64	Indian	No. 120 to 125, "Lalit Mahal", Naveen Park, Kusugal Road, Keshwapur, Hubballi 580 023	1. VRL Media Limited; and 2. Shivshakti Sugars Limited.

Name, Designation, Occupation, Term and DIN	Age	Nationality	Address	Other Directorships
Mr. Anand Sankeshwar *Managing Director* Occupation: Business Term: April 1, 2014 till March 31, 2019. Not liable to retire by rotation. DIN: 00217773	40	Indian	No. 120 to 125, "Lalit Mahal", Naveen Park, Kusugal Road, Keshwapur, Hubballi 580 023	**Companies** VRL Media Limited **Proprietorship** Shiva Agencies **Trusts** 1. Aradhana Trust 2. Shri Ayyappa Bhakta Vrunda Trust (R)
Mr. Chantam K. Shetty *Independent Director* Occupation: Business Term: April 1, 2014 till March 31, 2019. Not liable to retire by rotation. DIN: 01560349	61	Indian	No.9, Upstairs, KHB Colony, Basaveshwar Nagar, Bangalore 560 079	1. Bhagavathi Chits Private Limited; and 2. Bhagavathi Stocks and Shares Private Limited
Mr. Jayateertha S. Korlahalli *Independent Director* Occupation: Educationist Term: April 1, 2014 till March 31, 2019. Not liable to retire by rotation. DIN: 00528428	74	Indian	Srinivas, 4th Cross, Vidyanagar, Gadag 582 101	Nil
Dr. Prabhakar B. Kore *Independent Director* Occupation: Educationist, Business and Agriculture Term: April 1, 2014 till March 31, 2019. Not liable to retire by rotation. DIN: 00509836	67	Indian	Ajmer House, B.C. 92, Church Road, Camp, Belgaum 590 009	Shivshakti Sugars Limited

Name, Designation, Occupation, Term and DIN	Age	Nationality	Address	Other Directorships
Mr. Darius D. Pandole *Non-Executive and Non-Independent Director (Nominee of NSR)* Occupation: Service Term: Liable to retire by rotation DIN: 00727320	48	Indian	5B Sunshine Apartments, 156 Maharshi Karve Road, Mumbai 400 020	1. 9X Media Private Limited; 2. Credibility Financial Services Private Limited; 3. JM Financial Asset Management Limited; 4. Kiran Energy Solar Power Private Limited; 5. New Silk Route Advisors Private Limited; 6. Nourishco Beverages Limited; 7. Tata Global Beverages Group Limited (UK); and 8. Tata Global Beverages Group Limited.
Mrs. Medha Pawar *Independent Director* Occupation: Advocate Term: Five years from December 12, 2014 till December 11, 2019 DIN: 06921510	47	Indian	#202, Sangam Apartments 6th Avenue Midmac Developer Rajiv Nagar Hubballi - 580031	Nil
Mr. Ramesh Shetty *Non-executive and Non-Independent Director* Occupation: Business Term: Liable to retire by rotation DIN: 01051743	59	Indian	876 / 4A, 56 Nidhi Madhura Estate, Keshwapur, Hubballi Dharwad - 580023	Madhura Developers Private Limited

Name, Designation, Occupation, Term and DIN	Age	Nationality	Address	Other Directorships
Dr. Anand Pandurangi *Independent Director* Occupation: Consulting psychiatrist Term: Five years from February 19, 2015 till February 18, 2020 DIN: 07038691	61	Indian	Michigan Plots Saptapur, Dharwad 580001 Karnataka	Nil
Dr. Raghottam Akamanchi *Non-executive and Non-Independent Director* Occupation: Professor Term: Liable to retire by rotation DIN: 07038738	50	Indian	No.55, Krishna Layout, Laxmi Nagar, Gokul Road Hubballi, Dharwad City-580030	Nil
Mr. Shankarasa Ladwa *Independent Director* Occupation: Chartered Accountant Term: Five years from February 19, 2015 till February 18, 2020 DIN: 06964188	53	Indian	No. 6/5, Sri Aniruddha Bapu Nilaya, 2nd Main, 7th Cross Govindarajanagar, Bangalore - 560 040	Nil

Name, Designation, Occupation, Term and DIN	Age	Nationality	Address	Other Directorships
Mr. S. R. Prabhu *Non-executive and Non-Independent Director* Occupation: Business Term: Liable to retire by rotation DIN: 07038752	63	Indian	1st Cross near B P Automobiles, B H Road, Tumkur	Nil

Neither any Director nor any company in which the Director was or is a promoter, director or person in control is debarred or prohibited from accessing the capital markets by SEBI or any other authority.

Other than as disclosed, none of the Directors were directors of any company at the time when the shares of such company were either (a) suspended from trading by the stock exchange(s) for a period of more than three months during the last five years or (b) delisted.

Brief Profile of the Directors

Dr. Vijay Sankeshwar, aged 64 years, is the Chairman and Managing Director of the Company. He holds a bachelor's degree in commerce and an honorary doctorate from the Karnatak University, Dharwad. He was a former Member of Parliament and was elected from the Dharwad (North) constituency in the 11th, 12th and 13th Lok Sabha elections and was a nominated member of the Legislature of the State of Karnataka. He has over 30 years of experience in the transport industry. He is currently involved in oversight of the day-to-day affairs of the Company, as a whole time Director. He has received various awards including the 'Udyog Ratna' in 1994 by the Institute of Economic Studies, New Delhi, Sir M. Visvesvaraya Memorial Award in 2007, the Transport Samrat in 2008, 'Transport Personality of the year' during the Ceat Indian Road Transportation Awards 2012, and the Purushottam Award by Sri Sankara TV and Chankya Award by the Public Relations Council of India in 2014. Remuneration (including commission) paid to him in Fiscal 2014 was ₹ 29.75 million.

Mr. Anand Sankeshwar, aged 40 years, is the Managing Director of the Company. He holds a bachelor's degree in commerce from the Karnatak University, Dharwad. He is currently involved in the supervision of the Company and is actively involved in the day-to-day affairs of the Company, as a whole time Director. He has been awarded the 'Youth Icon' award in 2004 by Annual Business Communicators of India and 'Marketing Professional of the Year' in the year 2005 by the Indira Group of Companies, the Best 2nd Generation Entrepreneur by TiE Global, USA in 2010, 'Inspirational leader of New India' by Planman Media in 2013 and 'Brand Builder' by the World Brand Congress in 2014. Remuneration paid to him in Fiscal 2014 was ₹ 21.49 million.

Mr. Chantam K. Shetty, aged 61 years, is an Independent Director of the Company. He holds a post graduate degree in commerce from the Karnatak University, Dharwad and is also a certified associate member of the Indian Institute of Bankers. Prior to joining our Company, his experience includes association with Vijaya Bank for 25 years. Remuneration paid to him in the form of sitting fees for Fiscal 2014 was ₹ 0.09 million.

Dr. Prabhakar B. Kore, aged 67 years, is an Independent Director of the Company. He holds a bachelors degree in commerce from the Karnatak Unversity, Dharwad. He is a member of the Parliament and the Chancellor of Karnataka Lingayat Education University. He has over 30 years of experience in the field of education. Remuneration paid to him in the form of sitting fees for Fiscal 2014 was ₹ 0.01 million.

Mr. Jayateertha S. Korlahalli, aged 74 years, is an Independent Director of the Company. He has a post graduate degree in commerce from the Karnatak University, Dharwad. He has previously held positions such as President of the Shri Krishna Shikshan Samsthe since inception of the society from 1994, member of the Governing Body of Adarsha Shikshana Samiti, Gadag and member of the College Committee Adarsha Shikshana Samiti, Gadag. He has over 20 years of experience in the field of education. He has been associated with the Company since August 14, 2009. Remuneration paid to him in the form of sitting fees for Fiscal 2014 was ₹ 0.10 million.

Mr. Darius D. Pandole, aged 48 years, is a Non-Executive and Non-Independent Director of the Company. He has been a Partner at a New Silk Route Advisors Private Limited since February 1, 2007. He has obtained a Bachelor's degree in Arts (Economics) from Harvard and a MBA from the University of Chicago. He has been appointed as a nominee Director of NSR, liable to retire by rotation, with effect from April 21, 2012. During the year he has been paid sitting fees of ₹ 0.09 million.

Mrs. Medha Pawar aged 47 years, is an Independent Director of the Company. She has a post graduate degree in law from the Bangalore University. She has also completed a certificate course in Cyber Laws from G. K Law College, Hubballi in collaboration with Cyber Law College, Chennai. She is a practicing advocate with more than 20 years experience.

Mr. Ramesh Shetty aged 59 years, holds a bachelors degree in law from the Karnatak University, Dharwad. He is a director in Madhura Developers Private Limited.

Dr Anand Pandurangi aged 61 years, is a consulting Psychiatrist in Dharwad and holds a bachelors degree in medicine and surgery from the Karnatak University, Dharwad. He also has a Diploma in Psychological Medicine from the Karnatak University, Dharwad. He has been awarded a certificate of Life Fellowship by the Indian Psychiatric Society on January 1, 1999. He is the recipient of several awards and recognitions including the "Karnataka Rajyotsava Award" by the Government of Karnataka.

Dr. Raghottam Akamanchi aged 50 years, holds a post graduate degree in Science (Statistics) from the Gulbarga University and a doctorate in Statistics from the University of Mysore. He was on the Board of Management of the Karnataka State Open University during 2009-2011. He was also the National Vice President of Akhil Bharatiya Vidyarthi Parishad. He is also the President of Seva Bharati Trust, Hubballi, a Non Government organization established in 1999 and serving the socially and economically backwards of the society.

Mr. Shankarasa Ladwa aged 53 years, holds a Certificate of Practice and has been admitted as a Fellow of the Institute of Chartered Accountants of India since June 1993. He is the President of Sri Somavamsha Sahasrarjuna Kshatriya Samaj (R), Team Leader of the legal & grievances sub-committee of Akhila Bharatiya Saomavanshiya Sahasrarjuna Kshatriya Samaj.

Mr. S. R. Prabhu aged 63 years, is proposed to be appointed as a Director in the Company. He holds a bachelors degree in Mechanical Engineering from the Bangalore University. Prior to joining our Company his experience includes association with HMT Limited at Tumkur for nine years. He was elected as a Fellow of the Institution of Valuers, India in the machinery and plant category in the year 2002. He has also been recognised as an "Approved Valuer" by the Institution of Valuers in 2004. He is a member of the Institution of Engineers (India). He participated in the short term course on "Solar Energy Technologies" conducted by the Solar Energy Centre of the Ministry of New and Renewable Energy, Government of India.

Relationship between Directors

None of our Directors are related to each other, except Mr. Anand Sankeshwar, who is the son of Dr. Vijay Sankeshwar.

Compensation of the Directors

Payments to Non-Executive Directors

The non-executive and independent Directors are paid sitting fees and other amounts as may be decided by the Board and the shareholders of the Company, in accordance with the provisions of the Articles of Association, the

Companies Act and any other applicable Indian laws and regulations. Currently, in terms of the resolution of the Board dated September 29, 2007, non-executive Directors are entitled to receive sitting fees of ₹ 10,000 for attending each meeting of the Board or any committee or sub-committee of the Board.

The sitting fees and commission paid to the Independent Directors and nominee Directors during the year ended March 31, 2014 is set forth below.

S. No.	Name of Director	Sitting fees (in ₹)
1.	Mr. Darius D. Pandole	90,000
2.	Mr. Chantam K. Shetty	90,000
3.	Mr. Jayateertha. S. Korlahalli	100,000
4.	Mr. Prabhakar B. Kore	10,000

As all the independent Directors on the Board have been appointed post April 2012, consequently no commission or sitting fees have been paid to the non-executive independent Directors.

Payments to Executive Directors

Dr. Vijay Sankeshwar

The shareholders pursuant to a resolution passed at the EGM held on January 31, 2012 reappointed Dr. Vijay Sankeshwar as a Chairman and Managing Director of the Company for a period of five years with effect from January 1, 2012 and had fixed his remuneration at ₹ 2,200,000 per month (inclusive of perquisites) payable for the first three years ending December 31, 2014. Recently the remuneration of Dr. Vijay Sankeshwar has been revised to ₹ 2,700,000 per month (inclusive of perquisites) with effect from January 1, 2015 vide a resolution passed at the EGM held on February 19, 2015 which is as follows:

Salary	₹ 2,700,000 per month (inclusive of perquisites)
Commission	0.50% of the net profits of the Company, subject to overall limit of remuneration drawn during the financial year
Perquisites	House maintenance allowance together with reimbursement of expenses or allowances for utilities such as electricity, security, maintenance and staff salary
Perquisities not included in computation of remuneration	- Contribution to gratuity which shall not exceed one half month's salary for each completed year of service; - earned leave with full pay or encashment as per the rules of the Company; - use of Company's car for official duties; and - telephone at residence for official use.

Mr. Anand Sankeshwar

The shareholders pursuant to a resolution passed at the AGM held on July 18, 2014, reappointed Mr. Anand Sankeshwar as a whole time Director of the Company for a period of five years, with effect from April 1, 2014. Further, the Company has entered into an agreement with Mr. Anand Sankeshwar dated July 18, 2014, in terms of which, he is entitled to the following:

Basic salary	₹ 1,650,000 per month
Perquisites not included in the computation of remuneration	- Contribution to provident fund, superannuation fund or annuity fund to the extent these either singly or put together are not taxable under the IT Act; - gratuity as per the rules of the Company, which shall not exceed one half

	month's salary for each completed year of service; - earned leave with full pay or encashment as per the rules of the Company; and - use of the Company's car for official duties and telephone at residence.

Further, in terms of the appointment agreement dated July 18, 2014, during the term of his appointment as the Managing Director of the Company, Mr. Anand Sankeshwar is prevented from directly or indirectly engaging in any business or activity substantially similar or competing with the business activity of the Company.

The following table sets forth the details of the remuneration paid or payable to the executive directors for the year ended March 31, 2014:

S. No.	Name of the Executive Director	Gross remuneration paid or payable (In ₹) during Fiscal 2014
1.	Dr. Vijay Sankeshwar	29.75 million
2.	Mr. Anand Sankeshwar	21.49 million

As per the terms of the appointment agreements entered into with Dr. Vijay Sankeshwar and Mr. Anand Sankeshwar, no benefits or payments of any amount are payable upon termination of employment.

Changes in the Board of Directors during the last three years

Name of Director	Date of appointment	Date of cessasation	Reason
Mr. Sudhir Ghate	June 15, 2005	June 26, 2014	Resignation
Mr. Darius D. Pandole	April 21, 2012	-	Appointed as additional Director
Mr. Darius D. Pandole	August 3, 2012	-	Appointed as a Director liable to retire by rotation
Mr.Ramesh Shetty	February 19, 2015	-	Appointed as a Director liable to retire by rotation
Dr. Anand Pandurangi	February 19, 2015	-	Appointed as an Independent Director
Dr. Raghottam Akamanchi	February 19, 2015	-	Appointed as a Director liable to retire by rotation
Mr. Shankarasa Ladwa	February 19, 2015	-	Appointed as an Independent Director
Mr. S. R. Prabhu	February 19, 2015	-	Appointed as a Director liable to retire by rotation

Borrowing Powers of the Directors in the Company

The Articles of Association, subject to the provisions of the Companies Act, authorize the Board, to raise or borrow or secure the payment of any sum or sums of money for the purposes of the Company. The shareholders have, pursuant to a resolution adopted at the EGM dated October 16, 2014, authorized the Board to borrow monies from time to time, for the purpose of the business of the Company such sums or monies as they may deem requisite notwithstanding the money to be borrowed together with the money already borrowed by the Company (apart from temporary loans/facilities obtained or to be obtained from the Company's bankers in the ordinary course of business) will or may exceed an aggregate of the paid-up capital of the Company and its free reserves, provided that the total amount up to which the money may be borrowed by the Board of Directors shall not exceed at any time ₹ 10 billion.

Shareholding of the Directors

Our Articles of Association do not require the Directors to hold any qualification Equity Shares in the Company. The following table details the shareholding of the Directors, in their personal capacity, as at the date of this Red Herring Prospectus.

Shareholder	Pre-Issue		Post-Issue*	
	No. of shares	% of paid-up capital	No. of shares	% of paid-up capital
Dr. Vijay Sankeshwar	33,075,000	38.67	[•]	[•]
Mr. Anand Sankeshwar	32,548,250	38.05	[•]	[•]
Total	**65,623,250**	**76.71**	**[•]**	**[•]**

** To be incorporated upon finalisation of the Issue Price.*

Interest of Promoters and Directors

Except as stated in "*Financial Statements*" on page 258 of this Red Herring Prospectus, and to the extent of compensation and/or commission, if any, and their shareholding in the Company, the Promoters do not have any other interest in our business.

All of the Directors may be deemed to be interested to the extent of any fees payable to them for attending meetings of the Board or a committee thereof and to the extent of other remuneration and reimbursement of expenses payable to them, if any, under our Articles of Association, and to the extent of remuneration paid to them, if any, for services rendered as an officer or employee of the Company. Other than as disclosed in this Red Herring Prospectus, none of the Directors are entitled to receive remuneration from the Company. For further details, see "*– Details of Appointment and Compensation of the Directors*" above.

All of the Directors may also be deemed to be interested to the extent of any dividend payable to them and other distributions in respect of any Equity Shares held by them.

None of the Directors of our Company are or have been directors of listed companies whose shares have been or were delisted or suspended from trading on BSE or NSE in the last five years prior to the date of this Red Herring Prospectus. None of the Directors of our Company are or have been directors of listed companies whose shares have been or were delisted or suspended from trading on BSE or NSE in the last five years prior to the date of this Red Herring Prospectus. None of the Directors of our Company is or was a director on any listed companies which have been or were delisted from any stock exchange during the term of their directorship in such companies.

Except as disclosed in this Red Herring Prospectus, none of the beneficiaries of loans, advances and sundry debtors are related to the Directors of our Company. Further, except as disclosed in this Red Herring Prospectus there are no service contracts that have been entered into with the Directors, and except for statutory benefits upon termination of their employment in our Company or retirement, no officer of our Company, including the Directors of our Company and other management personnel, are entitled to any benefits upon termination of employment.

Except as disclosed in "*Our Promoters and Group Companies*" on page 213 of this Red Herring Prospectus, the Directors and the Promoters do not have any interest in any property acquired by the Company within two years of the date of filing of this Red Herring Prospectus.

Other than Mr. Darius D. Pandole, who has been nominated to the Board by NSR pursuant to the shareholders' agreement dated December 15, 2011, the Company has not entered into any arrangement or understanding with major shareholders, customers, suppliers or others, pursuant to which any of the Directors have been appointed. For details of the terms of the agreements entered into between NSR and our Company, see "*History and Certain Corporate Matters*" on page 189 of this Red Herring Prospectus.

Corporate Governance

The provisions of the listing agreements to be entered into with the Stock Exchanges with respect to corporate governance become applicable to the Company immediately upon the listing of the Equity Shares of our Company with the Stock Exchanges.

Our Company currently has twelve Directors comprising six Independent Directors, two Executive Directors, and four Non-Executive and Non-Independent Director.

The Company is in compliance with the requirements of corporate governance contained in the listing agreements to be entered into with the Stock Exchanges, particularly with respect to the composition of the Board of Directors and the constitution of the following committees of the Board: the Audit Committee, the Nomination and Remuneration Committee, the Stakeholders' Relationship Committee and the Risk Management Committee. The Company undertakes to take all necessary steps to comply with all the requirements of the guidelines on corporate governance and adopt the Corporate Governance Code as per Clause 49 of the listing agreement to be entered into with the Stock Exchanges, as would be applicable to the Company upon the listing of its Equity Shares. The Company further undertakes to ensure compliance with the applicable corporate governance requirements, including under the Listing Agreements, by the date of registering this Red Herring Prospectus with the RoC.

Audit Committee

The Audit Committee was reconstituted on August 26, 2014. The terms of reference of Audit Committee comply with the requirements of Clause 49 of the listing agreement to be entered into with the Stock Exchanges. Two-thirds of the members of the Audit Committee are independent directors. All the members are financially literate and at least one member has accounting or related financial management expertise.

The constitution of the Audit Committee is as follows:

S. No.	Name of the Director	Executive/Non-Executive/Independent
1.	Mr. Chantam K. Shetty (Chairman)	Independent Director
2.	Mr. Jayateertha S. Korlahalli	Independent Director
3.	Mr. Darius D. Pandole	Non-Executive and Non-Independent Director

The Audit Committee provides directions to and reviews functions of the Company's internal audit department. The Committee evaluates internal audit policies, plans, procedures and performance and reviews the other functions through various internal audit reports and other year-end certificates. Quarterly and annual accounts will be placed before the Audit Committee, prior to being presented to the Board along with the recommendations of the Audit Committee.

The Audit Committee has the powers as prescribed under Clause 49 of the listing agreement including the following

Powers of Audit Committee

The Audit Committee has powers, which should include the following:

1. To investigate any activity within its terms of reference.

2. To seek information from any employee.

3. To obtain outside legal or other professional advice.

4. To secure attendance of outsiders with relevant expertise, if it considers necessary.

Role of Audit Committee

The role of the Audit Committee shall include the following:

1. Oversight of the company’s financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible;

2. Recommendation for appointment, remuneration and terms of appointment of auditors of the company;

3. Approval of payment to statutory auditors for any other services rendered by the statutory auditors;

4. Reviewing, with the management, the annual financial statements and auditor's report thereon before submission to the board for approval, with particular reference to:

   a. Matters required to be included in the Director’s Responsibility Statement to be included in the Board’s report in terms of clause (c) of sub-section 3 of section 134 of the Companies Act, 2013

   b. Changes, if any, in accounting policies and practices and reasons for the same

   c. Major accounting entries involving estimates based on the exercise of judgment by management

   d. Significant adjustments made in the financial statements arising out of audit findings

   e. Compliance with listing and other legal requirements relating to financial statements

   f. Disclosure of any related party transactions

   g. Qualifications in the draft audit report

5. Reviewing, with the management, the quarterly financial statements before submission to the board for approval;

6. Reviewing, with the management, the statement of uses / application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the offer document / prospectus / notice and the report submitted by the monitoring agency monitoring the utilisation of proceeds of a public or rights issue, and making appropriate recommendations to the Board to take up steps in this matter;

7. Review and monitor the auditor’s independence and performance, and effectiveness of audit process;

8. Approval or any subsequent modification of transactions of the company with related parties;

9. Scrutiny of inter-corporate loans and investments;

10. Valuation of undertakings or assets of the company, wherever it is necessary;

11. Evaluation of internal financial controls and risk management systems;

12. Reviewing, with the management, performance of statutory and internal auditors, adequacy of the internal control systems;

13. Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit;

14. Discussion with internal auditors of any significant findings and follow up there on;

15. Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the board;

16. 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;

17. To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors;

18. To review the functioning of the Whistle Blower mechanism;

19. Approval of appointment of CFO (i.e., the whole-time Finance Director or any other person heading the finance function or discharging that function) after assessing the qualifications, experience and background, etc. of the candidate;

20. Carrying out any other function as is mentioned in the terms of reference of the Audit Committee.

The Audit Committee met five times during Fiscal 2014.

Nomination and Remuneration Committee

The Nomination and Remuneration Committee was re-constituted by the Directors at a Board meeting held on August 26, 2014. The Nomination and Remuneration Committee decides on specific remuneration packages (including pension rights and compensation payments) and determination of qualifications of executive directors, including the whole time directors and Key Managerial Personnel of the Company. The Nomination and Remuneration Committee also has the power to alter and vary the existing terms and conditions of remuneration of the different managerial personnel of the Company.

The Nomination and Remuneration Committee performs the functions of a nomination and remuneration committee as recommended in the listing agreement to be entered into with the Stock Exchanges. It will determine the Company's compensation policy and other benefits for executive directors and Key Managerial Personnel. It comprises of:

S. No.	Name of the Director	Executive/Non-Executive/Independent

1.	Mr. Jayateertha S. Korlahalli (Chairman)	Independent Director
2	Mr. Chantam K. Shetty	Independent Director
3.	Mr. Darius D. Pandole	Non-Executive and Non-Independent Director

The Remuneration Committee met once during Fiscal 2014.

Stakeholders' Relationship Committee

The Stakeholders' Relationship Committee was re-constituted by the Directors at a Board meeting held on August 26, 2014.

The constitution of the Stakeholders' Relationship Committee is as follows:

S. No.	Name of the Director	Executive/Non-Executive/Independent
1.	Mr. Chantam K. Shetty (Chairman)	Independent Director
2.	Mr. Jayateertha S. Korlahalli	Independent Director
3.	Mr. Darius D. Pandole	Non-Executive and Non-Independent Director

The terms of reference of the Stakeholders' Relationship Committee are:

1. *To supervise and ensure efficient share transfers, share transmission, transposition, etc;*

2. *To approve allotment, transfer, transmission, transposition, consolidation, split, name deletion and issue of duplicate share certificates for equity shares of the Company;*

3. *To redress shareholders complaints like non-receipt of balance sheet, non-receipt of declared dividends, etc.;*

4. *To review service standards and investor service initiatives undertaken by the company*

5. *To place before the board meeting a quarterly report giving details such as number of complaints received, resolved, pending during the quarter.*

6. *To report immediately to the board specific grievance raised by the shareholders/investors which could not be resolved by the committee and which need immediate attention.*

7. *To address all matters pertaining to Registrar and Transfer Agent including appointment of new Registrar and Transfer Agent in place of existing one;*

8. *To address all matters pertaining to Depositories for dematerialisation of shares of the Company and other matters connected therewith; and*

9. *To attend to any other responsibility as may be entrusted by the Board to investigate any activity within terms of its reference*

Risk Management Committee

The Risk Management Committee was constituted by the Directors at the meeting of the Board held on October 10, 2014 and its constitution is as follows:

S. No.	Name of Director	Executive/Non-Executive/Independent
1.	Dr. Vijay Sankeshwar	Executive Director
2.	Mr. Anand Sankeshwar	Executive Director
3.	Mr. Jayateertha S. Korlahalli	Independent Director

4.	Mr. Darius D. Pandole	Non-Executive and Non-Independent Director

The scope of the Risk Management Committee includes:

(i) to review and assess the risk management system and policy of the Company from time to time and recommend for amendment or modification thereof;
(ii) to frame and devise risk management plan and policy of the Company;
(iii) to review and recommend potential risk involved in any new business plans and processes;
(iv) any other similar or other functions as may be laid down by Board from time to time.

IPO Committee

The IPO Committee was re-constituted by the Directors at a Board meeting held on April 21, 2012 and its constitution is as follows:

S. No.	Name of Director	Executive/Non-Executive/Independent
1.	Dr. Vijay Sankeshwar	Executive Director
2.	Mr. Anand Sankeshwar	Executive Director
3.	Mr. Jayateertha S. Korlahalli	Independent Director
4.	Mr. Darius D. Pandole	Non-Executive and Non-Independent Director

The terms of reference of the IPO Committee are:

1. *To decide on the timing, pricing and all the terms and conditions of the issue of the shares for the Public Issue, including the price, and to accept any amendments, modifications, variations or alterations thereto;*

2. *To appoint and enter into arrangements with the book running lead managers, underwriters to the Public Issue, syndicate members to the Public Issue, brokers to the Public Issue, escrow collection bankers to the Public Issue, registrars, legal advisors and any other agencies or persons or intermediaries to the Public Issue and to negotiate and finalise the terms of their appointment, including but not limited to execution of the GCBRLMs, mandate letter, negotiation, finalisation and execution of the memorandum of understanding with the GCBRLMs etc.;*

3. *To finalise and settle and to execute and deliver or arrange the delivery of the draft red herring prospectus, the red herring prospectus, the final prospectus, syndicate agreement, underwriting agreement, escrow agreement and all other documents, deeds, agreements and instruments as may be required or desirable in relation to the Public Issue;*

4. *To open with the bankers to the Public Issue such accounts as are required by the regulations issued by SEBI;*

5. *To do all such acts, deeds, matters and things and execute all such other documents, etc. as it may, in its absolute discretion, deem necessary or desirable for such purpose, including without limitation, finalizing the basis of allocation and to allot the shares to the successful allottees as permissible in law, issue of share certificates in accordance with the relevant rules;*

6. *Do all such acts, deeds and things as may be required to dematerialise the equity shares of the Company and to sign agreements and/or such other documents as may be required with the National Securities Depository Limited, the Central Depository Services (India) limited and such other agencies, authorities or bodies as may be required in this connection;*

7. *To make applications for listing of the shares in one or more stock exchange(s) for listing of the equity shares of the Company and to execute and to deliver or arrange the delivery of necessary documentation to the concerned stock exchange(s); and*

8. *To settle all questions, difficulties or doubts that may arise in regard to such issues or allotment as it may, in its absolute discretion deem fit.*

Corporate Social Responsibility Committee

The Corporate Social Responsibility Committee was constituted by the Directors at the meeting held on August 26, 2014.

The constitution of the Corporate Social Responsibility Committee is as follows:

S. No.	Name of the Director	Executive/Non-Executive/Independent
1.	Dr. Prabhakar B. Kore	Independent Director
2.	Mr. Chantam K. Shetty	Independent Director
3.	Mr. Anand Sankeshwar	Executive Director
4.	Mr. Darius D. Pandole	Non-Executive and Non-Independent Director

The Corporate Social Responsibility Committee has been constituted for laying down the policy for spending towards corporate social responsibility activities by the Company.

Share Transfer Committee

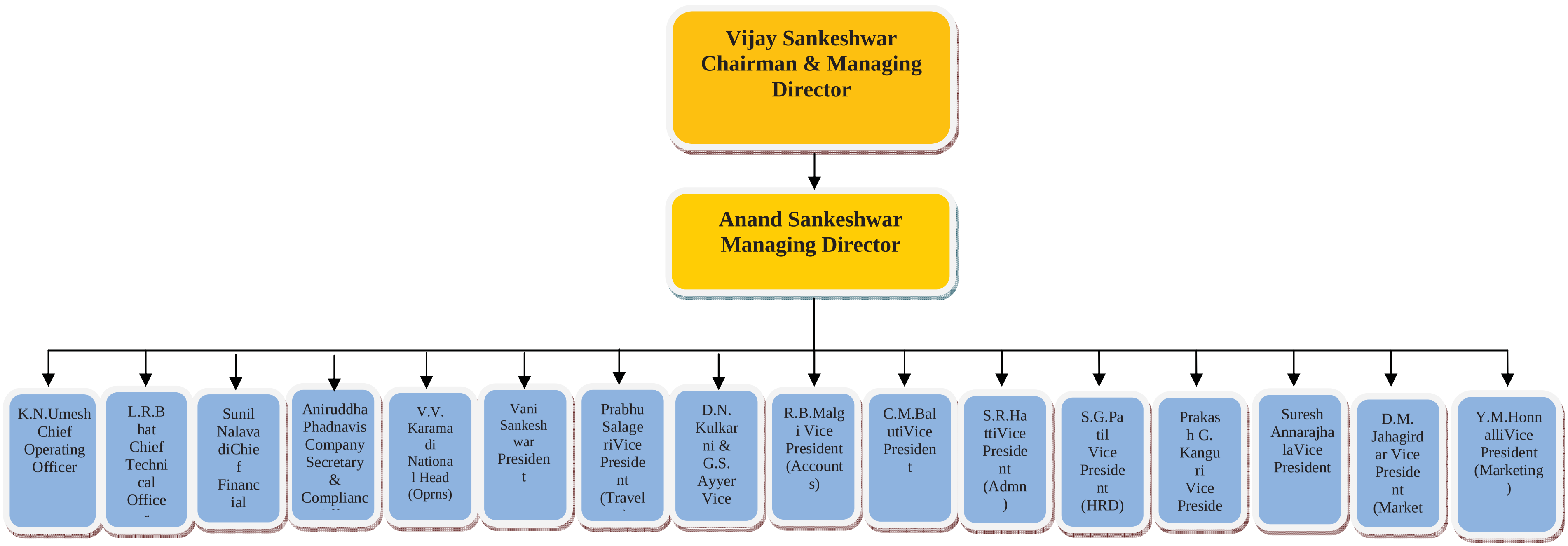
The Share Transfer Committee was constituted by the Directors at the meeting held on August 26, 2014.

The constitution of the Committee is as follows:

S. No.	Name of the Director	Executive/Non-Executive/Independent
1.	Mr. Chantam K. Shetty	Independent Director
2.	Mr. Jayateertha S. Korlahalli	Independent Director
3	Mr. Darius D. Pandole	Non-Executive and Non-Independent Director

The Share Transfer Committee has been constituted to deal with the allotment or transfer of shares in general and to maintain complete records of issue and transfer of securities of the Company.

Management Organization Chart (as of the date of filing this Red Herring Prospectus)



Key Managerial Personnel

The key managerial personnel of the Company, other than the executive Directors mentioned above, are as follows:

Mr. K. N. Umesh, aged 61 years, is the Chief Operating Officer of the Company. He has been associated with the Company since March 12, 1984 and was reappointed as the Chief Operating Officer of the Company on June 1, 2012 on attaining the age of superannuation on May 30, 2012. The remuneration paid to him for Fiscal 2014 was ₹ 4.20 million.

Mr. L. Ramanand Bhat, aged 55 years, is the Chief Technical Officer of the Company. He holds a diploma in mechanical engineering from the State Board of Technical Education & Training, Tamil Nadu and is certified member of the Institute of Engineers in tool design. He has been associated with the Company since July 1, 1995 and resigned from the Company on March 13, 2014. He has been reappointed as the Chief Technical Officer of the Company on March 14, 2014. The remuneration paid to him for Fiscal 2014 was ₹ 4.46 million.

Mr. Sunil Nalavadi, aged 37 years, is the Chief Financial Officer of the Company. He holds a bachelor's degree in commerce from the Karnatak University, Dharwad and is a qualified associate of the Institute of Chartered Accountants of India. He has been associated with the Company since March 31, 2005 and the term of appointment extends till attainment of the age of superannuation. He is currently in charge of the finance, taxation and accounting functions of the Company. The remuneration paid to him for Fiscal 2014 was ₹ 2.26 million.

Mr. Aniruddha A. Phadnavis, aged 34 years, is the General Manager (Finance) and Company Secretary of the Company. He holds bachelors' degrees in commerce and law from the Karnatak University, Dharwad and is a qualified member of the Institute of Chartered Accountants of India, a qualified company secretary associated with the Institute of Company Secretaries of India, and a certified associate of the Indian Institute of Banking & Finance. He has been associated with the Company since June 1, 2007 and the term of appointment extends till attainment of the age of superannuation. He is presently the Company Secretary and Compliance Officer, involved in financial matters and corporate legal compliances. The remuneration paid to him for Fiscal 2014 was ₹ 2.12 million.

Mr. V. V. Karamadi, aged 54 years, is the National Head (Operations) of the Company. He has been associated with the Company since October 3, 1995 and the term of appointment extends till attainment of the age of superannuation. The remuneration paid to him for Fiscal 2014 was ₹ 1.65 million.

Ms. Vani Sankeshwar, aged 34 years, is the President of the Company. Prior to joining the Company, her experience includes association as the proprietrix of Maruti Parcel Carriers. She has been associated with the Company since December 1, 2009 and the term of appointment extends till attainment of the age of superannuation. The remuneration paid to her for Fiscal 2014 was ₹ 1.80 million.

Mr. Prabhu A. Salageri, aged 47 years, is the Vice President (Travels) of the Company. He holds a post graduate degree in commerce from the Karnatak University, Dharwad. He has been associated with the Company since March 7, 1994 and the term of appointment extends till attainment of the age of superannuation. The remuneration paid to him for Fiscal 2014 was ₹ 1.61 million.

Mr. D. N. Kulkarni, aged 52 years, is the Vice President (Finance) of the Company. He holds a bachelor's degree in commerce from the Karnatak University, Dharwad. He has been associated with the Company since November 1, 1987 and the term of appointment extends till attainment of the age of superannuation. The remuneration paid to him for Fiscal 2014 was ₹ 1.29 million.

Mr. Raghavendra B. Malgi, aged 45 years, is the Vice President (Accounts) of the Company. He holds bachelors' degrees in commerce and law from the Karnatak University, Dharwad and is a qualified associate of the Institute of Chartered Accountants of India. Prior to joining the Company his experience includes association with Gokak Textiles Limited. He has been associated with the Company since June 1, 2009 and the term of appointment extends till attainment of the age of superannuation. The remuneration paid to him for Fiscal 2014 was ₹ 1.62 million.

Mr. C. M. Baluti, aged 56 years, is a Vice President of the Company. He holds a bachelor's degree in commerce from the Karnatak University, Dharwad. He has been associated with the Company since November 1, 1986 and the term of appointment extends till attainment of the age of superannuation. The remuneration paid to him for Fiscal 2014 was ₹ 1.63 million.

Mr. S. R. Hatti, aged 68 years, is the Vice President (Administration) of the Company. He is a Master of Arts from Karnatak University, Dharwad. He has been associated with the Company since November 16, 2004. The remuneration paid to him for Fiscal 2014 was ₹ 1.47 million.

Mr. S. G. Patil, aged 60 years, is the Vice President (Human Resource Development) of the Company. He holds a bachelor's degree in law and a post graduate degree in political science from the Karnatak University, Dharwad. He has been associated with the Company since June 1, 2005 and was re-appointed as the Vice President (Human Resource Development) on July 5, 2012 post retirement on July 4, 2012 on attaining the age of superannuation. The remuneration paid to him for Fiscal 2014 was ₹ 1.14 million.

Mr. Prakash. G. Kanguri, aged 45 years, is the Vice President (Administration - North) of the Company. He has been associated with the Company since December 5, 2008 and the term of appointment extends till attainment of the age of superannuation. The remuneration paid to him for Fiscal 2014 was ₹ 1.37 million.

Mr. Suresh Annavajhala, aged 46 years, is the Vice President (West) of the Company. He holds a post graduate degree in applied chemistry from the Rani Durgavati University, Jabalpur. He has been associated with the Company since February 12, 2014 and the term of appointment extends till attainment of the age of superannuation. He is presently in charge of the operation and marketing division of the Company based at Mumbai. The remuneration paid to him for Fiscal 2014 was ₹ 0.26 million.

Mr. D. M. Jahagirdar, aged 61 years, is a Vice President (Marketing) of the Company. He holds a bachelor's degree in commerce from the Karnatak University, Dharwad. He has been associated with the Company since May 20, 2008 and was reappointed as the Vice President (Marketing) of the Company on September 21, 2011 post retirement on September 20, 2011. He is currently in charge of the operations of the Company in the Hyderabad region. The remuneration paid to him for Fiscal 2014 was ₹ 1.14 million.

Mr. Y. M. Honnalli, aged 58 years, is a Vice President of the Company. He holds a bachelor's degree in commerce from the Karnatak University, Dharwad. He has been associated with the Company since January 1, 1988 and was re-appointed as the Vice President on February 26, 2014 post retirement on January 31, 2014 on attaining the age of superannuation. He is currently in charge of oversight of the Company's operations in eastern India. The remuneration paid to him for Fiscal 2014 was ₹ 1.41 million.

Mr. Gopalkrishna S. Ayyer, aged 63 years, is the Vice President (Finance) of the Company. He holds a post graduate degree in commerce from the Pune University. Prior to joining the Company, his experience includes association with The United Western Bank. He has been associated with the Company since March 8, 2007 and was re-appointed as the Vice President (Finance) on November 1, 2010 post retirement on October 30, 2014 on attaining the age of superannuation. He is currently in charge of overall banking activities and transactions of the Company. The remuneration paid to him for Fiscal 2014 was ₹ 1.08 million.

Relationship between Directors and Key Managerial Personnel

None of our key managerial personnel are related to Directors or each other, except Ms. Vani Sankeshwar, who is the wife of Mr. Anand Sankeshwar, and the daughter-in-law of Dr. Vijay Sankeshwar.

Bonus or Profit Sharing Plan

Other than commission payable to Dr. Vijay Sankeshwar as part of his remuneration, the Company does not have any bonus or profit sharing plans with its key managerial personnel. For details of the commission payable to Dr. Vijay Sankeshwar, refer to "**-** *Compensation of the Directors – Payments to Executive Directors*" above.

Status of Key Managerial Personnel

All the key managerial personnel of the Company are permanent employees of the Company.

Arrangements and Understanding with Major Shareholders, Customers or Suppliers

None of the Key Management Personnel of our Company have been selected pursuant to any arrangement or understanding with any major shareholders, customers or suppliers of our Company, or others.

Employee Stock Option Plan

As on the date of the filing of this Red Herring Prospectus, the Company does not have plan or scheme for granting of stock options to employees.

Interest of Key Managerial Personnel

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

Changes in the Key Managerial Personnel

The following are the changes in the key managerial personnel of the Company, other than the executive Directors, in the last three years preceding the date of filing this Red Herring Prospectus:

The changes to the key managerial personnel in the last three years are as follows:

Sl. No.	Name of KMP	Date of appointment	Date of cessation	Reason
1.	Mr. G. I. Vasudevan	May 1, 2009	July 31, 2011	Resignation
2.	Ranajoy Goho	February 1, 2007	July 22, 2010	Resignation
3.	Raju Iyer	March 1, 2010	November 30, 2012	Resignation
4.	Raju Iyer	December 1, 2012	March 31, 2013	Resignation
5.	Mohan H. Baddi	May 1, 2012	August 28, 2013	Resignation
6.	Rajkumar Nagpal	October 1, 2009	November 25, 2011	Resignation
7.	Rajkumar Nagpal	March 5, 2012	July 3, 2014	Resignation
8.	Vinay V. Sheshgiri	August 21, 2013	March 5, 2014	Resignation
9.	Devinder Singh	August 1, 2010	November 8, 2013	Resignation
10.	Devinder Singh	February 8, 2013	August 11, 2013	Resignation
11.	Sanjay K. Mukherjee	August 8, 2011	September 9, 2011	Resignation
12.	Sanjay K. Mukherjee	April 16, 2011	October 16, 2014	Resignation
13.	Gopalkrishna Ayyer	August 3, 2007	October 30, 2010	Resignation
14.	Gopalkrishna Ayyer	November 1, 2010	-	Appointment

Sl. No.	Name of KMP	Date of appointment	Date of cessation	Reason
15.	D. M Jahagirdar	May 1, 2008	September 20, 2011	Resignation
16.	D. M Jahagirdar	September 21, 2011	-	Appointment
17.	K. N. Umesh	August 1, 1984	May 30, 2012	Resignation
18.	K. N. Umesh	June 1, 2012	-	Appointment
19.	S. G. Patil	June 1, 2005	July 4, 2012	Resignation
20.	S. G. Patil	July 5, 2012	-	Appointment
21.	Y. M. Honnalli	January 1, 1988	February 10, 2014	Resignation
22.	Y. M. Honnalli	February 26, 2014	-	Appointment
23.	L. Ramanand Bhat	July 1, 1995	March 13, 2014	Resignation
24.	L. Ramanand Bhat	March 14, 2014	-	Appointment
25.	Suresh Annavajhala	June 15, 2006	March 22, 2007	Resignation
26.	Suresh Annavajhala	June 20, 2009	September 12, 2012	Resignation
27.	Suresh Annavajhala	February 12, 2014	-	Appointment
28.	S. R. Pandurangi	September 15, 2014	-	Appointment

Shareholding of the Key Managerial Personnel

Except as set out below, none of our key managerial personnel hold any Equity Shares in the Company as of the date of this Red Herring Prospectus.

S.No.	Name of the Shareholder	Pre-Issue Number of Equity Shares	Pre-Issue Percentage Shareholding (%)	Post-Issue Number of Equity Shares	Post-Issue Percentage Shareholding (%)
1.	Ms. Vani Sankeshwar	400,000	0.47%	[●]	[●]
2.	Mr. K. N. Umesh	1,750	0.00%	[●]	[●]
3.	Mr. L. Ramanand Bhat	1,750	0.00%	[●]	[●]
4.	Mr. Y.M. Honnalli	1,750	0.00%	[●]	[●]

For details of the shareholding of the Company's Directors, see "– *Shareholding of the Directors*" above.

Payment of Benefit to Officers of the Company

Except as disclosed in this Red Herring Prospectus and any statutory payments made by the Company, the Company has not paid any amounts to its officers in connection with superannuation payments, ex-gratia rewards or any non-salary amounts or benefits in the last two years.

No service contracts have been entered into with Key Managerial Personnel for provision of benefits or payments of any amount upon termination of employment. None of the Key Managerial Personnel have been given any benefits in kind.

Except as disclosed in "*Financial Statements*" on page F-1, none of the beneficiaries of loans and advances and sundry debtors are related to the Company, the Directors or the Promoters of the Company.

OUR PROMOTERS AND GROUP COMPANIES

PROMOTERS

Dr. Vijay Sankeshwar and Mr. Anand Sankeshwar are the Promoters of our Company.

As on the date of this Red Herring Prospectus, Dr. Vijay Sankeshwar holds 33,075,000 Equity Shares and Mr. Anand Sankeshwar holds 32,548,250 Equity Shares. Our Promoters and Promoter Group will continue to hold the majority of our post-Issue paid-up equity share capital.

DETAILS OF OUR PROMOTERS

	**Dr. Vijay Sankeshwar** Voter ID Number: KT/24/117/08114. Driving License Number: 8873/DW.
	**Mr. Anand Sankeshwar** Voter ID Number: NNA0467944. Driving License Number: FDC 405/2002/03.

For a complete profile of each of our Promoters, *i.e.* their age, personal address, educational qualifications, experience, positions / posts held in the past and other directorships of our Promoters, please refer to the section on "*Our Management*" beginning on page 192 of this Red Herring Prospectus. For details of other ventures of our Promoters please see "*Our Promoters and Group Companies – Group Companies*" on page 216 of this Red Herring Prospectus.

GROUP COMPANIES

Other than VRL Media Limited, Aradhana Trust, Shri Ayyappa Bhakta Vrunda Trust and Shiva Agencies, there are no other companies, firms and ventures that have been promoted by our Promoters.

PROMOTER GROUP

Other than the Group Companies disclosed under "- *Group Companies*" at page 216 of the Red Herring Prospectus, the natural persons and constitution of the Promoter Group is set forth below:

The natural persons who are part of the Promoter Group, apart from the individual Promoters, are set forth below:

Sr. No.	Name of the Promoter	Name of the Relative	Relationship with the Promoter
1.	Dr. Vijay Sankeshwar and Mr. Anand Sankeshwar	Mrs. Lalita Sankeshwar	Wife of Dr. Vijay Sankeshwar and mother of Mr. Anand Sankeshwar
2.	Dr. Vijay Sankeshwar	Mr. Dayanand Sankeshwar	Brother of Dr. Vijay Sankeshwar
3.	Dr. Vijay Sankeshwar	Mr. Mrutyunjay Sankeshwar	Brother of Dr. Vijay Sankeshwar
4.	Dr. Vijay Sankeshwar	Mr. Mallikarjun Sankeshwar	Brother of Dr. Vijay Sankeshwar
5.	Dr. Vijay Sankeshwar	Ms. Sumitra Arali	Sister of Dr. Vijay Sankeshwar
6.	Dr. Vijay Sankeshwar	Ms. Umadevi Pattanashetti	Sister of Dr. Vijay Sankeshwar
7.	Dr. Vijay Sankeshwar and Mr. Anand Sankeshwar	Ms. Bharati Holkunde	Daughter of Dr. Vijay Sankeshwar and sister of Mr. Anand Sankeshwar
8.	Dr. Vijay Sankeshwar and Mr. Anand Sankeshwar	Ms. Arati Patil	Daughter of Dr. Vijay Sankeshwar and sister of Mr. Anand Sankeshwar
9.	Dr. Vijay Sankeshwar and Mr. Anand Sankeshwar	Ms. Deepa Sidnal	Daughter of Dr. Vijay Sankeshwar and sister of Mr. Anand Sankeshwar
10.	Dr. Vijay Sankeshwar	Mr. Sangappa Byali	Brother-in-law of Dr. Vijay Sankeshwar
11.	Dr. Vijay Sankeshwar	Ms. Channamma Chunmuri	Sister-in-law of Dr. Vijay Sankeshwar
12.	Dr. Vijay Sankeshwar	Ms. Kamala Jigbaddi	Sister-in-law of Dr. Vijay Sankeshwar
13.	Dr. Vijay Sankeshwar	Ms. Shakuntala Sankeshwar	Sister-in-law of Dr. Vijay Sankeshwar
14.	Dr. Vijay Sankeshwar	Ms. Suvarna Neelakanthanavar	Sister-in-law of Dr. Vijay Sankeshwar
15.	Mr. Anand Sankeshwar	Ms. Vani Sankeshwar	Wife of Mr. Anand Sankeshwar
16.	Mr. Anand Sankeshwar	Mr. Shiva Sankeshwar	Son of Mr. Anand Sankeshwar
17.	Mr. Anand Sankeshwar	Ms. Vaishnovi Sankeshwar	Daughter of Mr. Anand Sankeshwar
18.	Mr. Anand Sankeshwar	Ms. Chhaya Sankeshwar	Daughter of Mr. Anand Sankeshwar
19.	Mr. Anand Sankeshwar	Mr. Chandrakant Baswaraj Patil	Brother-in-law of Mr. Anand Sankeshwar
20.	Mr. Anand Sankeshwar	Mr. Kailash Patil	Brother-in-law of Mr. Anand Sankeshwar
21.	Mr. Anand Sankeshwar	Mr. Amit Patil	Brother-in-law of Mr. Anand Sankeshwar
22.	Mr. Anand Sankeshwar	Mr. Baswaraj Galangalappa Patil	Father-in-law of Mr. Anand Sankeshwar
23.	Mr. Anand Sankeshwar	Ms. Surekha Patil	Mother-in-law of Mr. Anand Sankeshwar

The entities forming part of the Promoter Group (apart from the individuals name above) in accordance with the SEBI Regulations are set forth below:

a) Adityaa Milk Ice Creams Limited;
b) Jyothi Cement Spun Pipe Works;
c) Kailash Transformers Private Limited;
d) Karnataka Pre-stress Concrete Works;
e) Mahadev Industries – Bidar;
f) Mahadev Industries – Gulburga;
g) Mahadev Prestressed Products Private Limited;
h) Maruti Cement Udyog;
i) Maruti Cement Spun Pipe Works;
j) Mrutyunjay Basavanneppa Sankeshwar (HUF);
k) Natraj Cement Works;
l) Premier Agencies;
m) Raja Cement Spun Pipe Works;
n) Raja Mini Cements;

o) Raja Mini Stone Crusher;
p) S B Patil Dall Industries;
q) S B Patil Minerals Private Limited;
r) Sankeshwar Minerals Private Limited;
s) Sankeshwar Printers Private Limited;
t) Shiva Concrete Products, Bijapur;
u) Shiva Concrete Products, Tumkur;
v) Someshwar Dall Industries;
w) Vijayakant Dairy & Food Products Limited.

Declaration

Our Company confirms that the PAN, bank account details and passport number of each of the Promoters will be submitted to the Stock Exchanges at the time of filing this Red Herring Prospectus with the Stock Exchanges.

Our Promoters, the Group Companies and the relatives of the Promoters have confirmed that they have not been identified as wilful defaulters by the RBI or any other governmental authority. Neither (i) the Promoters, the members of the Promoter Group and the Group Companies; nor (ii) the companies with which the Promoters are or were associated as a promoter, director or person in control nor (iii) relatives of our Promoters, are debarred or prohibited from accessing the capital markets for any reason by the SEBI or any other authority.

There are no violations of securities laws committed by our Promoters and the Group Companies in the past or currently pending against them.

The Company does not intend to and has not in the two years preceding the date of the Draft Red Herring Prospectus purchased any property in which its Promoters and/or any of its Directors and/or Group Companies have any direct or indirect interest in any payment made thereunder.

Common Pursuits

There are no common pursuits among the Promoters of our Company nor do the Group Companies have any conflict of interest with the Company. Our Company will adopt the necessary procedures and practices, as permitted by law to address any conflict situations as and when they arise.

Interest in Promotion of the Company

The Promoters are interested to the extent of their shareholding in the Company, and any dividend and distributions which may be made by the Company in future. The related party transactions are disclosed in "*Financial Statements*" and "*Our Management – Interest of Promoters and Directors*" and "*Our Management – Interest of Key Managerial Personnel*" on pages 258, 200 and 210 of this Red Herring Prospectus, respectively.

Interest in the property of our Company

The Promoters and Group Companies do not have any interest in the property acquired by our Company at any time during two years prior to filing of the Draft Red Herring Prospectus and are not currently interested in any transaction with our Company involving acquisition of land, construction of building or supply of any machinery.

Other interests

Except as set out above and the benefits accruing to our Promoters, as provided in "*Our Management – Compensation of the Directors*" on page 197 of this Red Herring Prospectus, our Promoters hold no other interest in our Company. Specifically, the Promoters, being Directors of our Company may be deemed to be interested to the extent of other remuneration and reimbursement of expenses payable to them.

Related Party Transactions

For details of related party transactions with the Promoters, see "*Financial Statements*" on page F-1 of this Red Herring Prospectus.

Payment of Benefits to our Promoter and Promoter Group during the Last Two Years

Except as stated in the *"Financial Statements – Related Party Transactions"*, the Company has not paid any amount or given any benefit in the past two years or intends to pay or give to any of the Promoters or members of the Promoter Group.

Companies or firms from which the Promoters have disassociated themselves in the last three years

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

VRL Securities Limited

The Promoters disassociated from VRL Securities Limited with effect from December 7, 2011. Prior to disassociation, the Promoters in aggregate held 97.87 % of the share capital of VRL Securities Limited. The Promoters transferred their entire shareholding in VRL Securities Limited to Mr. Jaywant A. Shinde and both Dr. Vijay Sankeshwar and Mr. Anand Sankeshwar resigned from the board of directors of the company with effect from October 26, 2012. The Promoters disassociated from VRL Securities Limited as it had been deemed by them that the business proposed to be carried on by VRL Securities was not in line with the broad areas of business where the Promoters wish to be active.

VRL Cements Limited

The Promoters disassociated from VRL Cements Limited with effect from October 26, 2012. Prior to disassociation, the Promoters in aggregate held 94.44 % of the share capital of VRL Cements Limited. Pursuant to an agreement dated June 5, 2012, the Promoters transferred their entire shareholding in VRL Cements Limited to the Burgeon Group and both Dr. Vijay Sankeshwar and Mr. Anand Sankeshwar resigned from the board of directors of the company with effect from October 26, 2012. The Promoters disassociated from VRL Cements Limited as it had been deemed by them that the business proposed to be carried on by VRL Cements was not in line with the broad areas of business where the Promoters wish to be active.

GROUP COMPANIES

Unless otherwise specifically stated, none of the Group Companies described below (i) are listed on any stock exchange; (ii) have completed any public or rights issue since the date of its incorporation; (iii) have become a sick company; (iv) are under winding-up; (v) have become defunct; (vi) have made an application to the relevant Registrar of Companies in whose jurisdiction such Group Company is registered, for striking off its name; or (vii) had negative net worth as of the date of their last audited financial statements.

1. VRL Media Limited

VRL Media Limited ("**VRL Media**") was incorporated on July 26, 2007 and has its registered office at 1st Floor, Giriraj Annexe, CTS No. 167B/2B, Circuit House Road, Hubballi 580 029. The principal activity of VRL Media is to carry on the business of content providers, in electronic print and all other types of media. VRL Media is not listed and it has not made any public issue in the preceding three years. The CIN No. of the Company is U92113KA2007PLC043480. VRL Media Limited has made the following rights issues to its existing shareholders in the past three years:

Date of issue	Number of shares allotted	Amount (₹ in million)
March 27, 2014	12,130,000	121.30
June 14, 2014	1,000,000	10
June 20, 2014	9,090,000	90.90

August 13, 2014	8,000,000	80
August 13, 2014	5,000,000	50
November 21, 2014	10,000,000	100

Shareholding Pattern

The shareholding pattern of VRL Media Limited as of date of this Red Herring Prospectus was as follows:

Name of the shareholder	Number of shares	% of issued capital
Equity shares of face value ₹ 10		
Dr. Vijay Sankeshwar	85,816,667	39.71%
Mr. Anand Sankeshwar	129,055,387	59.73%
Mrs. Lalita Sankeshwar	16,666	0.01%
Mrs.Vani Sankeshwar	1,206,000	0.56%
Mr. L R Bhat	1,111	0.00%
Mrs. U R Bhat	1,111	0.00%
Mr. Ravindra Sankeshwar	1,112	0.00%
Total	**216,098,054**	**100.00%**

Board of Directors

The board of directors of VRL Media Limited as of the date of this Red Herring Prospectus consists of the following:

i. Dr. Vijay Sankeshwar
ii. Mr. Anand Sankeshwar
iii. Mrs. Vani Sankeshwar
iv. Mr. Shivaputra Jamdar
v. Mr. Madan Desai
vi. Mr. Prakash Tapashetti
vii. Mr. Rajendra Ijery

Financial Performance

The following financial data has been derived from the audited financial statements of VRL Media Limited for the periods indicated below:

(₹in millions, unless otherwise stated)

	As at and for the year ended March 31		
	2014	**2013**	**2012**
Total Income	736.79	356.21	17.9
Profit (Loss) after Tax	(491.27)	(398.33)	(28.49)
Earnings per share (₹) (basic)	Negative	Negative	Negative
Earnings per share (₹) (diluted)	Negative	Negative	Negative
Equity Share Capital	1708.78	1,121.92	447.99
Reserves and surplus (excluding revaluation reserves)	(915.63)	(424.35)	(26.02)
Book Value per share (₹)	7.93	6.98	9.42

There are no significant notes of the auditors in relation to the aforementioned financial statements.

2. Aradhana Trust

Aradhana Trust was set up by way of a trust deed on July 16, 2007. The objective of the trust is to construct temples, maintain and take over orphanages, rescue homes and to carry out other related activities thereto.

The Trustees as of December 31, 2014 are:

1. Mr. Anand Sankeshwar - Chairman
2. Mr. N.A Charantimath -Trustee
3. Mr. Adiveppa Masur - Trustee

Financial Results

The following financial data has been derived from the audited financial statements of Aradhana Trust for the periods indicated below:

(₹millions, unless otherwise stated)

	As at and for the year ended March 31,		
	2014	**2013**	**2012**
Total Receipts	7.90	4.89	3.82
Total Expenditure	5.34	3.72	3.22
Surplus /(Deficit)	2.62	1.17	0.61
Total Corpus Fund	7.76	6.64	5.64

3. Shri Ayyappa Bhakta Vrunda Trust

Shri Ayyappa Bhakta Vrunda Trust was set up by way of a trust deed in the year July 21, 1997 with registration No. E-793(DWR) dated May 24, 2010. The objective of the trust is to construct Shree Ayyappa Swamy Temple at Hubballi and other places, to establish and manage Dharmashalas and Choultries for the benefits of pilgrims, tourists, to carry out other related activities thereto etc.

The Executive Committee of the Trust as of December 31, 2014 is:

1. Mr. Anand Sankeshwar - President
2. Mr. V.S.V. Prasad - Vice President
3. Mr. C. Jayaram Shetti - Secretary
4. Mr. G.S. Ayyer - Treasurer
5. Mr. Nagaraj Vaikunte - Joint Secretary
6. Mr. Basavaraj Byali - Member
7. Mr. Prakash Raikar - Member
8. Mr. G. S. Angadi - Member
9. Mr. Satish D Shetti - Member
10. Mr. R.T. Revanakar - Member
11. Mr. Sudhakar Shetti - Member
12. Mr. Mohan Hegde - Member
13. Mr. Vinay Hullur - Member
14. Mr. Basavaraj Shirakol - Member

Financial Results

The following financial data has been derived from the audited financial statements of Shri Ayyappa Bhakta Vrinda Trust for the periods indicated below:

(₹millions, unless otherwise stated)

	As at and for the year ended March 31,		
	2014	**2013**	**2012**
Total Receipts	1.51	0.94	0.90
Total Expenditure	1.11	0.91	0.89
Surplus /(Deficit)	0.40	0.03	0.01
Total Corpus Fund	0.76	4.76	2.10

4. Shiva Agencies

M/s. Shiva Agencies, the proprietary concern formed by one of our Promoters Mr. Anand Sankeshwar, commenced its operations from March 24, 2008 and the objective of the concern is to provide ayurvedic medicines and healthcare consultation through a team of Ayurvedic doctors.

Financial Results

The following financial data has been derived from the audited financial statements of Shiva Agencies for the periods indicated below:

(₹ millions, unless otherwise stated)

	As at and for the year ended March 31,		
	2014	**2013**	**2012**
Total Revenue	262.36	200.35	260.12
Total Expenditure	265.54	201.14	259.58
Profit/(Loss)	(3.18)	(0.79)	0.54
Total Capital	17.49	13.63	14.36

Related business transactions within the Group Companies and significance on the Financial Performance of our Company

For details, please refer to the section on "*Financial Statements - Related Party Transactions*" on page F-69 of this Red Herring Prospectus.

Sale/Purchase between Group Companies and our Company exceeding 10% of the total sales or purchases of our Company

There are no sales or purchases between the Group Companies and our Company that exceed 10% of the total sales or purchases of our Company.

Business Interest of Group Companies in our Company

Except as stated in "*Financial Statements - Related Party Transactions*" on page F-69 of this Red Herring Prospectus.

RELATED PARTY TRANSACTIONS

For further details on the related party transactions, please see Annexure 34 of our restated financial statements on page F-69 of this Red Herring Prospectus.

DIVIDEND POLICY

The declaration and payment of any dividends in the future will be recommended by the Board of Directors and approved by the shareholders of the Company at their discretion and will depend on a number of factors, including the results of operations, earnings, capital requirements and surplus, general financial conditions, contractual restrictions, applicable Indian legal restrictions and other factors considered relevant by the Board. The Board may also pay interim dividend. The dividends declared by the Company during the last five fiscal years and the nine month period ended December 31, 2014 have been presented below:

Particulars	For the nine months ended December 31, 2014	For the year ended March 31,				
		2014	2013	2012	2011	2010
Equity Shares						
Equity Share Capital (In ₹ millions)	855.36	855.36*	707.00	707.00	707.00	707.00
Face Value of Equity Share (in ₹ per share)	10.00	10.00	10.00	10.00	10.00	10.00
Interim Dividend on Equity Shares (In ₹ millions)	342.14	342.14	183.82	148.47	212.10	219.17
Final Dividend on Equity Shares (In ₹ millions)	-	-	268.66	42.42	-	-
Total Dividend (In ₹ millions)	342.14	342.14	452.48	190.89	212.10	219.17
Dividend Tax (In ₹ millions)	61.48	58.14	75.48	30.97	35.23	37.26
Rate of Dividend	40%	40%	64%	27%	30%	31%
Preference Shares						
Preference Share Capital (In ₹ millions)	-	-	1104.69	-	-	-
Face Value of Preference Shares (in ₹ per share)	-	-	100	-	-	-
Interim Dividend on Preference Shares (In ₹ millions)	-	0.001#	28.72	-	-	-
Final Dividend on Preference Shares (In ₹ millions)	-	-	41.99	6.63**	-	-
Total Dividend (In ₹ millions)	-	0.01	70.71	6.63	-	-
Dividend Tax (In ₹ millions)	-	0.0008	11.79	1.08	-	-
Rate of Dividend	-	0.001%**	6.40%	0.60%	-	-

* *The Company has entered into a share purchase and subscription agreement and shareholders agreement dated December 15, 2011 with the Promoters, other shareholders and NSR and issued 11,046,875 Preference Shares at an issue price of ₹ 113.15 per Preference Share (including premium). These Preference Shares have been converted into 14,836,162 Equity Shares on September 1, 2013.*

** *The process of issue and allotment of Preference Shares were completed in the month of April 2012 and Board of Directors recommended a final dividend of six percent on both Equity Shares and Preference Shares for Fiscal 2012. Final dividend on Preference Shares includes the proportionate participatory dividend at six percent as well as a preference dividend at 0.001%.*

\# *The Preference Shares have been converted on September 1, 2013 and the dividend at 0.001% up to the date of conversion has been paid to NSR.*

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

SECTION V: FINANCIAL INFORMATION

FINANCIAL STATEMENTS

RESTATED FINANCIAL INFORMATION FOR VRL LOGISTICS LIMITED

Walker Chandiok & Co LLP
(Formerly Walker, Chandiok & Co)
Chartered Accountants
16th Floor, Tower II
Indiabulls Finance Centre
S. B. Marg
Elphinstone (W)
Mumbai- 400 013
Maharashtra

H. K. Veerbhaddrappa & Co
Chartered Accountants
4th Floor, Sumangala Complex
Lamington Road
Hubballi- 580 020
Karnataka

Auditors' report

To,
The Board of Directors
VRL Logistics Limited
NH4, Bangalore Road
Varur, Hubballi – 581 207

Dear Sirs,

We have examined the financial information comprising of Summary Statement of Assets and Liabilities, as restated as at 31 December 2014 and 31 March 2014, 2013, 2012, 2011 and 2010, Summary Statement of Profit and Loss, as restated for the nine months ended 31 December 2014 and the years ended 31 March 2014, 2013, 2012, 2011 and 2010 and also the Statement of Cash Flows, as restated for the nine months ended 31 December 2014 and the years ended 31 March 2014, 2013, 2012, 2011 and 2010 (together referred to as 'Restated Summary Statements') of **VRL Logistics Limited** (the 'Company') annexed to this report and initialed by us for identification purposes, for the purpose of inclusion in the Red Herring Prospectus (the 'RHP'). This financial information has been prepared by the management and approved by the Board of Directors of the Company for the purpose of disclosure in the RHP being issued by the Company in connection with the proposed Initial Public Offering ('IPO') of equity shares having a face value of Rs.10 each at an issue price to be arrived at by a Book Building Process (referred to as the 'Issue').

This financial information has been prepared in accordance with the requirements of:

i) Part I of Chapter III to the Companies Act, 2013 (the 'Act');

ii) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 (the 'SEBI Regulations'), as amended from time to time issued by the Securities and Exchange Board of India ('SEBI') in pursuance to Section 11 of the Securities and Exchange Board of India Act, 1992 and related amendments;

This financial information has been extracted by the management from the audited financial statements of the Company for the nine months ended 31 December 2014 and the years ended 31 March 2014, 2013, 2012, 2011 and 2010.

We have examined such financial information in accordance with the requirements of:

i) The Guidance Note on the Reports in Company Prospectuses (revised) issued by the Institute of Chartered Accountants of India ('ICAI'); and

ii) In accordance with the terms of reference received from the Company and engagement letter dated 22 August 2014 requesting us to carry out work in connection with the RHP being issued by the Company relating to IPO.

A. Financial Information as per the Restated Summary Statements of the Company:

1. We have examined the attached restated summary statements (Annexure 1, 2 and 3). These restated summary statements of the Company have been arrived at after making such adjustments and regroupings to the audited financial statements of the Company which are appropriate and are more fully described in 'Statement of reconciliation of restated profits to profits as per audited financial statements' in Annexure 4.

2. The restated summary statements of the Company for the year ended 31 March 2010 including the adjustments and regroupings discussed above, have been extracted from the audited financial statements of the Company as at and for the year ended 31 March 2010, which have been audited by H. K. Veerbhaddrappa & Co., Chartered Accountants (Firm Registration No. 004578S). We have only verified the impact of retrospective adjustments on account of changes in significant accounting policies and estimates, prior period items and regroupings for the year ended 31 March 2010. We have not jointly carried out any audit tests or review procedures on the financial statements of the Company for the year ended 31 March 2010 and have accordingly relied upon the audited financial statements for the said year audited by H. K. Veerbhaddrappa & Co., Chartered Accountants (Firm Registration No. 004578S). The restated summary statements of the Company as at and for the nine months ended 31 December 2014 and years ended 31 March 2014, 2013, 2012 and 2011 are based on the financial statements of the Company, which have been jointly audited by us.

3. Based on our examination of these restated summary statements of the Company, we state that:

a) The restated summary statements of the Company have to be read in conjunction with the Summary of significant accounting policies and other explanatory information, in Annexure 5;

b) There are no changes in accounting policies adopted by the Company during the nine months ended 31 December 2014 and the years ended 31 March 2014, 2013, 2012, 2011 and 2010 which would require adjustment in the restated summary statements of the Company;

c) The restated profits have been arrived at after making such adjustments and regroupings as, in our opinion, are appropriate in the year to which they relate as described in the 'Statement of reconciliation of restated profits to profits as per audited financial statements', in Annexure 4;

d) The prior period items have been adjusted in restated summary statements of the Company in the years to which they relate;

e) There are no extra-ordinary items which need to be disclosed separately in the restated summary statements of the Company; and

f) There are no qualifications in the auditors' reports for the nine months ended 31 December 2014 and the years ended 31 March 2014, 2013, 2012, 2011 and 2010, which would require adjustment in the restated summary statements of the Company.

B. Other Financial Information:

4. We have examined the following 'Other financial information' in respect of nine months ended 31 December 2014 and the years ended 31 March 2014, 2013, 2012, 2011 and 2010 of the Company, proposed to be included in the RHP, as prepared by the management and approved by the Board of Directors of the Company and annexed to this report:

i. Statement of reconciliation of restated profits to profits as per audited financial statements (Annexure 4);

ii. Summary of significant accounting policies and other explanatory information (Annexure 5);

iii. Statement of share capital, as restated (Annexure 6);

iv. Statement of reserves and surplus, as restated (Annexure 7);

v. Statement of borrowings, as restated (Annexure 8);

vi. Security details on term loan from banks (Annexure 8A);

vii. Security details on term loan from NBFCs (Annexure 8B);

viii. Security details on working capital loan from banks (Annexure 8C);

ix. Statement of deferred tax liabilities (net), as restated (Annexure 9);

x. Statement of other long term liabilities, as restated (Annexure 10);

xi. Statement of provisions, as restated (Annexure 11);

xii. Statement of trade payables, as restated (Annexure 12);

xiii. Statement of other current liabilities, as restated (Annexure 13);

xiv. Statement of tangible assets, as restated (Annexure 14);

xv. Statement of intangible assets, as restated (Annexure 15);

xvi. Statement of non-current investments, as restated (Annexure 16);

xvii. Statement of loans and advances, as restated (Annexure 17);

xviii. Statement of other non-current assets, as restated (Annexure 18);

xix. Statement of inventories, as restated (Annexure 19);

xx. Statement of trade receivables, as restated (Annexure 20);

xxi. Statement of cash and bank balances, as restated (Annexure 21);

xxii. Statement of other current assets, as restated (Annexure 22);

xxiii. Statement of revenue from operations, as restated (Annexure 23);

xxiv. Statement of other income, as restated (Annexure 24);

xxv. Statement of operating expenses, as restated (Annexure 25);

xxvi. Statement of employee benefits expense, as restated (Annexure 26);

xxvii. Statement of finance costs, as restated (Annexure 27);

xxviii. Statement of depreciation and amortisation expense, as restated (Annexure 28);

xxix. Statement of other expenses, as restated (Annexure 29);

xxx. Statement of capitalisation, as restated (Annexure 30);

xxxi. Statement of tax shelter (Annexure 31)

xxxii. Statement of rates and amounts of dividend paid/proposed, as restated (Annexure 32);

xxxiii. Statement of accounting ratios, as restated (Annexure 33) and

xxxiv. Statement of related party transactions and balances, as restated (Annexure 34);

5. In our opinion, the 'Financial Information as per the Restated Summary Statements of the Company' and 'Other Financial Information' mentioned above for the nine months ended 31 December 2014 and years ended 31 March 2014, 2013, 2012, 2011 and 2010 have been prepared in accordance with the Act and the relevant provisions of the SEBI Regulations.

6. This report should not be in any way construed as a re-issuance or re-dating of any of the previous audit reports issued by H. K. Veerbhaddrappa & Co., Chartered Accountants (Firm Registration No. 004578S) or by us nor should it be construed as a new opinion on any of the financial statements referred to therein.

7. We have no responsibility to update our report for events and circumstances occurring after the date of the report.

8. This report is intended solely for your information and for inclusion in the RHP in connection with the proposed IPO of the equity shares of the Company and is not to be used, referred to or distributed for any other purpose without our prior written consent.

For **Walker Chandiok & Co LLP**
(Formerly Walker, Chandiok & Co)
Chartered Accountants
Firm Registration No.: 001076N/N500013

per **Khushroo B. Panthaky**
Partner
Membership No.: 42423

Mumbai
9 February 2015

For **H. K. Veerbhaddrappa & Co**
Chartered Accountants
Firm Registration No.: 004578S

per **Arrvvind Kubsad**
Partner
Membership No.: F-85618

Hubballi
9 February 2015

VRL LOGISTICS LIMITED

Annexure 1

Summary Statement of Assets and Liabilities, as restated

(Rupees in million)

Particulars	Annexure	As at 31 December 2014	As at 31 March				
			2014	2013	2012	2011	2010
Equity and liabilities							
Shareholders' funds							
Share capital	Annexure 6	855.36	855.36	1,811.69	707.00	707.00	707.00
Reserves and surplus	Annexure 7	2,512.76	2,210.12	1,082.32	1,166.15	628.50	359.19
		3,368.12	**3,065.48**	**2,894.01**	**1,873.15**	**1,335.50**	**1,066.19**
Non-current liabilities							
Long-term borrowings	Annexure 8	2,131.30	2,528.79	2,851.63	4,035.11	2,527.33	2,151.06
Deferred tax liabilities (net)	Annexure 9	832.27	833.63	775.99	692.47	923.00	758.54
Other long term liabilities	Annexure 10	88.68	88.66	86.60	78.29	78.05	76.26
Long-term provisions	Annexure 11	48.88	26.40	29.13	21.56	1.40	4.06
		3,101.13	**3,477.48**	**3,743.35**	**4,827.43**	**3,529.78**	**2,989.92**
Current liabilities							
Short-term borrowings	Annexure 8	1,044.83	1,094.25	938.42	729.03	885.72	632.37
Trade payables	Annexure 12	63.73	93.11	50.17	55.58	25.02	53.95
Other current liabilities	Annexure 13	2,053.91	1,825.33	1,655.06	1,760.87	1,478.21	1,234.00
Short-term provisions	Annexure 11	97.27	223.65	370.80	77.24	91.10	218.29
		3,259.74	**3,236.34**	**3,014.45**	**2,622.72**	**2,480.05**	**2,138.61**
Total		**9,728.99**	**9,779.30**	**9,651.81**	**9,323.30**	**7,345.33**	**6,194.72**
Assets							
Non-current assets							
Fixed assets							
Tangible assets	Annexure 14	6,937.46	7,393.60	7,100.91	6,941.95	4,988.10	4,690.16
Intangible assets	Annexure 15	8.08	9.72	2.01	3.75	11.68	19.23
Capital work-in-progress		146.05	140.37	140.28	100.21	402.54	115.27
Non-current investments	Annexure 16	1.08	1.08	0.78	1.28	1.25	1.25
Long-term loans and advances	Annexure 17	818.78	910.00	966.63	916.66	778.25	498.77
Other non-current assets	Annexure 18	25.44	25.21	7.16	12.27	5.40	11.22
		7,936.89	**8,479.98**	**8,217.77**	**7,976.12**	**6,187.22**	**5,335.90**
Current assets							
Inventories	Annexure 19	166.88	134.75	96.84	87.31	60.75	69.55
Trade receivables	Annexure 20	883.34	799.56	853.94	785.22	688.04	495.59
Cash and bank balances	Annexure 21	129.91	150.92	154.36	136.00	151.40	174.43
Short-term loans and advances	Annexure 17	258.85	198.05	185.47	151.45	111.13	111.30
Other current assets	Annexure 22	353.12	16.04	143.43	187.20	146.79	7.95
		1,792.10	**1,299.32**	**1,434.04**	**1,347.18**	**1,158.11**	**858.82**
Total		**9,728.99**	**9,779.30**	**9,651.81**	**9,323.30**	**7,345.33**	**6,194.72**

The above statement should be read with the summary of significant accounting policies and other explanatory information of the Company in Annexure 5.

As per our report of even date attached

For **Walker Chandiok & Co LLP**
(Formerly Walker, Chandiok & Co)
Chartered Accountants

Khushroo B. Panthaky
Partner

Place: Mumbai
Date: 9 February 2015

For **H. K. Veerbhaddrappa & Co**
Chartered Accountants

Arrvvind Kubsad
Partner

Place: Hubballi
Date: 9 February 2015

For and on behalf of the Board of Directors

Vijay Sankeshwar
Chairman and Managing Director

Anand Sankeshwar
Managing Director

Sunil Nalavadi
Chief Financial Officer

Aniruddha Phadnavis
General Manager (Finance) and Company Secretary

Place: Hubballi
Date: 9 February 2015

VRL LOGISTICS LIMITED

Annexure 2

Summary Statement of Profit and Loss, as restated

(Rupees in million)

Particulars	Annexure	For the nine months ended 31 December 2014	For the year ended 31 March				
			2014	2013	2012	2011	2010
Revenue							
Revenue from operations	Annexure 23	12,738.07	14,937.84	13,254.97	11,303.83	8,888.02	7,113.47
Other income	Annexure 24	55.73	99.93	98.27	48.95	41.13	32.66
Total revenue		**12,793.80**	**15,037.77**	**13,353.24**	**11,352.78**	**8,929.15**	**7,146.13**
Expenses							
Operating expenses	Annexure 25	8,990.74	10,911.73	9,626.49	7,911.18	6,033.64	4,677.91
Employee benefits expense	Annexure 26	1,456.79	1,744.59	1,482.55	1,289.19	1,044.83	899.75
Finance costs	Annexure 27	449.89	599.13	591.23	651.42	479.13	508.44
Depreciation and amortisation expense	Annexure 28	691.75	866.16	823.37	695.98	509.34	464.22
Other expenses	Annexure 29	151.36	215.76	193.71	184.37	150.86	157.56
Total expenses		**11,740.53**	**14,337.37**	**12,717.35**	**10,732.14**	**8,217.80**	**6,707.88**
Profit before exceptional item and tax		**1,053.27**	**700.40**	**635.89**	**620.64**	**711.35**	**438.25**
Add: Exceptional item (refer note 10 of Annexure 5)		-	66.37	-	-	-	-
Profit before tax		**1,053.27**	**766.77**	**635.89**	**620.64**	**711.35**	**438.25**
Current tax (net of MAT credit)		332.26	137.37	95.34	83.95	30.25	0.71
Deferred tax*		4.11	57.64	83.52	(230.53)	164.46	150.00
Profit for the period/year		**716.90**	**571.76**	**457.03**	**767.22**	**516.64**	**287.54**

*Deferred tax credit for the year 2011-12 includes reversal of deferred tax liability of Rs. 307.36 million, representing timing differences arising on depreciation on Wind Turbine Generators, for the tax holiday period from 2011-12 to 2020-21. This reversal arose due to decision of the management to avail income-tax benefits in accordance with Section 80IA of the Income-tax Act, 1961 with effect from financial year 2011-12.

The above statement should be read with the summary of significant accounting policies and other explanatory information of the Company in Annexure 5.

As per our report of even date attached

For **Walker Chandiok & Co LLP**
(Formerly Walker, Chandiok & Co)
Chartered Accountants

For **H. K. Veerbhaddrappa & Co**
Chartered Accountants

For and on behalf of the Board of Directors

Khushroo B. Panthaky
Partner

Arrvvind Kubsad
Partner

Vijay Sankeshwar
Chairman and Managing Director

Anand Sankeshwar
Managing Director

Sunil Nalavadi
Chief Financial Officer

Aniruddha Phadnavis
General Manager (Finance) and Company Secretary

Place: Mumbai
Date: 9 February 2015

Place: Hubballi
Date: 9 February 2015

Place: Hubballi
Date: 9 February 2015

VRL LOGISTICS LIMITED

Annexure 3

Statement of Cash Flows, as restated

(Rupees in million)

Particulars	For the nine months ended 31 December 2014	For the year ended 31 March				
		2014	2013	2012	2011	2010
Cash flows from operating activities						
Profit before tax	**1,053.27**	**766.77**	**635.89**	**620.64**	**711.35**	**438.25**
Adjustments for :						
Depreciation and amortisation expense	691.75	866.16	823.37	695.98	509.34	464.22
Interest expense	449.89	599.13	591.23	651.42	479.13	508.44
Interest income	(2.01)	(2.73)	(3.22)	(2.16)	(2.18)	(1.77)
Dividend income	(0.10)	(0.10)	(0.29)	(0.10)	(0.16)	(0.18)
Loss on sale of fixed assets (net)	8.27	7.87	3.14	0.33	14.82	15.54
Advances and bad debts written off	0.70	11.80	0.09	7.53	2.42	9.13
Provision for doubtful advances and debts	3.50	2.50	4.30	0.50	2.60	7.42
Credit balance written back	(1.17)	(7.63)	(6.11)	(3.85)	(1.42)	(0.43)
Adjustment for exceptional item	-	(66.37)	-	-	-	-
Operating profit before working capital changes	**2,204.10**	**2,177.40**	**2,048.40**	**1,970.29**	**1,715.90**	**1,440.62**
Adjustments for :						
(Increase) / decrease in trade receivables	(83.78)	52.98	(73.02)	(97.68)	(195.05)	(57.08)
(Increase) in loans and advances and other current assets	(105.58)	(23.65)	(184.24)	(86.53)	(32.73)	(24.22)
(Increase) / decrease in inventories	(32.13)	(37.91)	(9.54)	(26.56)	8.79	(0.92)
Increase / (decrease) in trade payables, other liabilities and provisions	57.40	12.87	(20.61)	57.03	156.43	62.48
Cash generated from operating activities	**2,040.01**	**2,181.69**	**1,760.99**	**1,816.55**	**1,653.34**	**1,420.88**
Direct taxes paid (net of refunds)	(181.26)	(149.07)	(131.19)	(157.33)	(185.98)	(48.52)
Net cash generated from operations (A)	**1,858.75**	**2,032.62**	**1,629.80**	**1,659.22**	**1,467.36**	**1,372.36**
Cash flows from investing activities						
Purchase of fixed assets (including capital advance)	(601.38)	(1,093.57)	(914.06)	(2,440.47)	(1,351.77)	(503.87)
Proceeds from sale of fixed assets	16.42	190.61	7.44	8.89	31.61	136.38
Proceeds from advance towards sale of land	100.00	-	-	-	16.01	-
Encashment / (placement) of fixed deposits with bank	(2.23)	(10.95)	5.57	5.89	(3.13)	(6.22)
Sale/(purchase) of non-current investments	-	(0.30)	0.50	(0.03)	-	-
Interest received	0.24	3.46	1.89	2.49	1.02	1.15
Dividend income received	0.10	0.10	0.29	0.10	0.16	0.18
Net cash (used in) investing activities (B)	**(486.85)**	**(910.65)**	**(898.37)**	**(2,423.13)**	**(1,306.10)**	**(372.38)**
Cash flows from financing activities						
Proceeds from issue of shares (including securities premium)	-	-	1,250.00	-	-	-
Proceeds from / (repayment of) public deposits (net)	-	(25.97)	(60.73)	(30.88)	7.65	104.02
Proceeds from / (repayment of) unsecured loans from/to corporates (net)	-	-	(5.50)	(246.00)	250.50	1.00
Proceeds from short term borrowings (net)	(49.42)	155.83	214.89	89.31	2.85	250.96
Proceeds from long term borrowings	833.60	1,192.63	931.80	3,028.71	1,379.37	893.92
Repayment of long term borrowings	(1,123.89)	(1,275.94)	(2,107.97)	(1,234.08)	(995.94)	(1,671.48)
Dividend paid and tax thereon	(603.77)	(563.59)	(304.03)	(172.56)	(371.41)	(132.35)
Interest and processing fees paid	(451.44)	(601.27)	(620.58)	(629.69)	(444.58)	(505.73)
Share issue expenses	-	-	(10.49)	(43.54)	(21.68)	-
Net cash (used in)/generated from financing activities (C)	**(1,394.92)**	**(1,118.31)**	**(712.61)**	**761.27**	**(193.24)**	**(1,059.66)**
Net increase / (decrease) in cash and cash equivalents (A + B + C)	**(23.02)**	**3.66**	**18.82**	**(2.64)**	**(31.98)**	**(59.68)**
Cash and cash equivalents at the beginning of the period /year	**150.41**	**146.75**	**127.93**	**130.57**	**162.55**	**222.23**
Cash and cash equivalents at the end of the period / year	**127.39**	**150.41**	**146.75**	**127.93**	**130.57**	**162.55**
Cash and cash equivalents comprise:						
Cash on hand	32.94	36.62	37.69	35.97	23.57	23.41
Cheques / drafts on hand/ in transit	-	4.18	5.70	8.73	10.12	9.85
Balances with banks						
- in current accounts	94.18	107.24	82.08	75.26	91.65	128.17
- in deposit accounts (with maturity upto 3 months)	0.10	0.50	18.88	6.43	3.74	0.62
Cash in transit	0.17	1.87	2.40	1.54	1.49	0.50
	127.39	**150.41**	**146.75**	**127.93**	**130.57**	**162.55**

Restricted Cash						
Fixed deposits pledged with banks	0.10	0.50	18.88	6.43	3.74	0.62

Notes:

1] The above Cash Flow Statements have been prepared under the 'Indirect Method' as set out in Accounting Standard 3, "Cash Flow Statements", notified under the Companies (Accounting Standards) Rules, 2006 read with Rule 7 of the Companies (Accounts) Rules, 2014.

2] Figures in brackets represent outflows.

As per our report of even date attached

For **Walker Chandiok & Co LLP**
(Formerly Walker, Chandiok & Co)
Chartered Accountants

For **H. K. Veerbhaddrappa & Co**
Chartered Accountants

For and on behalf of the Board of Directors

Khushroo B. Panthaky
Partner

Arrvvind Kubsad
Partner

Vijay Sankeshwar
Chairman and
Managing Director

Anand Sankeshwar
Managing Director

Sunil Nalavadi
Chief Financial Officer

Aniruddha Phadnavis
General Manager (Finance)
and Company Secretary

Place: Mumbai
Date: 9 February 2015

Place: Hubballi
Date: 9 February 2015

Place: Hubballi
Date: 9 February 2015

VRL LOGISTICS LIMITED

Annexure 4

Statement of reconciliation of restated profits to profits as per audited financial statements

(Rupees in million)

Particulars	For the nine months ended 31 December 2014	For the year ended 31 March 2014	2013	2012	2011	2010
Profit as per audited Statement of Profit and Loss	**718.56**	**570.10**	**802.94**	**410.58**	**509.73**	**290.98**
Restated adjustments:						
Revenue from operations	-	-	-	-	1.12	(1.13)
Other income	-	-	-	-	(0.29)	0.33
Operating expenses	-	-	-	-	1.81	(0.93)
Employee benefits expense	-	-	-	-	3.51	(1.33)
Finance costs	0.73	(0.73)	-	-	-	-
Depreciation and amortisation expense	-	-	-	-	-	(0.02)
Other expenses	0.15	(0.15)	-	-	0.05	0.19
Current tax	-	-	(0.45)	61.66	0.71	(0.55)
MAT credit entitlement	(2.54)	2.54	(38.10)	(12.38)	-	-
Deferred tax	-	-	(307.36)	307.36	-	-
Profit for the period/year, as restated as per Annexure 2	**716.90**	**571.76**	**457.03**	**767.22**	**516.64**	**287.54**

<u>Significant adjustments relating to prior years:</u>

i) Adjustments on account of restatements to income balances:

Adjustments in operating income has mainly arisen out of debits / credits being recorded as prior period items arising out of errors / omissions and or short recording of operating incomes during the financial years ended 31 March 2011 and 31 March 2010. Adjustments also include adjustments relating to de-recognition of accrued revenues on parcels remaining unclaimed as at the end of such financial reporting periods.

The effect of these adjustments has been given in the respective years to which they relate in the Summary Statement of Profit and Loss, as restated.

ii) Restatement adjustments for expense balances:

During the reporting period, adjustments recorded to expense balances pre-dominantly arose on account of recording of prior period expenses arising out of errors and / or omissions, short provisioning, etc. in respect of:

• Operating expenses like Vehicle running, repairs and maintenance, Rent, Insurance, Agency commission, etc.,

• Employee benefits expense like salaries, wages and bonus and staff welfare expenses.

• Finance costs like interest on income tax

• Depreciation and amortisation expense.

• Other expenses like Legal and professional expenses, Communication expenses, Printing and stationery, etc.

Accordingly, the effect of such adjustments has been given in the respective years to which they relate in the Summary Statement of Profit and Loss, as restated.

iii) Significant tax adjustment pertaining to earlier years

Restatement adjustment to the profit as per audited Statement of Profit and Loss for the year ended 31 March 2012 includes rectification of net profit considered by the management for the purpose of computation of Minimum Alternate Tax Liability (MAT) u/s 115JB for the financial year 2006-07, as indicated in the order u/s 154 of the Income Tax Act, 1961, dated 27 June 2011, thereby leading to a current tax charge (including interest) of Rs.60.25 million with a corresponding MAT credit of Rs.50.48 million. Further, MAT credit of Rs.38.10 million pertaining to 2011-12, which was considered in 2012-13 in audited financial statements has been now restated to 2011-12.

MAT credit of Rs.2.54 million which was short availed during financial year 2013-14, but accounted during the nine months ended 31 December 2014, has been now restated to financial year 2013-14.

Deferred tax represents reversal of deferred tax liability on timing differences in relation to depreciation on Wind Turbine Generators, for the tax holiday period from 2011-12 to 2020-21. This reversal arose due to decision of the management to avail income-tax benefits in accordance with Section 80IA of the Income-tax Act, 1961 with effect from financial year 2011-12. This was accounted in 2012-13 in audited financial statements and has now been restated to 2011-12.

iv) Adjustments for current tax

Short / excess provisions for taxes pertaining to earlier years, based on intimations/orders received/returns filed, accounted for during the year ended 31 March 2013, 2012, 2011 and 2010 have been appropriately adjusted to the respective years to which they relate. Adjustments related to financial years prior to 2009-10, have been adjusted against the opening balance of reserves and surplus as at 1 April 2009.

v) Restatement adjustments made in the restated statement of reserves and surplus (refer Annexure 7) to the balance as at 1 April 2009 of Surplus in the Statement of Profit and Loss is as detailed below:-

Particulars		*(Rupees in million)*
Surplus in the Statement of Profit and Loss as at 1 April 2009 as per audited financial statements		159.76
Adjustments		
a. Revenue from operations	0.01	
b. Other income	(0.04)	
c. Operating expenses	(0.88)	
d. Employee benefits expense	(2.18)	
e. Depreciation and amortisation expense	0.02	
f. Other expenses	(0.24)	
g. Current tax	(61.37)	
h. MAT credit entitlement	50.48	
Total		(14.20)
Surplus in the Statement of Profit and Loss as at 1 April 2009, as restated		145.56

Annexure 5 –Summary of significant accounting policies and other explanatory information

1. **Company overview**

VRL Logistics Limited (the "Company") is in logistics services dealing mainly in domestic transportation of goods. Other businesses include bus operations, air chartering service, sale of power and sale of certified emission reductions (CER) units generated from operation of wind mills. The operations of the Company are spread all over the country through various branches.

2. **Significant accounting policies**

a) **Basis of preparation**

The 'Summary Statement of Assets and Liabilities, as restated' of the Company as at 31 December 2014, 31 March 2014, 2013, 2012, 2011 and 2010, 'Summary Statement of Profit and Loss, as restated' and 'Statement of Cash Flows, as restated' for the nine months ended 31 December 2014 and the years ended 31 March 2014, 2013, 2012, 2011 and 2010 (collectively referred to as 'Restated Summary Statements') have been prepared specifically for the purpose of inclusion in the Red Herring Prospectus (the 'RHP') to be filed by the Company with the Securities and Exchange Board of India ('SEBI') in connection with the proposed Initial Public Offering (hereinafter referred to as 'IPO').

The restated summary statements prepared under the historical cost convention on the accrual basis of accounting, are in accordance with the applicable requirements of the Companies Act, 1956 and the provisions of the Companies Act, 2013 (to the extent notified) (the 'Act') and comply in all material aspects with the Accounting Standards prescribed by the Central Government, in accordance with the Companies (Accounting Standards) Rules, 2006 read with Rule 7 of the Companies (Accounts) Rules, 2014 in respect of section 133 of the Companies Act, 2013, to the extent applicable. The accounting policies have been consistently applied by the Company.

The restated summary statements have been prepared to comply in all material respects with the requirements of Part I of Chapter III to the Companies Act, 2013 and Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 (the 'SEBI Regulations') issued by SEBI, as amended from time to time.

During the year ended 31 March 2012, the Revised Schedule VI notified under the Companies Act, 1956, has become applicable to the Company for the preparation and presentation of its financial statements, accordingly, previous years' figures have been re-grouped/re-classified, wherever applicable.

Appropriate re-classifications/ adjustments have been made in the restated summary statements wherever required, by re-classification of the corresponding items of income, expenses, assets and liabilities, in order to bring them in line with the requirements of the SEBI Regulations.

b) Use of estimates

The preparation of restated summary statements in conformity with Generally Accepted Accounting Principles (GAAP) requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent liabilities on the date of financial statements and reported amounts of revenue and expenses for that period / year. Actual results could differ from these estimates. Any revision to accounting estimates is recognised prospectively in current and future periods.

All assets and liabilities have been classified as current and non-current as per normal operating cycle of the Company and other criteria set out in Schedule III to the Companies Act, 2013. Based on nature of products / services, the Company has ascertained its operating cycle as 12 months for the purpose of current and non-current classification of assets and liabilities.

c) Fixed assets and capital work in progress

i. Fixed assets are stated at cost of acquisition or construction less accumulated depreciation/amortisation. Cost includes inward freight, taxes and expenses incidental to acquisition and installation, up to the point the asset is ready for its intended use.
ii. Direct expenses as well as clearly identifiable indirect expenses, incurred during the period of construction of building and body building of vehicles are capitalised with the respective assets in accordance with the ratio determined and certified by Company's Management.
iii. Assets acquired but not ready for use and stock of body building materials are classified under Capital work in progress and are stated at cost comprising direct cost and related incidental expenses.

d) Depreciation

i. Depreciation on fixed assets is provided under the straight line method over the useful life of assets as prescribed under Part C of Schedule II of the Companies Act, 2013 / Schedule XIV of the Companies Act, 1956, as applicable, except on Vehicles.
   Vehicles are depreciated over a period of 9 years.
   For Vehicles, based on internal assessment and independent technical evaluation carried out by external valuer, the management believes that the useful life as mentioned above represent the period over which management expects to use these assets. Hence, the useful life for these assets are different from the useful life as prescribed under Part C of Schedule II of the Companies Act, 2013, which is effective for financial years / periods beginning on or after 01 April 2014 and under Schedule XIV of the Companies Act, 1956 which was applicable for earlier years.
ii. Cost of leasehold land and leasehold improvements is amortised over the period of the lease or its useful life, whichever is lower.
iii. Goodwill is amortised over a period of five years.
iv. Software is amortised over a period of five years.
v. Depreciation on replaced vehicle bodies is restricted to the period that is co-terminus with balance working life of such vehicles.

e) Leases

Operating Leases are those leases where the lessor retains substantial risks and benefits of ownership of leased assets. Rentals in such cases are expensed with reference to lease terms and other considerations on a straight line basis.

f) Impairment of assets

Management evaluates at regular intervals, using external and internal sources, the need for impairment of any asset. Impairment occurs where the carrying value of the asset exceeds the present value of future cash flows expected to arise from the continuing use of the asset and its net realisable value on eventual disposal. Any loss on account of impairment is expensed as the excess of the carrying amount over the higher of the asset's net sales price or present value, as determined.

After impairment, depreciation is provided on the revised carrying amount of the asset over its remaining useful life.

A previously recognised impairment loss is increased or reversed depending on changes in circumstances. However, the carrying value after reversal is not increased beyond the carrying value that would have prevailed by charging usual depreciation, if there was no impairment.

g) Foreign currency transactions

i. Transactions denominated in foreign currencies are recorded at the exchange rate prevailing at the date of the transaction.

ii. Monetary assets and liabilities denominated in foreign currencies at the year end are restated at the rate of exchange prevailing on the date of the Balance Sheet.

iii. Any exchange difference on account of settlement of foreign currency transactions and restatement of monetary assets and liabilities denominated in foreign currency is recognised in the Statement of Profit and Loss.

h) Investments

Investments are classified into current investments and non-current investments. Current investments, i.e. investments that are readily realisable and intended to be held for not more than a year are valued at lower of cost and net realisable value. Any reduction in the carrying amount or any reversal of such reductions are charged or credited to the Statement of Profit and Loss.

Non-current investments are stated at cost. Provision for diminution in the value of these investments is made only if such decline is other than temporary, in the opinion of the management.

i) Valuation of inventories

Consumables and stores and spares are valued at lower of cost computed on first-in-first out basis or net realisable value. Stock of tyres is valued based on specific identification method. Obsolete, defective, unserviceable and slow/non moving stocks are duly provided for.

j) Recognition of income and expenditure

i. Income and expenditure is recognised on accrual basis and provision is made for all known losses and liabilities.
ii. Revenue from Goods transport and Courier service is recognised when goods / documents are delivered to the customers.
iii. Revenue from Bus operation is recognised upon commencement of journey of passengers.
iv. Revenue from sale of power is recognised upon deposit of units of generated power at the grid of the purchasing electricity company.
v. Revenue from sale of eligible carbon credit units such as Verified / Certified Emission Reductions units (VERs)/ (CERs) is recognised on completion of the validation process for units generated and entering of a definitive binding agreement for the sale of such units.
vi. Revenue from passenger air charter is recognised upon commencement of flight journey.
vii. Revenue from hotel operations is recognized upon rendering of service.
viii. Freight income related to unclaimed parcels is recognised on realisation basis.
ix. Interest on deposits is recognised on time proportion basis.
x. Dividend income is recognised when the right to receive the dividend is established.
xi. Rent income is recognised on time proportion basis.
xii. Advertisement income is recognised when the related advertisement or commercial appears before the public.
xiii. Provision for expenses against trip advance is made on an estimated basis.

k) Employee benefits

i. All short term employee benefits are accounted on undiscounted basis during the accounting period based on services rendered by employees.

ii. The Company's contribution to Provident Fund and Employees State Insurance Scheme is determined based on a fixed percentage of the eligible employees' salary and charged to the Statement of Profit and Loss. The Company has categorised its Provident Fund and the Employees State Insurance Scheme as a defined contribution plan since it has no further obligations beyond these contributions.

iii. The Company's liability towards gratuity and compensated absences, being defined benefit plans is accounted for on the basis of an independent actuarial valuation done as at the year end and actuarial gains/losses are charged to the Statement of Profit and Loss. Gratuity liability is funded by payments to the trust established for the purpose.

l) Borrowing costs

Borrowing costs attributable to the acquisition and construction of qualifying assets are capitalised as part of the cost of such assets up to the date such assets are ready for their intended use. Other borrowing costs are treated as revenue expenditure.

m) Taxation

i. Tax expenses comprise current tax (amount of tax for the period determined in accordance with the Income Tax Regulations in India) and deferred tax charge or credit (reflecting the tax effects of timing differences between accounting income and taxable income for the period).

ii. The deferred tax charge or credit and the corresponding deferred tax liabilities or assets are recognised using the tax rates that have been enacted or substantively enacted by the Balance Sheet date. Deferred tax assets are recognised only to the extent there is reasonable certainty that the assets can be realised in future; however, where there is unabsorbed depreciation or carry forward losses under taxation laws, deferred tax assets are recognised only if there is a virtual certainty of realisation of such assets. Deferred tax assets are reviewed at each Balance Sheet date and written down or written up to reflect the amount that is reasonably / virtually certain, as the case may be, to be realised.

iii. Tax credit is recognised in respect of Minimum Alternate Tax (MAT) as per the provisions of Section 115JAA of the Income Tax Act, 1961 based on convincing evidence that the Company will pay normal income tax within the statutory time frame and is reviewed at each Balance Sheet date.

n) Provisions and contingent liabilities

Provisions are recognised in the financial statements in respect of present probable obligations, for amounts which can be reliably estimated.

Contingent liabilities are disclosed in respect of possible obligations that arise from past events, whose existence would be confirmed by the occurrence or non occurrence of one or more uncertain future events not wholly within the control of the Company. Such liabilities are disclosed by way of notes to the financial statements. No disclosure is made if the possibility of an outflow on this account is remote.

Annexure 5

3. Contingent liabilities not provided for

(Rupees in million)

Particulars	As at 31 December 2014	As at 31 March 2014	As at 31 March 2013	As at 31 March 2012	As at 31 March 2011	As at 31 March 2010
A] Claims against the Company not acknowledged as debts						
Income tax matters	53.08	51.34	49.91	48.50	102.01	48.41
Service tax matters	-	-	-	51.44	51.44	415.42
Central excise matters	-	-	108.54	108.54	80.92	65.75
Customs duty (refer note (c) below)	69.49	69.49	69.49	69.49	69.49	68.81
PF and ESIC matters	1.29	1.29	1.29	1.29	1.29	2.69
Sales tax matters	-	-	-	-	-	1.44
Other contractual matters	31.89	27.35	18.46	11.31	5.31	5.33
	155.75	**149.47**	**247.69**	**290.57**	**310.46**	**607.85**
B] Disputed claims pending in Courts	60.33	52.92	47.81	36.00	30.06	26.09
C] Guarantees given on behalf of the Company by banks	4.05	2.21	3.15	2.10	-	-
Total	**220.13**	**204.60**	**298.65**	**328.67**	**340.52**	**633.94**

Notes:-

a. The Company is in appeal against demands from Income Tax, Provident Fund and ESIC authorities.

b. The above figures for contingent liabilities do not include amounts towards penalties/interest that may devolve on the Company in the event of an adverse outcome as the same is subjective and not capable of being presently quantified.

c. Customs duty liability is in respect of alleged violation of terms and conditions of Non Scheduled Air Transport Service, as claimed by the Customs Department to the extent it can be quantified. The said department has issued a Show cause cum demand notice alleging violation of terms and conditions of Non Scheduled Air Transport Service and demanded, amongst others, customs duty on the import of aircraft and interest thereon. The Company had earlier availed of the exemption available under the Customs Act, 1962 (the 'Act') and was accordingly assessed to Nil duty under the Act. The Company has deposited the Customs duty, including interest thereon, without prejudice to further rights. These payments have been disclosed as deposits in the books of account. The Company has already filed the necessary response to the notice and expects a favourable order in this regard.

d. Future cash outflows in respect of (A) above can be determined only on receipt of judgments/decisions pending with various forums/authorities.

e. The amount disclosed in respect of (B) above represents the estimated liability based on independent legal opinion obtained by the management in relation to the various cases of Motor Vehicle Accidents, Consumer disputes, Workmen compensation, etc. filed against the Company.

4. During the year ended 31 March 2012, the Department of Stamps and Registration, Government of Karnataka had issued a notice towards stamp duty payable on acknowledgment of delivery of a letter, article, document, parcel, package or consignment, given by the Company to the sender of such letter, article, document, etc. in accordance with the Karnataka Stamp Act, 1957 (Article- 1 (ii) of the Schedule). The Company has challenged the constitutional validity of the said provision by way of Writ Petition before the Honourable High Court of Karnataka, Circuit Bench at Dharwad. The Writ Petition came-up for hearing and subject to deposit of a sum of Rs.2.5 million, the authorities have been directed not to take any coercive action and also to determine the Stamp Duty liability. The Company had paid the deposit of Rs.2.5 million but the quantum of Stamp Duty payable is yet to be arrived at by the department. In the opinion of the management, no financial liability is expected to arise in this regard. The financial liability that may ultimately devolve upon the Company is currently not ascertainable and as such no amount has been included as contingent liability towards the same.

5 The Company has issued a notice dated 5 November 2014 to Mr. Rudrapratap Tripathi, proprietor of M/s Indian Corporation, alleging that he has entered into a sale deed with the Company in relation to property situated at Bhiwandi, without being duly authorized to do so by the original land owners. The Company has further alleged that Mr. Rudrapratap Tripathi has not disclosed the defects in the title to the property including the fact that the land is an agricultural land. The Company has paid a sale consideration of Rs.324.00 million towards purchase of the property. In the aforesaid notice, the Company has also alleged cheating and breach of trust by Mr. Rudrapratap Tripathi and has called upon him to refund Rs.324.00 million paid to him along with the stamp duty, registration and other expenses incurred together with interest at the rate of 22% p.a. from the date of payment till the payment receive date, failing which the Company has the rights to initiate criminal proceedings against him. Management has received necessary representations from the attorney of Mr. Rudrapratap Tripathi in relation to sanctity of title and permitted utility of the aforesaid land towards industrial use and occupation. The attorney has also indicated the intention of Mr. Rudrapratap Tripathi to re-purchase the aforesaid property, if required, at the sale consideration paid by the Company. Management does not expect any financial impairment of the book value of the aforesaid property considering the representations received from Mr. Rudrapratap Tripathi through his attorney and accordingly no adjustments have been made to the financial statements to this effect.

6. Capital and other commitment

(Rupees in million)

Particulars	As at 31 December 2014	As at 31 March 2014	As at 31 March 2013	As at 31 March 2012	As at 31 March 2011	As at 31 March 2010
Estimated amounts of contracts remaining to be executed on capital account and not provided for (net of advances)	88.10	107.03	56.81	551.39	193.76	156.57

7. In the opinion of the Management, Current Assets, Loans and Advances have a value on realization in the ordinary course of business, at least equal to the amounts at which they are stated.

8. The land whereat 34 Wind Turbine Generators (WTGs) are installed (at Kappatgudda, Gadag District, Karnataka) is leased to Suzlon Energy Limited by the Karnataka Forest Department. Consequently, Suzlon Energy Limited has transferred the lease in favour of the Company with requisite clearances from Karnataka Forest Department.

9. The Company has entered into Operating lease agreements for godowns and office facilities and such leases are basically cancellable in nature.

Certain non-cancellable operating leases extend upto a maximum of ten years from their respective dates of inception. Some of such lease agreements have a price escalation clause. Maximum obligations on long term non-cancellable operating leases in accordance with the rentals stated in the respective agreements are as under:

(Rupees in million)

Particulars	As at 31 December 2014	As at 31 March 2014	As at 31 March 2013	As at 31 March 2012	As at 31 March 2011	As at 31 March 2010
Not later than 1 year	123.14	117.05	94.51	106.78	70.63	55.97
Later than 1 year but not later than 5 years	413.58	434.08	119.36	89.12	119.84	146.81
Later than 5 years	450.13	521.23	1.25	-	-	-
Total	**986.85**	**1,072.36**	**215.12**	**195.90**	**190.47**	**202.78**

10. Other current assets as at 31 March 2011 included net book value of land at Gurgaon, Haryana aggregating Rs.115.53 million which had been retired from active use and was held for disposal. This land was accordingly stated at the lower of net book value and net realisable value. During the year ended 31 March 2014, the Company has entered into a sale deed dated 29 October 2013 with respect to the land at Gurgaon for value aggregating Rs.186 million. An amount of Rs.4.1 million was incurred towards the sale process including conversion of land into Non Agricultural Land. The profit on sale of the aforesaid land amounting to Rs.66.37 million has been accounted as exceptional item in the Statement of Profit and Loss for the year ended 31 March 2014.

11 Other current assets as at 31 December 2014 include net book value of land at Bangalore aggregating Rs.312.84 million which has been retired from active use and is held for disposal. The net realisable value in accordance with the sale deed dated 21 January 2015, entered into with a buyer is Rs.350.00 million and therefore it is stated at its book value in accordance with Accounting Standard 10, Accounting for Fixed Assets. Advance received as on 31 December 2014 is Rs.100 million.

12. Verified/Certified Emission Reductions Credits

The Company earns income by trading complete amount of possible Green House Gas (GHG) emission reductions generated by its Windmill project. During the financial year ended 31 March 2010, Company had earned revenue of Rs.20.22 million from sale of Verified Emission Reductions (VERs) representing the revenue stream for the carbon units corresponding to the generation of power from windmills, since inception till the date of registration of the Company's Clean Development Mechanism (CDM) project with the United Nations Framework Convention on Climate Change (UNFCCC). The carbon credits accruing to the Company after the registration and procurement of necessary approvals for the trade of carbon credits has been recognised as Certified Emission Reductions (CERs).

The Company had entered into an agreement dated 29 October 2009 with Asian Development Bank (ADB) (as trustee of the Asia Pacific Carbon Fund) amended vide 'Amendment and Restatement Agreement' dated 01 August 2011, for sale of CERs, generated during the period March 2009 to December 2012 (delivery period). The Company had generated and delivered the relevant units of CERs in accordance with the aforesaid agreements and recognised revenue accordingly.

However, as per the 'Sale and Purchase of surplus CER's' clause in the aforesaid agreement, whenever the Company generates surplus CER's i.e. CER's in excess of the contract CER's on or before 31 December 2012, which has been later verified and certified, ADB shall have the right but not the obligation, to purchase the said surplus CER's from the Company. Correspondingly, ADB had procured 61,366 CERs, in accordance with the contract, and the balance 11,563 (net of 2% CDM administration fees) CERs, which has been certified but not purchased by ADB, remains unrecognised in the books of account, the impact of which, as per the management, is not expected to be material to the financial statements.

Further, the certification of CERs generated during the period January 2013 to December 2014 is underway and hence is not quantifiable.

13. Managerial remuneration:

Managerial remuneration under Section 197 of the Companies Act, 2013 / under Section 198 of the Companies Act, 1956, read along with provisions of Schedule V / XIII, paid / payable to the Directors is as under:

(Rupees in million)

Particulars	Nine months ended 31 December 2014	Year ended 31 March 2014	Year ended 31 March 2013	Year ended 31 March 2012	Year ended 31 March 2011	Year ended 31 March 2010
Salary and Allowances	33.34	47.00	44.96	40.50	40.76	41.29
Contribution to Provident and other funds *	0.01	0.01	0.01	0.01	0.01	0.01
Perquisites **	1.31	1.45	1.24	1.34	1.23	2.98
Commission on profits	3.50	2.78	1.75	1.80	2.52	1.45
	38.16	**51.24**	**47.96**	**43.65**	**44.52**	**45.73**

* The above figures exclude contribution to the approved Group Gratuity Fund, which is actuarially determined.

**Value of perquisites has been determined in accordance with the provisions of Income Tax Act, 1961.

14. During the financial year ended 31 March 2011 and 31 March 2012, Company incurred expenses aggregating Rs.21.68 million and Rs.4.76 million, respectively, in connection with the proposed Initial Public Offering (IPO) of equity shares of the Company, which have been disclosed as 'Unamortised share issue expenses' under Annexure 22, Statement of other current assets, as restated. Further, the Company incurred Rs.38.78 million and Rs.10.49 million towards ancillary expenses related to issue of 0.001% Compulsorily Convertible Participatory Preference Shares (CCPPS) during the financial year ended 31 March 2012 and 2013, respectively. During the year ended 31 March 2013, these expenses aggregating Rs.75.71 million have been adjusted against the securities premium received as a result of the issue of 11,046,875, CCPPS of face value of Rs.100 each of the Company.

During the nine months ended 31 December 2014, Company incurred expenses aggregating Rs.22.86 million in connection with the proposed IPO of equity shares of the Company, which have been disclosed as 'Unamortised share issue expenses' under Annexure 22, Statement of other current assets, as restated.

VRL LOGISTICS LIMITED

Annexure 5

15 **Restated segment report**

Reporting segments in accordance with Accounting Standard 17, Segment reporting, notified under the Companies (Accounting Standards) Rules, 2006 read with Rule 7 of the Companies (Accounts) Rules, 2014 are Goods transport, Bus operations, Sale of power and Air chartering service.

(Rupees in million)

Particulars	Nine months ended 31 December 2014	Year ended 31 March 2014	Year ended 31 March 2013	Year ended 31 March 2012	Year ended 31 March 2011	Year ended 31 March 2010
SEGMENT REVENUE						
(Net sales/Income from external customers)						
a) Goods transport	9,761.77	11,334.26	9,923.32	8,630.04	7,204.19	5,826.20
b) Bus operations	2,573.80	3,091.25	2,848.38	2,178.12	1,344.17	932.09
c) Sale of power	198.69	311.01	353.82	355.34	234.67	283.85
d) Air chartering service	88.04	77.51	41.73	47.73	36.61	16.64
	12,622.30	**14,814.03**	**13,167.25**	**11,211.23**	**8,819.64**	**7,058.78**
Un-allocable revenue	171.50	223.74	185.99	141.55	109.51	87.35
Net sales/income from operations	**12,793.80**	**15,037.77**	**13,353.24**	**11,352.78**	**8,929.15**	**7,146.13**
SEGMENT RESULTS						
(Profit before interest and taxation from each segment)						
a) Goods transport	1,339.45	1,250.86	1,029.95	1,230.27	1,079.69	869.33
b) Bus operations	264.13	23.00	172.79	16.10	168.88	107.20
c) Sale of power	90.74	132.46	170.75	169.83	77.51	124.81
d) Air chartering service	(13.70)	(21.39)	(27.17)	(18.34)	(15.71)	(25.42)
	1,680.62	**1,384.93**	**1,346.32**	**1,397.86**	**1,310.37**	**1,075.92**
Less: Finance costs	(449.89)	(599.13)	(591.23)	(651.42)	(479.13)	(508.44)
Less: Other un-allocable expenditure net of un-allocable income	(177.46)	(85.40)	(119.20)	(125.80)	(119.89)	(129.23)
Profit before exceptional items and tax	**1,053.27**	**700.40**	**635.89**	**620.64**	**711.35**	**438.25**
OTHER INFORMATION						
Assets						
a) Goods transport	4,761.92	4,363.57	4,118.39	3,902.61	2,785.09	2,159.32
b) Bus operations	1,355.81	1,537.34	1,734.51	1,541.48	1,054.45	519.46
c) Sale of power	1,315.40	1,370.42	1,468.79	1,596.40	1,770.21	1,957.67
d) Air chartering service	364.80	381.54	251.34	269.86	300.35	293.53
e) Un-allocable assets	1,931.06	2,126.43	2,078.78	2,012.95	1,435.23	1,264.74
Total	**9,728.99**	**9,779.30**	**9,651.81**	**9,323.30**	**7,345.33**	**6,194.72**
Liabilities						
a) Goods transport	477.61	406.74	426.95	355.03	323.64	273.62
b) Bus operations	24.38	51.63	47.35	38.97	24.96	18.69
c) Sale of power	2.71	2.65	0.14	32.95	123.86	0.11
d) Air chartering service	3.40	2.32	1.61	1.56	1.56	1.12
e) Un-allocable liabilities	5,852.77	6,250.48	6,281.75	7,021.64	5,535.81	4,834.99
Total	**6,360.87**	**6,713.82**	**6,757.80**	**7,450.15**	**6,009.83**	**5,128.53**
CAPITAL EXPENDITURE (including capital advances)						
Total cost incurred during the period/year to acquire segment capital assets						
a) Goods transport	494.08	815.37	319.13	1,178.83	600.00	245.53
b) Bus operations	1.18	85.05	433.09	653.03	641.42	210.39
c) Sale of power	-	-	-	-	-	-
d) Air chartering service	-	120.86	-	-	-	-
e) Un-allocable capital expenditure	98.74	80.16	163.15	601.68	116.81	48.43
Total	**594.00**	**1,101.44**	**915.37**	**2,433.54**	**1,358.23**	**504.35**
SEGMENT DEPRECIATION and AMORTISATION						
a) Goods transport	351.32	411.84	409.58	335.77	244.17	233.82
b) Bus operations	191.87	265.33	225.94	178.78	93.95	58.98
c) Sale of power	62.98	114.04	114.04	114.04	114.04	114.04
d) Air chartering service	14.25	18.98	14.26	14.26	14.26	14.26
e) Un-allocable Depreciation / Amortisation	71.33	55.97	59.55	53.13	42.92	43.12
Total	**691.75**	**866.16**	**823.37**	**695.98**	**509.34**	**464.22**

Note: The Company operates only in India and therefore there are no separate geographical segments.

Annexure 5

16 Additional information pursuant to Schedule III to the Companies Act, 2013 / Revised Schedule VI to the Companies Act, 1956:

(Rupees in million)

Particulars	Nine months ended 31 December 2014		Year ended 31 March 2014		Year ended 31 March 2013		Year ended 31 March 2012		Year ended 31 March 2011		Year ended 31 March 2010	
	Quantity (in units)	Amount	Quantity (in units)	Amount	Quantity (in units)	Amount	Quantity (in units)	Amount	Quantity (in units)	Amount	Quantity (in units)	Amount
A) Generation of Energy												
Opening units	-		-		-		-		-		-	
Generated during the period / year	58,621,635		73,817,429		79,991,660		74,949,978		69,271,073		77,814,064	
(net of transmission loss)												
Less: Captive consumption	166,048		224,509		242,776		249,177		227,321		254,196	
Less: Sale of energy units	58,455,587	198.69	73,592,920	250.14	79,748,884	271.06	74,700,801	253.89	69,043,752	234.67	77,559,868	263.63
Closing units	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
B) Expenditure in foreign currency (accrual basis)												
Aircraft maintenance		8.89		5.28		3.94		1.81		4.37		4.84
Boarding expenses		-		-		-		-		-		0.36
Purchase of spares		0.28		6.25		-		-		-		-
Professional fees on sale of certified emission reductions units		-		0.92		4.67		1.23		-		-
Professional fees		2.20		-		-		-		-		-
Total		**11.37**		**12.45**		**8.61**		**3.04**		**4.37**		**5.20**
C) Earnings in foreign currency (accrual basis)												
Sale of certified emission reductions units		-		60.87		60.36		101.45		-		-
Air chartering service		28.54		24.02		-		-		-		-
Total		**28.54**		**84.89**		**60.36**		**101.45**		**-**		**-**
D) Value of imported and indigenous materials												
Spare parts and components including tyres, flaps and re-treading												
- Imported												
Amount		0.28		6.25		-		-		-		-
Percentage		0.04%		0.66%		-		-		-		-
- Indigenous												
Amount		748.25		936.72		875.89		665.42		522.81		423.40
Percentage		99.96%		99.34%		100%		100%		100%		100%
Total		**748.53**		**942.97**		**875.89**		**665.42**		**522.81**		**423.40**
E) Dividend remitted in foreign currency												
Number of non-resident shareholders		1		1		1		-		-		-
Number of shares held by them												
Equity shares		19,254,912		19,254,912		4,418,750		-		-		-
Preference shares		-		-		11,046,875		-		-		-
Final dividend												
Gross amount of dividend remitted		-		58.78		9.28		-		-		-
The financial year to which it relates		-		2012-13		2011-12		-		-		-
Interim dividend												
Gross amount of dividend remitted		77.02										
The financial year to which it relates		2014-15										
Gross amount of dividend remitted		38.51		38.51		40.21		-		-		-
The financial year to which it relates		2013-14		2013-14		2012-13		-		-		-

17 Unhedged foreign currency exposure

Receivable (net of payables)	As at 31 December 2014		As at 31 March 2014		As at 31 March 2013		As at 31 March 2012		As at 31 March 2011		As at 31 March 2010	
Foreign Currency												
USD	-	14,323.68		24,661.84	-	-	-	-	-	-	-	-
Balance	-	0.91		1.48	-	-	-	-	-	-	-	-

Annexure 5

18 Modifications in the Audit Report in accordance with the provisions of Companies (Auditor's Report) Order, 2003
Following are the audit modifications which do not require any corrective adjustment in the financial information:-

Financial year ended 31 March 2014
The dues outstanding in respect of income-tax, sales-tax, wealth tax, service tax, customs duty, excise duty, cess on account of any dispute, are as follows:

Name of the statute	Nature of dues	Amount (Rupees in million)	Period to which the amount relates	Forum where dispute is pending
Income Tax Act, 1961	Disallowance of prior period expenses and expenses incurred towards construction of building	5.07	Assessment Year 2003-04	Assessing officer (Post directions of Karnataka High Court)
	Notional interest on funds provided to Vijayanand Printers Limited	10.64	Assessment Year 2003-04	Assessing officer (Post directions of Karnataka High Court)
	Demand of tax not deducted at source on body building charges, contribution to power evacuation facilities, etc.	10.57	Assessment Year 2007-08	Commissioner of Income Tax (Appeals)
	Demand of tax not deducted at source on body building charges	0.18	Assessment Year 2008-09	Deputy Commissioner of Income Tax (TDS)
	Revenue from sale of wind power considered as Section 80IA income, disallowance of communication expenses, Air Charter expenses, etc.	22.04	Assessment Year 2008-09	Commissioner of Income Tax (Appeals)
	Disallowance of certain expenditure such as lease rent, amortisation of leasehold improvements, proportionate disallowance of aircraft expenditure with assumption that directors of the Company used Company's assets for personal purposes	1.41	Assessment Year 2010-11	Commissioner of Income Tax (Appeals)
	Disallowance of certain expenditure such as amortisation of leasehold improvements, proportionate disallowance of aircraft expenditure with assumption that directors of the Company used Company's assets for personal purposes	1.43	Assessment Year 2011-12	Commissioner of Income Tax (Appeals)

Financial year ended 31 March 2013
The dues outstanding in respect of sales-tax, income-tax, customs duty, wealth-tax, excise duty, cess on account of any dispute, are as follows:-

Name of the statute	Nature of dues	Amount (Rupees in million)	Period to which the amount relates	Forum where dispute is pending
Income Tax Act, 1961	Disallowance of prior period expenses and expenses incurred towards construction of building	5.07	Assessment Year 2003-04	Karnataka High Court
	Notional interest on funds provided to Vijayanand Printers Limited	10.64	Assessment Year 2003-04	Karnataka High Court
	Demand of tax not deducted at source on body building charges, contribution to power evacuation facilities, etc.	10.57	Assessment Year 2007-08	Commissioner of Income Tax (Appeals)
	Demand of tax not deducted at source on body building charges	0.18	Assessment Year 2008-09	Deputy Commissioner of Income Tax (TDS)
	Revenue from sale of wind power considered as Section 80IA income, disallowance of communication expenses, Air Charter expenses, etc.	22.04	Assessment Year 2008-09	Commissioner of Income Tax (Appeals)
	Disallowance of certain expenditure such as lease rent, amortisation of leasehold improvements, proportionate disallowance of aircraft expenditure with assumption that directors of the Company used Company's assets for personal purposes	1.41	Assessment Year 2010-11	Commissioner of Income Tax (Appeals)
Central Excise Act, 1944	Excise duty on body building, scrap sales and interest thereon	108.54	January 2003 to September 2011	Commissioner of Central Excise & Customs

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Annexure 5

Financial year ended 31 March 2012

The dues outstanding in respect of sales-tax, income-tax, customs duty, wealth-tax, excise duty, cess on account of any dispute, are as follows:-

Name of the statute	Nature of dues	Amount (Rupees in million)	Period to which the amount relates	Forum where dispute is pending
Income Tax Act, 1961	Disallowance of prior period expenses and expenses incurred towards construction of building	5.07	Assessment Year 2003-04	Karnataka High Court
	Notional interest on funds provided to Vijayanand Printers Limited	10.64	Assessment Year 2003-04	Karnataka High Court
	Revenue from sale of wind power considered as Section 80IA income, disallowance of communication expenses, Air Charter expenses, etc.	22.04	Assessment Year 2008-09	Commissioner of Income Tax (Appeals)
	Demand of tax not deducted at source on body building charges, contribution to power evacuation facilities, etc.	10.57	Assessment Year 2007-08	Commissioner of Income Tax (Appeals)
	Demand of tax not deducted at source on body building charges	0.18	Assessment Year 2008-09	Deputy Commissioner of Income Tax (TDS)
Finance Act, 1994 (Service tax)	Service tax including interest thereon	51.44	April 2005 to February 2011	Deputy Commissioner (Appeals)
Central Excise Act, 1944	Excise duty on body building, scrap sales and interest thereon	108.54	January 2003 to September 2011	Commissioner of Central Excise & Customs

Financial year ended 31 March 2011

The dues outstanding in respect of sales-tax, income-tax, customs duty, wealth-tax, excise duty, cess on account of any dispute, are as follows:-

Name of the statute	Nature of dues	Amount (Rupees in million)	Period to which the amount relates	Forum where dispute is pending
Income Tax Act, 1961	Disallowance of prior period expenses and expenses incurred towards construction of building	5.07	Assessment Year 2003-04	Karnataka High Court
	Notional interest on funds provided to Vijayanand Printers Limited	10.64	Assessment Year 2003-04	Karnataka High Court
	Revenue from sale of wind power considered as Section 80IA income by Income-tax authorities	32.70	Assessment Year 2007-08	Appellate Tribunal, Bangalore
	Demand of tax not deducted at source on body building charges, contribution to power evacuation facilities, etc.	29.79	Assessment Year 2007-08	Commissioner of Income Tax (Appeals)
	Revenue from sale of wind power considered as Section 80IA income, disallowance of communication expenses, Air Charter expenses, etc.	22.04	Assessment Year 2008-09	Commissioner of Income Tax (Appeals)
	Demand of tax not deducted at source on body building charges	1.77	Assessment Year 2008-09	Deputy Commissioner of Income Tax (TDS)
Finance Act, 1994 (Service tax)	Service tax including interest thereon	51.44	April 2005 to February 2011	Deputy Commissioner (Appeals)
Central Excise Act, 1944	Excise duty on body building, scrap sales and interest thereon	80.92	April 2003 to December 2010	Commissioner of Central Excise & Customs

Financial year ended 31 March 2010

The dues outstanding in respect of sales-tax, income-tax, customs duty, wealth-tax, excise duty, cess on account of any dispute, are as follows:-

Name of the statute	Nature of dues	Amount (Rupees in million)	Period to which the amount relates	Forum where dispute is pending
Finance Act, 1994 (Service Tax)	Service tax including interest thereon	329.44	October 2001 to September 2007	Customs, Excise and Service Tax Appellate Tribunal
	Service tax including interest thereon	85.98	October 2007 to May 2008	Commissioner, Central Excise
The Provident Fund and Miscellaneous Provisions Act, 1952	Penal damages under Section 14B and Interest under Section 7Q	0.87	February 1983 to February 2002	Employee Provident Fund Appellate Tribunal
Employees' State Insurance Act, 1948	ESI on Drivers' Wages	0.97	October 2005 to January 2006	Employees' State Insurance Court
Central Excise Act, 1944	Excise Duty on body building, Scrap	65.75	April 2003 to June 2009	The Commissioner, Central Excise, Belgaum.
Central Sales Tax Act, 1957	CST on purchase of Alluminium	1.44	April 2007 to December 2007	Assistant Commissioner, Commercial Tax office, Noida

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Annexure 6

Statement of share capital, as restated

(Rupees in million, except for share data)

Particulars	As at 31 December 2014		As at 31 March									
			2014		2013		2012		2011		2010	
	Number	Amounts	Number	Amounts	Number	Amounts	Number	Amounts	Number	Amounts	Number	Amounts
Authorised share capital												
Equity shares of Rs.10 each	125,000,000	1,250.00	125,000,000	1,250.00	125,000,000	1,250.00	125,000,000	1,250.00	125,000,000	1,250.00	125,000,000	1,250.00
0.001% Compulsorily and mandatorily convertible participatory preference shares of Rs.100 each	11,200,000	1,120.00	11,200,000	1,120.00	11,200,000	1,120.00	-	-	-	-	-	-
	136,200,000	**2,370.00**	**136,200,000**	**2,370.00**	**136,200,000**	**2,370.00**	**125,000,000**	**1,250.00**	**125,000,000**	**1,250.00**	**125,000,000**	**1,250.00**
Issued, subscribed and fully paid up												
Equity shares of Rs.10 each	85,536,162	855.36	85,536,162	855.36	70,700,000	707.00	70,700,000	707.00	70,700,000	707.00	70,700,000	707.00
0.001% Compulsorily and mandatorily convertible participatory preference shares of Rs.100 each	-	-	-	-	11,046,875	1,104.69	-	-	-	-	-	-
Total	**85,536,162**	**855.36**	**85,536,162**	**855.36**	**81,746,875**	**1,811.69**	**70,700,000**	**707.00**	**70,700,000**	**707.00**	**70,700,000**	**707.00**
a) **Reconciliation of share capital**												
Equity shares												
Balance at the beginning of the period/year	**85,536,162**	**855.36**	**70,700,000**	**707.00**	**70,700,000**	**707.00**	**70,700,000**	**707.00**	**70,700,000**	**707.00**	**70,700,000**	**707.00**
Add : Issued during the period/year	-	-	14,836,162	148.36	-	-	-	-	-	-	-	-
Balance at the end of the period/year	**85,536,162**	**855.36**	**85,536,162**	**855.36**	**70,700,000**	**707.00**	**70,700,000**	**707.00**	**70,700,000**	**707.00**	**70,700,000**	**707.00**
Preference shares												
Balance at the beginning of the period/year	**-**	**-**	**11,046,875**	**1,104.69**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Add : Issued during the period/year	-	-	-	-	11,046,875	1,104.69	-	-	-	-	-	-
Less : Conversion of 0.001% Compulsorily and mandatorily convertible participatory preference shares	-	-	11,046,875	1,104.69	-	-	-	-	-	-	-	-
Balance at the end of the period/year	**-**	**-**	**-**	**-**	**11,046,875**	**1,104.69**	**-**	**-**	**-**	**-**	**-**	**-**

b) **Rights/preferences/restrictions attached to equity shares**

The Company has only one class of equity shares having a par value of Rs.10 per share. Each holder of equity shares is entitled to one vote per share. Any fresh issue of equity shares shall rank pari-passu with the existing shares. The Company declares and pays dividend in Indian Rupees. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing General Meeting, except interim dividend.

In the event of liquidation of the Company, the holder of equity shares will be entitled to receive the remaining assets of the Company, after distribution of all preferential amounts, if any, in proportion to the number of equity shares held by the shareholders.

Annexure 6

c) **Shareholders holding more than 5% of the shares**

Particulars	As at 31 December 2014		As at 31 March									
			2014		2013		2012		2011		2010	
Equity shares of Rs.10 each	Number	% holding	Number	% holding	Number	% holding	Number	% holding	Number	% holding	Number	% holding
Mr. Vijay Sankeshwar	33,075,000	38.67%	33,075,000	38.67%	33,075,000	46.78%	33,075,000	46.78%	33,075,000	46.78%	33,075,000	46.78%
Mr. Anand Sankeshwar	32,548,250	38.05%	32,778,250	38.32%	32,778,250	46.36%	37,197,000	52.61%	37,197,000	52.61%	37,197,000	52.61%
NSR- PE Mauritius LLC	19,254,912	22.51%	19,254,912	22.51%	4,418,750	6.25%	-	-	-	-	-	-
Compulsorily and mandatorily convertible participatory preference shares of Rs.100 each												
NSR- PE Mauritius LLC	-	-	-	-	11,046,875	100.00%	-	-	-	-	-	-

d) **Term of conversion of preference shares**

The conversion parameters were specified in the Share Purchase and Subscription Agreement and Shareholder's agreement dated 15 December 2011 entered into by the Company with the promoters, other shareholders and NSR - PE Mauritius, LLC (the 'investor'), based on which the Company had issued 11,046,875, 0.001% compulsorily and mandatorily convertible participatory preference shares (CCPPS) of face value of Rs.100 each. These shares were converted on 1 September 2013 in accordance with the conversion parameters specified in the agreements, into 14,836,162 equity shares of Rs.10 each fully paid.

e) **Details of shares issued for consideration other than cash**

During the year 2006-07, 50,000,000 equity shares of Rs.10 each were issued as fully paid up bonus shares by capitalisation of profits.

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Annexure 7

Statement of reserves and surplus, as restated

(Rupees in million)

Particulars	As at 31 December 2014	As at 31 March				
		2014	2013	2012	2011	2010
Securities premium account						
Balance at the beginning of the period/year	1,088.93	132.60	63.00	63.00	63.00	63.00
Add : Premium on shares issued during the period/year	-	956.33	145.31	-	-	-
Less : Security issue expenses written off	-	-	75.71	-	-	-
Balance at the end of the period/year	**1,088.93**	**1,088.93**	**132.60**	**63.00**	**63.00**	**63.00**
General reserve						
Balance at the beginning of the period/year	377.96	320.95	240.66	199.60	148.62	119.52
Less : Transitional adjustment on account of Schedule II to Companies Act, 2013 *	10.63	-	-	-	-	-
Add : Transferred from Statement of Profit and Loss	71.57	57.01	80.29	41.06	50.98	29.10
Balance at the end of the period/year	**438.90**	**377.96**	**320.95**	**240.66**	**199.60**	**148.62**
Surplus in the Statement of Profit and Loss						
Balance at the beginning of the period/year	743.23	628.77	862.49	365.90	147.57	145.56
Add : Transferred from Statement of Profit and Loss	716.90	571.76	457.03	767.22	516.64	287.54
Less : Interim dividend paid on equity shares	342.15	171.07	212.54	148.47	212.10	113.12
Less : Interim dividend paid on preference shares	-	0.01	-	-	-	-
Less : Tax on interim dividend	61.48	29.07	34.48	24.09	35.23	19.23
Less : Proposed dividend on preference shares	-	-	0.01	-	-	-
Less : Interim dividend declared on equity shares	-	171.07	-	-	-	106.05
Less : Tax on interim dividend declared	-	29.07	-	-	-	18.03
Less : Proposed dividend on equity shares	-	-	268.66	42.42	-	-
Less : Proposed participatory dividend on preference shares	-	-	41.98	6.63	-	-
Less : Tax on proposed dividend	-	-	52.79	7.96	-	-
Less : Transferred to general reserve	71.57	57.01	80.29	41.06	50.98	29.10
Balance at the end of the period/year	**984.93**	**743.23**	**628.77**	**862.49**	**365.90**	**147.57**
Total	**2,512.76**	**2,210.12**	**1,082.32**	**1,166.15**	**628.50**	**359.19**

* Represents the written down value of fixed assets (net of residual value), which have no balance useful life in accordance with Schedule II to Companies Act, 2013 as at 1 April 2014. These balances (net of deferred tax benefit of Rs.5.47 million) have been adjusted against the balance of General Reserve as on 01 April 2014.

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Annexure 8

Statement of borrowings, as restated

(Rupees in million)

Particulars	As at 31 December 2014		As at 31 March									
			2014		2013		2012		2011		2010	
	Long term	Short term	Long term	Short term	Long term	Short term	Long term	Short term	Long term	Short term	Long term	Short term
Secured												
Term loans												
From banks	2,738.02	-	2,854.14	-	2,578.94	51.00	3,572.44	-	2,243.49	-	2,040.12	-
From Non-Banking Financial Companies (NBFCs)	932.14	-	1,106.30	-	1,464.81	-	1,647.48	-	1,181.80	-	1,001.74	-
Loans repayable on demand												
Working capital loan from banks	-	1,044.83	-	1,094.25	-	887.42	-	723.53	-	634.22	-	631.37
Total secured loans	**3,670.16**	**1,044.83**	**3,960.44**	**1,094.25**	**4,043.75**	**938.42**	**5,219.92**	**723.53**	**3,425.29**	**634.22**	**3,041.86**	**631.37**
Unsecured												
Loans and advances from related parties *	-	-	-	-	-	-	-	4.50	-	250.50	-	-
Loans and advances from others	-	-	-	-	-	-	-	1.00	-	1.00	-	1.00
Deposits from public	-	-	-	-	25.12	-	85.14	-	116.12	-	109.93	-
Total unsecured loans	**-**	**-**	**-**	**-**	**25.12**	**-**	**85.14**	**5.50**	**116.12**	**251.50**	**109.93**	**1.00**
	3,670.16	**1,044.83**	**3,960.44**	**1,094.25**	**4,068.87**	**938.42**	**5,305.06**	**729.03**	**3,541.41**	**885.72**	**3,151.79**	**632.37**
Less : Current maturities of long-term debt (refer Annexure 13)	1,538.86	-	1,431.65	-	1,217.24	-	1,269.95	-	1,014.08	-	1,000.73	-
Total	**2,131.30**	**1,044.83**	**2,528.79**	**1,094.25**	**2,851.63**	**938.42**	**4,035.11**	**729.03**	**2,527.33**	**885.72**	**2,151.06**	**632.37**

*** Details of loan from companies in which KMP or their relatives have significant influence**												
VRL Media Limited	-	-	-	-	-	-	-	-	-	246.00	-	-
VRL Cement Limited	-	-	-	-	-	-	-	4.50	-	4.50	-	-
	-	**-**	**-**	**-**	**-**	**-**	**-**	**4.50**	**-**	**250.50**	**-**	**-**

VRL LOGISTICS LIMITED

Annexure 8A

Security details on term loan from banks

(Amount in Rupees)

Sr. No.	Name of the Bank	Balance outstanding as at 31 December 2014	Sanctioned limits as at 31 December 2014 #	Rate of interest as at 31 December 2014	Repayment terms (EMI includes interest amount, unless otherwise specified)	Details of security	Personal guarantee Name of the guarantor
1	**NKGSB Co-operative Bank Limited, Hubli**						
	Mortgage/2002	127,286,178	150,000,000	PLR minus 0.75% p.a.	Rs. 127286178 principal outstanding is repayable in 48 EMI of Rs. 3531738	Land at Neeligin road, Hubli	Mr. Vijay Sankeshwar Mr. Anand Sankeshwar
	Total	**127,286,178**	**150,000,000**				
2	**State Bank of Mysore (SBM), Hubli**						
	A/c No 64098831627	75,000,000	150,000,000	3% above SBM base rate	Repayable in 10 quarterly installments of Rs. 7500000 along with interest	Equitable mortgage on office premises in Vashi, Navi Mumbai	No personal guarantee
	Total	**75,000,000**	**150,000,000**				
3	**Saraswat Co-operative Bank Limited, Hubli**						
a	SLPUB/8593	334,000,000	1,000,000,000	12.75%	Repayable in 10 monthly installments of Rs. 16650000 and 10 monthly installments of Rs. 16750000 along with interest	Registered equitable mortgage of land and building situated at Varur, Belgaum and Mangalore	Mr. Vijay Sankeshwar Mr. Anand Sankeshwar
b	SLPUB/8782	153,348,000	400,000,000	14.50%	Repayable in 22 monthly installments of Rs. 6666000 and 1 installment of Rs.6696000 along with interest	Registered equitable mortgage of land and building situated at Varur, Belgaum and Mangalore	Mr. Vijay Sankeshwar Mr. Anand Sankeshwar
c	SLPUB/8926	237,502,000	250,000,000	12.50%	Repayable in 56 monthly installments of Rs. 4166000 and 1 installment of Rs.4206000 along with interest	Registered equitable mortgage of land and building situated at Varur, Belgaum and Mangalore	Mr. Vijay Sankeshwar Mr. Anand Sankeshwar
	Total	**724,850,000**	**1,650,000,000**				
4	**IDBI Bank Limited**						
	A/c No.0377672200000107	113,333,342	200,000,000	IDBI bank base rate plus 3.50%	Rs. 113333342 principal outstanding is repayable in 17 EMI of Rs. 6666667	Exclusive charges on land and building at Mysore, Dharwad, Gangavathi and Bijapur	Mr. Vijay Sankeshwar Mr. Anand Sankeshwar
	Total	**113,333,342**	**200,000,000**				
	Grand Total	**1,040,469,520**	**2,150,000,000**				

Annexure 8A

Sr. No.	Name of the Bank	Balance outstanding as at 31 December 2014	Sanctioned amount (disbursed amount)	Rate of interest as at 31 December 2014	Repayment terms (EMI includes interest amount, unless otherwise specified)	Details of security	Personal guarantee Name of the guarantor
5	**SARASWAT Co-operative Bank Limited, Hubli**						
1	SLPUB/8957 *	29,478,401	29,400,470	10.75%	Loan tenure is 60 months, repayable in 54 EMI of Rs 726050 (moratorium 6 months)	11 Nos of AL 3723 XL Trucks	No personal guarantee
2	SLPUB/8958 *	32,650,791	32,602,780	10.75%	Loan tenure is 60 months, repayable in 54 EMI of Rs775393 (moratorium 6 months)	14 Nos of AL 3723 XL Trucks	No personal guarantee
	Total	**62,129,192**	**62,003,250**				
6	**ICICI Bank Limited, Hubli and Bangalore**						
1	LVHBL00023389393,394,395,396,397	2,435,764	10,354,020	10.00%	Rs. 2435764 principal outstanding is repayable in 11 EMI of Rs. 235450	5 Nos AL 3123 Lorry Chassis	No personal guarantee
2	LVHBL00023389398,399,400,401,402	334,025	1,420,000	10.00%	Rs. 334025 principal outstanding is repayable in 11 EMI of Rs. 32290	5 Nos AL 3123 Lorry Body	No personal guarantee
3	LVHBL00023411295, 1309, 1325, 2036, 2050, 2063, 2075, 2425, 2439, 2447, 2463LVHBL00023411295, 1309, 1325, 2036, 2050, 2063, 2075, 2425, 2439, 2447, 2463	703,461	2,970,000	10.00%	Rs. 703461 principal outstanding is repayable in 11 EMI of Rs. 67540	11 Nos AL 3123 Lorry Body	No personal guarantee
4	LVHBL00023410137, 10369, 10383, 10394,103949,10653,10955,10964,11276,10959, 30062	5,433,793	22,943,844	10.00%	Rs. 5433793 principal outstanding is repayable in 11 EMI of Rs. 521753	11 Nos AL 3123 Lorry Chassis	No personal guarantee
5	LVHBL00023432669,2670,2671,2672,2673,2674,2675,2684	16,570,976	69,960,000	10.00%	Rs. 16570976 principal outstanding is repayable in 11 EMI of Rs. 1590896	08 units of Volvo Buses	No personal guarantee
6	LVHBL00023533490	2,253,022	8,745,000	10.00%	Rs. 2253022 principal outstanding is repayable in 12 EMI of Rs. 197481	01 unit of Volvo Bus	No personal guarantee
7	LVHBL00023533491,495,505,512,514	11,265,110	43,725,000	10.00%	Rs. 11265110 principal outstanding is repayable in 12 EMI of Rs. 989225	05 units of Volvo Buses	No personal guarantee
8	LVHBL00023604002,03,04,07,10,11	2,237,832	7,942,995	10.00%	Rs. 2237832 principal outstanding is repayable in 13 EMI of Rs. 182994	03 units of AL Buses	No personal guarantee
9	LVHBL00023604018,19,20,21,4152,55,4281,4181,82,4238, 39,65,4321,33	5,221,608	18,533,655	10.00%	Rs. 5221608 principal outstanding is repayable in 13 EMI of Rs. 426986	07 units of AL Buses	No personal guarantee
10	LVHBL00024075224 TO 339	24,149,721	70,179,797	11.75%	Rs. 24149721 principal outstanding is repayable in 16 EMI of Rs. 1656393	29 AL 3123 Lorries	No personal guarantee
11	LVHBL00024138199 TO 227	9,306,120	25,356,640	11.75%	Rs. 9306120 principal outstanding is repayable in 17 EMI of Rs. 598470	10 AL 12MT Buses	No personal guarantee
12	LVHBL00024148084 TO 180	15,918,053	43,374,599	11.75%	Rs. 15918053 principal outstanding is repayable in 17 EMI of Rs. 1023660	15 AL 3518 Car Carriers	No personal guarantee
13	LVHBL00024148195 TO 194	9,717,130	26,476,640	11.75%	Rs. 9717130 principal outstanding is repayable in 17 EMI of Rs. 624900	10 AL 12 M Buses	No personal guarantee
14	LQHBL00024155659 TO 681	3,087,477	8,710,938	11.75%	Rs. 3087477 principal outstanding is repayable in 17 EMI of Rs. 200187	9 Godrej Forklifts	No personal guarantee
15	LVHBL00024165066 TO 935	7,771,876	20,239,611	11.75%	Rs. 7771876 principal outstanding is repayable in 18 EMI of Rs. 477708	7 AL 3518 Car Carriers	No personal guarantee
16	LVHBL00024270944 TO 449	6,674,184	17,348,238	11.75%	Rs. 6674184 principal outstanding is repayable in 18 EMI of Rs. 409464	6 AL 3518 Car Carriers	No personal guarantee
17	LQHBL00024604344	380,226	967,882	11.75%	Rs. 380226 principal outstanding is repayable in 19 EMI of Rs. 22239	1 Godrej Forklift	No personal guarantee
18	LVHBL00024604291 To 4328	3,002,524	7,438,596	11.75%	Rs. 3002524 principal outstanding is repayable in 19 EMI of Rs. 175568	4 AL 1616 Crane Tippers	No personal guarantee

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Sr. No.	Name of the Bank	Balance outstanding as at 31 December 2014	Sanctioned amount (disbursed amount)	Rate of interest as at 31 December 2014	Repayment terms (EMI includes interest amount, unless otherwise specified)	Details of security	Personal guarantee Name of the guarantor
19	LVHBL00024604276 To 4330	8,169,581	20,239,611	11.75%	Rs. 8169581 principal outstanding is repayable in 19 EMI of Rs. 477708	7 AL 3518 Car Carriers	No personal guarantee
20	LVHBL00024630918 To 30951	5,582,665	13,238,320	11.75%	Rs. 5582665 principal outstanding is repayable in 20 EMI of Rs. 312450	5 AL 12 Mt Buses	No personal guarantee
21	LVHBL00026705545 To 8995	40,580,716	60,241,554	11.00%	Rs. 40580716 principal outstanding is repayable in 34 EMI of Rs. 1399422	6 Volvo 9400 B9R Sleeper Buses	No personal guarantee
22	LVHBL00026741402 TO 1626	25,119,177	36,255,520	11.00%	Rs. 25119177 principal outstanding is repayable in 35 EMI of Rs. 842230	10 AL AC Sleeper Buses	No personal guarantee
23	LVHBL00026741442 TO 1593	8,440,296	12,182,208	11.00%	Rs. 8440296 principal outstanding is repayable in 35 EMI of Rs. 282996	4 AL Sleeper Buses	No personal guarantee
24	LVHBL00026766469 TO 6474	5,527,202	7,994,610	11.00%	Rs. 5527202 principal outstanding is repayable in 35 EMI of Rs. 185724	6 TATA Marcopolo Buses	No personal guarantee
25	LVHBL00026869634, 635	1,918,770	2,597,834	11.00%	Rs. 1918770 principal outstanding is repayable in 38 EMI of Rs. 60350	2 Eicher 10.75 Skyline Buses	No personal guarantee
26	LVHBL00026869591 To 644	35,833,323	48,515,250	11.00%	Rs. 35833323 principal outstanding is repayable in 38 EMI of Rs. 1127025	25 AL 2523 lorries	No personal guarantee
27	LVHBL00026889570,678	1,931,584	2,545,470	11.00%	Rs. 1931584 principal outstanding is repayable in 39 EMI of Rs. 59132	2 Eicher 10.75 FBT Buses	No personal guarantee
28	LVHBL00026977615 TO 623	8,775,325	11,349,515	11.00%	Rs. 8775325 principal outstanding is repayable in 40 EMI of Rs. 263650	5 Mahindra MN-31 Trucks	No personal guarantee
29	LVHBL00027016192 TO 214	23,669,760	29,926,100	11.00%	Rs. 23669760 principal outstanding is repayable in 41 EMI of Rs. 695200	10 AL 3723 Trucks	No personal guarantee
30	LVHBL00027061649 TO 668	22,842,822	28,906,100	11.00%	Rs. 22842822 principal outstanding is repayable in 41 EMI of Rs. 671510	10 AL 3723 Trucks	No personal guarantee
31	LVHBL00027171878 TO 899	25,611,936	31,140,456	11.00%	Rs. 25611936 principal outstanding is repayable in 43 EMI of Rs. 723408	12 AL 3123 XL Trucks	No personal guarantee
32	LVHBL00027180811 TO 839	16,502,216	20,064,304	11.00%	Rs. 16502216 principal outstanding is repayable in 43 EMI of Rs. 466104	8 AL 3123 XL Trucks	No personal guarantee
33	UVHBL0002942430 TO 2942646	38,409,744	50,736,052	13.00%	Rs 38409744 principal outstanding is payable as follows: 9 EMI of Rs 3544634, 10th EMI of Rs.3472776, 11th EMI of Rs1847126, 12th & 13th EMI of Rs1333448 and last EMI of Rs.1258096	104 Nos used commercial vehicles	No personal guarantee
	Total	**395,378,019**	**782,620,359**				

Annexure 8A

Sr. No.	Name of the Bank	Balance outstanding as at 31 December 2014	Sanctioned amount (disbursed amount)	Rate of interest as at 31 December 2014	Repayment terms (EMI includes interest amount, unless otherwise specified)	Details of security	Personal guarantee Name of the guarantor
7	**HDFC Bank Limited, Bangalore**						
1	3340700,703,706,708,710 & 716	2,761,171	14,433,852	9.40%	Rs. 2761171 principal outstanding is repayable in 9 EMI of Rs. 319855	06 units of AL Buses	No personal guarantee
2	3341466 To 3341545	6,975,060	36,461,371	9.40%	Rs. 6975060 principal outstanding is repayable in 9 EMI of Rs. 807984	23 units of AL Lorries	No personal guarantee
3	3342416,419,430,433	606,531	3,170,554	9.40%	Rs. 606531 principal outstanding is repayable in 9 EMI of Rs. 70260	02 units of AL Lorries	No personal guarantee
4	3342424,427,435,439	920,401	4,811,284	9.40%	Rs. 920401 principal outstanding is repayable in 9 EMI of Rs. 106619	02 units of AL Buses	No personal guarantee
5	3344920,22,24,27	7,404,470	34,980,000	9.40%	Rs. 7404470 principal outstanding is repayable in 10 EMI of Rs. 775160	04 units of Volvo Buses	No personal guarantee
6	3348517,29,31,37	8,111,354	34,980,000	9.40%	Rs. 8111354 principal outstanding is repayable in 11 EMI of Rs. 775160	04 units of Volvo Buses	No personal guarantee
7	3349196,207,210 & 212	8,111,354	34,980,000	9.40%	Rs. 8111354 principal outstanding is repayable in 11 EMI of Rs. 775160	04 units of Volvo Buses	No personal guarantee
8	3362858,859,897,899,904,906,3364860,872,878,884,889,900	4,708,056	15,841,626	9.40%	Rs. 4708056 principal outstanding is repayable in 14 EMI of Rs. 360558	06 units of 12 M Buses	No personal guarantee
9	3373412,450,457,466,473,478,482,490,495,499,502,506,508,510,511,513,514, 515,3373403,413,427,451,436,447,458,464,467,474,481,487,492,497,501,416, 431,444	17,353,270	51,114,714	11.00%	Rs. 17353270 principal outstanding is repayable in 16 EMI of Rs. 1178250	18 Units of AL 3518 & Car Trailers	No personal guarantee
10	3374081,095,097	9,454,238	26,350,572	11.00%	Rs. 9454238 principal outstanding is repayable in 17 EMI of Rs. 606900	03 units of Volvo Buses	No personal guarantee
11	3375427	3,151,413	8,783,524	11.00%	Rs. 3151413 principal outstanding is repayable in 17 EMI of Rs. 202300	01 unit of Volvo Bus	No personal guarantee
12	3375883,904,906,910,912,917,922,924,927,929	5,331,094	14,860,400	11.00%	Rs. 5331094 principal outstanding is repayable in 17 EMI of Rs. 342200	05 units of AL 3116 IL Tankers	No personal guarantee
13	3377576,577,580,582,588,592,597,603,607,609,611,614,629,631,635,639,641, 645,652,657,660,663,665,674,678,681,683,685,687	13,723,773	36,299,895	11.00%	Rs. 13723773 principal outstanding is repayable in 18 EMI of Rs. 836000	15 units of Trucks-AL 3123	No personal guarantee
14	3378012,8013,8014,8015	3,834,727	10,142,656	11.00%	Rs. 3834727 principal outstanding is repayable in 18 EMI of Rs. 233600	04 units of 12 M Buses	No personal guarantee
15	3378905,907,912,915,921,925,936,946,937,988,999.9028,9036,9058,9069,90 83,9097	6,231,362	16,482,030	11.00%	Rs. 6231362 principal outstanding is repayable in 18 EMI of Rs. 379590	06 units of 12 M Buses	No personal guarantee
16	3387234	3,526,447	8,783,524	11.75%	Rs. 3526447 principal outstanding is repayable in 19 EMI of Rs. 205780	1 Volvo Buses	No personal guarantee
17	3387268,270,274,277,292,295,654,281,286,291,298,282,794,798,800,805,810, 812,815,819,823,826,827,830	11,659,015	29,039,916	11.75%	Rs. 11659015 principal outstanding is repayable in 19 EMI of Rs. 680340	12 AL 3123 Trucks	No personal guarantee
18	3390035,038,044,047,050,053,057,059,061,062,063,064,065,066,069,070,071, 072,074,075,076,077	11,193,104	26,619,923	11.75%	Rs. 11193104 principal outstanding is repayable in 20 EMI of Rs. 623645	11 AL 3123 Vehicles	No personal guarantee
19	3389918,923,926,929,932,934,936,938,943,947,950,953,957,960,962,966,972, 974,977,979,981,982,985,990	12,210,659	29,039,916	11.75%	Rs. 12210659 principal outstanding is repayable in 20 EMI of Rs. 680340	12 AL 3123 Trucks	No personal guarantee
20	3392975,982,987,993,998,3006,3035,042,046,049,054,060,072,077,082,086,0 96,100,106,112,130,134,141,146	12,210,659	29,039,916	11.75%	Rs. 12210659 principal outstanding is repayable in 20 EMI of Rs. 680340	12 AL 3123 Trucks	No personal guarantee
21	3393024,037,040,044,047,050,055,061,067,073,078,081,087,090,094,102,104, 109,114,117,119,131,133,137	12,210,659	29,039,916	11.75%	Rs. 12210659 principal outstanding is repayable in 20 EMI of Rs. 680340	12 AL 3123 Trucks	No personal guarantee
22	3396157,159,164,168,171,178,179,181,192,195,196,201,205,209,212,216,654, 655,656,657,658,659,661,662	10,161,028	23,130,984	11.75%	Rs. 10161028 principal outstanding is repayable in 21 EMI of Rs. 541920	08 AL 3518 Trucks	No personal guarantee
23	3396709,717,720,722,725,727,730,733,734,736,737,742,744,747,749,751,752, 755,756,759,769,773,776,779,785,786,789,790,793,794,797,798	17,008,733	38,719,888	11.75%	Rs. 17008733 principal outstanding is repayable in 21 EMI of Rs. 907120	16 AL 3123 Trucks	No personal guarantee
24	3427959,964,966,976,983,985	17,078,073	30,453,000	11.00%	Rs. 17078073 principal outstanding is repayable in 28 EMI of Rs. 701010	3 Volvo Buses- Ishift Model	No personal guarantee

Annexure 8A

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25	3432552,564,561	1,709,956	2,957,877	11.00%	Rs. 1709956 principal outstanding is repayable in 29 EMI of Rs. 68085	3 units of Godrej Forklifts	No personal guarantee
26	3434583,589	6,042,547	10,151,000	11.00%	Rs. 6042547 principal outstanding is repayable in 30 EMI of Rs. 233670	1 unit of Volvo Bus	No personal guarantee
27	3437859,860,861,864,865,866	3,668,224	5,991,594	11.00%	Rs. 3668224 principal outstanding is repayable in 31 EMI of Rs. 137913	6 units of Godrej Forklifts	No personal guarantee
28	3437823,830,833,836	23,380,066	38,188,860	11.00%	Rs. 23380066 principal outstanding is repayable in 31 EMI of Rs. 879000	4 unit of Volvo Buses	No personal guarantee
29	3438420,424,426,427	23,380,066	38,188,860	11.00%	Rs. 23380066 principal outstanding is repayable in 31 EMI of Rs. 879000	4 unit of Volvo Buses	No personal guarantee
30	3444528,38,41,44	24,658,090	38,188,860	11.00%	Rs. 24658090 principal outstanding is repayable in 33 EMI of Rs. 879000	4 unit of Volvo Buses	No personal guarantee
31	3474421,498,499,500,501,502,503,504,505,506,507,424,426,427,433,434,436, 440,441,442,443,445	26,118,968	30,311,710	10.75%	Rs. 26118968 principal outstanding is repayable in 47 EMI of Rs. 693847	11 AL 3572 Trucks	No personal guarantee
32	3474423,454,456,458,461,462,463,465,466,347,425,473,474,476,481,482,496, 497,471	19,450,117	22,572,342	10.75%	Rs. 19450117 principal outstanding is repayable in 47 EMI of Rs. 516690	9 AL 3123 Trucks	No personal guarantee
33	3474710,714,716,718,720,722,724,727,730,725,726,728,732,733,735,738,739, 740,	21,370,065	24,800,490	10.75%	Rs. 21370065 principal outstanding is repayable in 47 EMI of Rs. 567693	9 AL 3723 Trucks	No personal guarantee
34	3474734,741,742,744,745,747,737,749,710,712,713,715,717,719,721,723	17,288,993	20,064,304	10.75%	Rs. 17288993 principal outstanding is repayable in 47 EMI of Rs. 459280	8 AL 3123 Trucks	No personal guarantee
35	3475034,037,038,040,042,043,045,048,049,052,057,059,061,064,066,067,069, 036,039,041,044,046,047,050,051,053,054,055,056,058,060,062,063,065	37,354,671	42,636,646	10.75%	Rs. 37354671 principal outstanding is repayable in 48 EMI of Rs. 975970	17 AL 3123 Trucks	No personal guarantee
36	3475068,070,072,074,075,077,080,082,071,073,076,078,079,081,083,084	19,313,883	22,044,880	10.75%	Rs. 19313883 principal outstanding is repayable in 48 EMI of Rs. 504616	8 AL 3723 Trucks	No personal guarantee
37	3475191,192,193,194,186,187,188,189,195,190	11,854,275	13,530,478	10.75%	Rs. 11854275 principal outstanding is repayable in 48 EMI of Rs. 309718	4 AL 3723 & 1 AL 3123 XL Trucks	No personal guarantee
38	3475989,990,991,992,996,997,998,6001,002,003,005,008,011,020,017,023,02 5,028,030.033,3475994,999,6004,006,009,010,013,015,018,021,024,026,029,0 31	38,251,343	42,959,362	10.75%	Rs. 38251343 principal outstanding is repayable in 49 EMI of Rs. 983283	14AL 3123 XL & 3 AL3723 Lorries	No personal guarantee
39	3476758,763,765,767,769,770,772,774,776,781,782,784,788,790,791,793,347 6759,760,761,764,766,768,771,773,775,777,778,779,780,783,785,789	35,864,924	39,648,608	10.75%	Rs. 35864924 principal outstanding is repayable in 50 EMI of Rs. 907488	16 AL 3123 Trucks	No personal guarantee
	Total	**515,642,839**	**979,795,332**				
8	**Axis Bank Limited, Bangalore**						
1	A/c 910060009169210	1,291,828	20,400,000	10.50%	Rs. 1291828 principal outstanding is repayable in 3 EMI of Rs. 448040	4 nos ISUZU Buses	No personal guarantee
2	CVR051400429709 to 9805	32,012,239	62,919,818	12.00%	Rs. 32012239 principal outstanding is repayable in 25 EMI of Rs.1453600	26 nos AL 3123 Trucks	No personal guarantee
3	CVR051400447262 to 7479	6,372,025	12,099,965	12.00%	Rs. 6372025 principal outstanding is repayable in 26 EMI of Rs. 279540	5 AL 3123 Trucks	No personal guarantee
4	CVR012900848605 to 8873	20,713,230	25,080,380	10.75%	Rs. 20713230 principal outstanding is repayable in 45 EMI of Rs. 561320	10 AL 3123 Trucks	No personal guarantee
5	CVR012900850090 to 534	5,050,700	6,007,564	10.75%	Rs. 5050700 principal outstanding is repayable in 46 EMI of Rs. 133454	2 Tata 1618 Buses	No personal guarantee
6	CVR012900860865-995	41,700,690	49,600,980	10.75%	Rs. 41700690 principal outstanding is repayable in 46 EMI of Rs. 1110132	18 Nos AL 3723 Trucks	No personal guarantee

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7	CVR012900860874-943	10,542,820	12,540,190	10.75%	Rs. 10542820 principal outstanding is repayable in 46 EMI of Rs. 280665	5 Nos AL 3123 Trucks	No personal guarantee
8	CVR012900873731-742	4,714,518	5,511,220	10.75%	Rs. 4714518 principal outstanding is repayable in 47 EMI of Rs. 123346	2 Nos AL 3723 Trucks	No personal guarantee
9	CVR012900873737-3747	15,018,339	17,556,266	10.75%	Rs. 15018339 principal outstanding is repayable in 47 EMI of Rs. 392924	7 Nos AL 3123 Trucks	No personal guarantee
10	CVR012900920464-952	28,769,448	33,067,320	10.75%	Rs. 28769448 principal outstanding is repayable in 48 EMI of Rs. 740076	12 Nos AL 3723 Trucks	No personal guarantee
11	CVR012901157506-686	18,604,530	18,686,448	10.75%	Rs. 18604530 principal outstanding is repayable in 57 EMI of Rs. 418221	9 AL 3123 Truck Chassis	No personal guarantee
12	CVR012901157673-743	9,274,244	9,315,080	10.75%	Rs. 9274244 principal outstanding is repayable in 57 EMI of Rs. 208480	4 AL 3723 Truck Chassis	No personal guarantee
13	CVR012901166342-441 *	3,123,729	3,096,000	10.75%	Rs.3096000 principal outstanding is repayable in 58 EMI of Rs. 69291	9 AL 3123 Truck Bodies	No personal guarantee
14	CVR012901166491-620 *	1,388,324	1,376,000	10.75%	Rs.1376000 principal outstanding is repayable in 58 EMI of Rs. 30796	4 AL 3723 Truck Bodies	No personal guarantee
15	CVR012901186992-7087 *	17,523,256	17,367,670	10.75%	Rs.17367670 principal outstanding is repayable in 58 EMI of Rs. 388705	5 AL 3123 &3 AL 3723 Truck Chassis	No personal guarantee
16	CVR012901194600-620	2,752,000	2,752,000	10.75%	Rs.2752000 principal outstanding is repayable in 58 EMI of Rs. 61592	5 AL 3123 &3 AL 3723 Truck Bodies	No personal guarantee
17	CVR012901205777-841	18,686,448	18,686,448	10.75%	Rs.18686448 principal outstanding is repayable in 58 EMI of Rs. 418221	9 AL 3123 Truck Chassis	No personal guarantee
18	CVR012901205824-850	16,301,390	16,301,390	10.75%	Rs.16301390 principal outstanding is repayable in 58 EMI of Rs. 364840	7 AL 3723 Truck Chassis	No personal guarantee
19	CVR012901222244-403	3,096,000	3,096,000	10.75%	Rs.3096000 principal outstanding is repayable in 58 EMI of Rs. 69291	9 AL 3123 Truck Bodies	No personal guarantee
20	CVR012901222375-440	2,408,000	2,408,000	10.75%	Rs.2408000 principal outstanding is repayable in 58 EMI of Rs. 53893	7 AL 3723 Truck Bodies	No personal guarantee
	Total	**259,343,758**	**337,868,739**				

Annexure 8A

Sr. No.	Name of the Bank	Balance outstanding as at 31 December 2014	Sanctioned amount (disbursed amount)	Rate of interest as at 31 December 2014	Repayment terms (EMI includes interest amount, unless otherwise specified)	Details of security	Personal guarantee Name of the guarantor
9	**ING Vysya Bank Limited, Bangalore**						
1	CV2160354083,096,108 and 118	651,860	9,832,000	10.00%	Rs. 651860 principal outstanding is repayable in 3 EMI of Rs. 220972	4 Nos of AL 12M Buses	No personal guarantee
2	CV2160354125,135,141 and 298	651,860	9,832,000	10.00%	Rs. 651860 principal outstanding is repayable in 3 EMI of Rs. 220972	4 Nos of AL 12M Buses	No personal guarantee
3	CV2160354050 and 073	676,377	10,200,000	10.00%	Rs. 676377 principal outstanding is repayable in 3 EMI of Rs. 229240	2 Nos of ISUZU Buses	No personal guarantee
4	CV2160354485,497,505,516	676,048	10,196,000	10.00%	Rs. 676048 principal outstanding is repayable in 3 EMI of Rs. 229152	4 AL12Mt Buses	No personal guarantee
5	CV2160354065,4048	676,377	10,200,000	10.00%	Rs. 676377 principal outstanding is repayable in 3 EMI of Rs. 229240	2 Isuzu Buses	No personal guarantee
6	CV2160354002,4024,4030 and 4533	1,352,754	20,400,000	10.00%	Rs. 1352754 principal outstanding is repayable in 3 EMI of Rs. 458480	4 Isuzu Buses	No personal guarantee
7	CV216035144,155,161 and 178	878,929	9,984,000	10.00%	Rs. 878929 principal outstanding is repayable in 4 EMI of Rs. 224388	4 AL 12Mt Buses	No personal guarantee
8	CV2160354019,5053	898,132	10,200,000	10.00%	Rs. 898132 principal outstanding is repayable in 4 EMI of Rs. 229240	2 Isuzu Buses	No personal guarantee
9	CV2160355121,5133	898,132	10,200,000	10.00%	Rs. 898132 principal outstanding is repayable in 4 EMI of Rs. 229240	2 Isuzu Buses	No personal guarantee
10	CV2160355210, 5232	1,118,055	10,200,000	10.00%	Rs. 1118055 principal outstanding is repayable in 5 EMI of Rs. 229240	2 Isuzu Buses	No personal guarantee
11	CV2160354565,576,5667,688,697,703,716 and 772	2,026,578	18,492,160	10.00%	Rs. 2026578 principal outstanding is repayable in 5 EMI of Rs. 415608	8 AL 12Mt Buses	No personal guarantee
12	CV2160355227,55661	1,118,055	10,200,000	10.00%	Rs. 1118055 principal outstanding is repayable in 5 EMI of Rs. 229240	2 Isuzu Buses	No personal guarantee
13	CV2160429408	6,384,151	10,040,259	11.00%	Rs. 6384151 principal outstanding is repayable in 32 EMI of Rs. 231101	1 Volvo Sleeper	No personal guarantee
14	CV2160430005,06,12,13	21,664,988	33,188,860	11.00%	Rs. 21664988 principal outstanding is repayable in 33 EMI of Rs. 763800	4 Volvo Multiaxel	No personal guarantee
15	CV2160431012,13	4,663,618	6,963,104	11.00%	Rs. 4663618 principal outstanding is repayable in 34 EMI of Rs. 160274	2 AL 12M Buses	No personal guarantee
16	CV1190454781-782	28,946,933	38,000,000	12.75%	Rs. 28946933 principal outstanding is repayable in 8 EMI of Rs. 3389602 and last EMI of Rs 3389590	Refinance on 24 Nos of AL Buses & 16 Isuzu Buses	No personal guarantee
	Total	**73,282,847**	**228,128,383**				

Annexure 8A

Sr. No.	Name of the Bank	Balance outstanding as at 31 December 2014	Sanctioned amount (disbursed amount)	Rate of interest as at 31 December 2014	Repayment terms (EMI includes interest amount, unless otherwise specified)	Details of security	Personal guarantee Name of the guarantor
10	**Kotak Mahindra Bank Limited, Bangalore**						
1	CV2341438,2342723,738,742,757,776,780,800,815,820,849,853,853,868,872, 2343015,049,068,072,091,107,111,126,145,150,179,183,198,202,222	16,376,155	42,390,000	12.00%	Rs. 16376155 principal outstanding is repayable in 18 EMI of Rs. 1000255	15 Nos AL 3518 Car Carriers	No personal guarantee
2	CV 2342926,945,950,964,979,998	7,906,623	20,466,000	12.00%	Rs. 7906623 principal outstanding is repayable in 18 EMI of Rs. 482926	06 Nos AL 4923 Parcel Carriers	No personal guarantee
3	CV 2356749,753,807,826	14,248,000	35,132,000	12.00%	Rs. 14248000 principal outstanding is repayable in 19 EMI of Rs. 828990	04 Nos of Volvo Buses	No personal guarantee
4	CV 2356830,845	7,124,000	17,566,000	12.00%	Rs.7124000 principal outstanding is repayable in 19 EMI of Rs. 414496	2 Volvo Buses	No personal guarantee
5	CV 2430240,313,347,351,370,385,410,439,443,462,477,481,496	16,756,721	37,587,849	12.25%	Rs. 16756721 principal outstanding is repayable in 21 EMI of Rs. 892876	13 AL 3518 Trucks	No personal guarantee
6	CV 2441210,230,244,259,263,278,282,297,302,317,321,336,340,355,360,374, CV2441393,413,428,432,447,451,466,470,485,490,505,510,524,539.558,562	18,000,556	38,719,888	12.25%	Rs. 18000556 principal outstanding is repayable in 22 EMI of Rs. 919767	16 AL 3123 Trucks	No personal guarantee
7	CV-2453500,5780,5795,5815,5820,5834,5849,5853,5868.5872,53529,5887,5891, 5907,5926,5930,5945,5950,5964,5983	10,500,265	21,697,310	12.25%	Rs. 10500265 principal outstanding is repayable in 23 EMI of Rs. 515406	10 AL 3116XL Trucks	No personal guarantee
8	CV-2759677,716,792,812	11,038,075	12,010,370	11.00%	Rs. 11038075 principal outstanding is repayable in 50 EMI of Rs. 276450	5 AL 3123 Trucks	No personal guarantee
9	CV-3759865,904,919,923,938,942,961,976,980,90016	24,534,588	26,695,720	11.00%	Rs. 24534588 principal outstanding is repayable in 50 EMI of Rs. 614472	10 AL3723 XL Trucks	No personal guarantee
10	CV-2782982,3197,202,217,221,236,240,289,3309,313,328,347.351,366	34,704,656	35,501,522	11.00%	Rs. 34704656 principal outstanding is repayable in 54 EMI of Rs. 817635	7AL3723XL &7AL3123 XL Truck Chassis	No personal guarantee
11	CV-2811003,056,075,080	9,845,088	9,845,088	11.00%	Rs. 9845088 principal outstanding is repayable in 57 EMI of Rs. 226956	4AL3123XL Trucks	No personal guarantee
12	CV-2811094,11114	5,427,540	5,427,540	11.00%	Rs. 5427540 principal outstanding is repayable in 57 EMI of Rs. 125120	2 AL 3723XL Trucks	No personal guarantee
13	CV-2814584,599,604,619	9,845,088	9,845,088	11.00%	Rs. 9845088 principal outstanding is repayable in 57 EMI of Rs. 226608	4 AL 3123 XL Trucks	No personal guarantee
14	CV-2814787,791,807,811	10,855,080	10,855,080	11.00%	Rs. 10855080 principal outstanding is repayable in 57 EMI of Rs. 249856	4 AL 3723XL Trucks	No personal guarantee
15	LCV-232715,721,738,744,750,767,773,780,796,800	15,050,000	15,050,000	11.00%	Rs. 15050000 principal outstanding is repayable in 57 EMI of Rs. 346650	10 AL 1212 Boss Trucks	No personal guarantee
16	LCV-234222,554,560,577,583	7,525,000	7,525,000	11.00%	Rs. 7525000 principal outstanding is repayable in 57 EMI of Rs. 173075	5 AL 1212 Boss Trucks	No personal guarantee
17	LCV-234603,610,632,649,655	7,525,000	7,525,000	11.00%	Rs. 7525000 principal outstanding is repayable in 57 EMI of Rs. 173075	5 AL 1212 Boss Trucks	No personal guarantee
18	LCV-241027,1033,1044,1085,1091,1105,1111,1128,0405,1134	15,170,000	15,170,000	11.00%	Rs. 15170000 principal outstanding is repayable in 57 EMI of Rs. 349000	10 AL 1212 Boss Trucks	No personal guarantee
19	LCV-240457,1258	2,955,996	2,955,996	11.00%	Rs. 2955996 principal outstanding is repayable in 57 EMI of Rs. 68000	2 AL 1212 Boss Trucks	No personal guarantee
20	LCV-240434,1157,1163,1170,1186,1192,1206,1212,1229,1235	15,022,050	15,022,050	11.00%	Rs. 15022050 principal outstanding is repayable in 57 EMI of Rs. 345500	10 AL 1212 Boss Trucks	No personal guarantee
	Total	**260,410,481**	**386,987,501**				

VRL LOGISTICS LIMITED

Annexure 8A

Sr. No.	Name of the Bank	Balance outstanding as at 31 December 2014	Sanctioned amount (disbursed amount)	Rate of interest as at 31 December 2014	Repayment terms (EMI includes interest amount, unless otherwise specified)	Details of security	Personal guarantee Name of the guarantor
11	**Yes Bank Limited**						
1	CVL002200050974,975,976,977,980,981,986,997,1007,973,978,979,985,996,1021,1066,1067,1123	22,754,754	24,800,490	11.00%	Rs. 22754754 principal outstanding is repayable in 51 EMI of Rs. 560565	9 Nos of AL 3723 XL Vehicles	No personal guarantee
2	CVL002200050968,969,971,042,1042,1045,1046	6,820,884	7,434,114	11.00%	Rs. 6820884 principal outstanding is repayable in 51 EMI of Rs. 168033	3 Nos of AL 3123 XL Vehicles	No personal guarantee
3	CVL002200064086,87,88,103,104,119,120,121,122,CVL002200064351,64352,64353,64354,64355,64356,64357,64398,64422	22,382,163	24026148	11.00%	Rs. 22382163 principal outstanding is repayable in 52 EMI of Rs. 543060	9 Nos of AL 3723 XL Chassis	No personal guarantee
4	CVL002200064157,158,161,162,163,164,165,166,167,168,169,170,506,524,CVL002200064391,64392,64393,64394,64395,64423,64424,64425,64446,64447,64448	31,327,996	33629036	11.00%	Rs. 31327996 principal outstanding is repayable in 52 EMI of Rs. 760116	14 Nos of AL 3123 XL Chassis	No personal guarantee
5	CVL002200065082,83,84,85,86,CVL002200065141,65142,65143,65144,65145	11,188,570	12010370	11.00%	Rs. 11188570 principal outstanding is repayable in 52 EMI of Rs. 271470	5 Nos of AL 3123 XL Chassis	No personal guarantee
6	CVL002200065079,80,81,CVL002200065133,65139,65140	7,460,721	8008716	11.00%	Rs. 7460721 principal outstanding is repayable in 52 EMI of Rs. 181020	3 Nos of AL 3723 XL Chassis	No personal guarantee
7	CVL002200072700,701,702,703,704,705,706,707,708,711,653,663,664,672,673,686,687,688,695,696	14,722,520	15130980	11.00%	Rs. 14722520 principal outstanding is repayable in 55 EMI of Rs. 344010	10 Nos of AL 1212 Boss Vehicles	No personal guarantee
8	CVL002200073419,38,52,518,519,531,532,543,544,553,420,429,430,431,439,453,502,503,520,409	14,703,249	14,903,490	11.00%	Rs. 14703249 principal outstanding is repayable in 56 EMI of Rs. 336870	10 Nos of AL 1212 Boss Vehicles	No personal guarantee
	Total	**131,360,857**	**139,943,344**				
	Grand Total	**1,697,547,993**	**2,917,346,908**				
	Grand Total - term loan from banks	**2,738,017,513**	**5,067,346,908**				

***** The outstanding amount is higher than the sanctioned amount due to cumulation of interest charge for the month of December 2014.
# Disbursed amount has been indicated where the whole sanctioned amount has not been utilised.

Legends
1 PLR= Prime Lending Rate
2 BPLR= Banks Prime Lending Rate
3 EMI = Equated Monthly Installment

Annexure 8B

Security details on term loan from NBFC's

(Amount in Rupees)

Sr. no.	Name of the Institution	Balance outstanding as at 31 December 2014	Sanctioned limits as at 31 December 2014*	Rate of interest as at 31 December 2014	Repayment terms	Details of security	Personal guarantee Name of the guarantor
A	**Tata Capital Financial Services Limited (TCFSL)**						
	1) 7000220887 - 941	15,577,014	20,479,479	13.50%	Rs. 15577014 principal outstanding is repayable in 26 EMI of Rs. 694978	Refinance on Cars	No personal guarantee
	2) 7000224272	983,329	1,115,000	10.50%	Rs. 983329 principal outstanding is repayable in 51 EMI of Rs. 23966	1 Honda City Car	No personal guarantee
	3] 3276726	122,701,700	269,000,000	LTLR reduced by 4.5%	Rs. 122701700 principal outstanding is repayable in 25 installments of Rs. 4719300 and 1 installment of Rs.4719200 along with interest	Mortgage of property at Belgaum, Bijapur, Davangere, Gadag, Hubli, Gangavathi, Raichur, Pune, Bhilwara and Vashi.	Mr. Vijay Sankeshwar Mr. Anand Sankeshwar
	4] 3303207	5,017,000	11,000,000	LTLR reduced by 4.5%	Rs. 5017000 principal outstanding is repayable in 25 installments of Rs.193000 and 1 installment of Rs.192000 along with interest	Mortgage of property at Belgaum, Bijapur, Davangere, Gadag, Hubli, Gangavathi, Raichur, Pune, Bhilwara and Vashi.	Mr. Vijay Sankeshwar Mr. Anand Sankeshwar
	5] 3360743	9,630,200	20,000,000	LTLR reduced by 4.5%	Rs. 9630200 principal outstanding is repayable in 25 installments of Rs.370350 and 1 installment of Rs.371450 along with interest	Mortgage of property at Belgaum, Bijapur, Davangere, Gadag, Hubli, Gangavathi, Raichur, Pune, Bhilwara and Vashi.	Mr. Vijay Sankeshwar Mr. Anand Sankeshwar
	6] 7000161339,340,341,343,344,345,347,348,565,569,571,573, 575,576,580,583	15,691,417	24,012,416	11.00%	Rs. 15691417 principal outstanding is repayable in 33 EMI of Rs. 552800	8 AL Buses	No personal guarantee
	7] 7000170169 to 170727	33,967,082	49,528,848	11.00%	Rs. 33967082 principal outstanding is repayable in 35 EMI of Rs. 1140224	16 AL Buses	No personal guarantee
	8]7000178899,902,903,905,906,9388,9397,9398,9400,9402	11,473,535	15,577,760	11.00%	Rs. 11473535 principal outstanding is repayable in 38 EMI of Rs. 358625	5 AL Buses	No personal guarantee
	9]7000178914,915,916,917,9300,9302,9303,9304	10,643,289	14,450,780	11.00%	Rs. 10643289 principal outstanding is repayable in 38 EMI of Rs. 332680	4 AL Buses	No personal guarantee
	10]7000242885	565,300	594,757	10.50%	Rs. 565300 principal outstanding is repayable in 56 EMI of Rs. 12787	1 Maruti Swift D'zire Car	No personal guarantee
	11]7000243990	800,358	843,183	10.50%	Rs. 800358 principal outstanding is repayable in 56 EMI of Rs. 18124	1 Scorpio Car	No personal guarantee
	12]7000243978	552,474	610,797	10.50%	Rs. 552474 principal outstanding is repayable in 32 EMI of Rs. 19852	1 Tata Sumo Gold	No personal guarantee
	Total	**227,602,698**	**427,213,020**				

Annexure 8B

(Amount in Rupees)

Sr. no.	Name of the Institution	Balance outstanding as at 31 December 2014	Sanctioned limits as at 31 December 2014*	Rate of interest as at 31 December 2014	Repayment terms	Details of security	Personal guarantee Name of the guarantor
B	**Daimler Financial Services, Bangalore**						
	1) 20100039,40,41,42,43	5,530,133	9,765,266	11.00%	Rs. 5530133 principal outstanding is repayable in 28 EMI of Rs. 224875	5 Nos of Bharat Benz Trucks	No personal guarantee
	2) 20100044,45,46,47,48	5,762,281	9,866,371	11.00%	Rs. 5762281 principal outstanding is repayable in 29 EMI of Rs. 227250	5 Nos of Bharat Benz Trucks	No personal guarantee
	3) 20100058,59,60,61,62	5,762,281	9,866,371	11.00%	Rs. 5762281 principal outstanding is repayable in 29 EMI of Rs. 227250	5 Nos of Bharat Benz Trucks	No personal guarantee
	4) 20100081,82,83,84,85	5,935,004	9,866,371	11.00%	Rs. 5935004 principal outstanding is repayable in 30 EMI of Rs. 227250	5 Nos of Bharat Benz Trucks	No personal guarantee
	Total	**22,989,699**	**39,364,379**				
C	**Indiabulls Financial Services Limited, Bangalore**						
	1) LCVNHBL00089336,337,338,339,340,341, 342,343,344,345	7,252,782	20,469,714	11.00%	Rs. 7252782 principal outstanding is repayable in 17 EMI of Rs. 462684	6 AL 4923 Trucks	No personal guarantee
	2) LCVNHBL00089536,537,560,562,565,584,585, 586,587,588,641,642,643,644, 646	13,558,383	36,299,859	11.00%	Rs. 13558383 principal outstanding is repayable in 18 EMI of Rs. 820500	15 AL 3123 Trucks	No personal guarantee
	3) LCVNHBL00090920,21,22,23,24,26,27,28, 29,30	5,589,925	14,860,400	11.50%	Rs. 5589925 principal outstanding is repayable in 18 EMI of Rs. 339585	5 Al 3116 Tankers	No personal guarantee
	Total	**26,401,090**	**71,629,973**				

Annexure 8B

(Amount in Rupees)

Sr. no.	Name of the Institution	Balance outstanding as at 31 December 2014	Sanctioned limits as at 31 December 2014*	Rate of interest as at 31 December 2014	Repayment terms	Details of security	Personal guarantee Name of the guarantor
D	**SREI Equipment Finance Private Limited, Bangalore**						
	1) HL 0034906	823,403	7,508,361	10.00%	Rs. 823403 principal outstanding is repayable in 5 EMI of Rs. 168806	07 Ecomet Vehicles	No personal guarantee
	2) HL 0035079	1,529,182	13,944,099	10.00%	Rs. 1529182 principal outstanding is repayable in 5 EMI of Rs. 313498	13 Ecomet Vehicles	No personal guarantee
	3) HL 0040976	17,369,203	47,116,080	10.00%	Rs. 17369203 principal outstanding is repayable in 18 EMI of Rs. 1044000	20 AL 3123 XL Lorries	No personal guarantee
	4) HL 0041224	83,215,434	204,703,858	10.00%	Rs. 83215434 principal outstanding is repayable in 20 EMI of Rs. 4535000	29 AL3123 trucks, 15 Volvo buses, 2 AL buses	No personal guarantee
	5) HL 0042403	787,272	1,935,766	10.00%	Rs. 787272 principal outstanding is repayable in 20 EMI of Rs. 42900	2 Forklifts	No personal guarantee
	6) HL 0042681	6,026,333	14,819,400	10.00%	Rs. 6026333 principal outstanding is repayable in 20 EMI of Rs. 328370	5 AL 3116 IL Trucks	No personal guarantee
	7) HL0043414	23,420,642	53,113,289	12.00%	Rs. 23420642 principal outstanding is repayable in 21 EMI of Rs. 1241900	13 AL 3518 Trucks, 5 AL 3116 Trucks, 1 AL 3118 Trucks	No personal guarantee
	8) HL0043445	20,857,556	47,299,860	12.00%	Rs. 20857556 principal outstanding is repayable in 21 EMI of Rs. 1106000	20 AL 3123 Trucks	No personal guarantee
	9) HL0044020	1,109,547	2,413,129	12.00%	Rs. 1109547 principal outstanding is repayable in 22 EMI of Rs. 56430	2 TATA Marcopolos Buses	No personal guarantee
	10) HL0044474	17,400,315	37,839,888	12.00%	Rs. 17400315 principal outstanding is repayable in 22 EMI of Rs. 885000	16 AL 3123 XL Lorries	No personal guarantee
	11) HL00044669	1,089,263	2,368,882	12.00%	Rs. 1089263 principal outstanding is repayable in 22 EMI of Rs. 55400	2 TATA Marcopolos Buses	No personal guarantee
	12) HL0047355	961,734	1,935,765	12.00%	Rs. 961734 principal outstanding is repayable in 24 EMI of Rs. 45270	2 Forklifts	No personal guarantee
	13] HL0052543	939,759	1,935,765	12.50%	Rs. 939759 principal outstanding is repayable in 23 EMI of Rs. 46160	2 Forklifts	No personal guarantee
	14] HL0052559	31,600,605	65,091,930	12.50%	Rs. 31600605 principal outstanding is repayable in 23 EMI of Rs. 1552200	30 AL 3116 XL Trucks	No personal guarantee
	15] HL0053247	26,629,635	52,827,146	12.50%	Rs. 26629635 principal outstanding is repayable in 24 EMI of Rs. 1260000	6 Volvo Buses	No personal guarantee
	16] HL0053248,249,250	26,629,635	52,827,147	12.50%	Rs. 26629635 principal outstanding is repayable in 24 EMI of Rs. 1260000	6 Volvo Buses	No personal guarantee
	17] HL0054104,105,107	55,198,042	105,654,293	12.50%	Rs. 55198042 principal outstanding is repayable in 25 EMI of Rs. 2520000	12 Volvo Buses	No personal guarantee
	18)HL0057411	592,737	1,046,633	11.00%	Rs. 592737 principal outstanding is repayable in 28 EMI of Rs. 24100	1 Forklift	No personal guarantee
	19] CONTRACT No.42587	38,027,720	48,515,250	11.00%	Rs. 38027720 principal outstanding is repayable in 41 EMI of Rs. 1117000	25 AL2523 Lorries	No personal guarantee
	20] CONTRACT 68899	26,659,993	26,908,992	11.00%	Rs. 26659993 principal outstanding is repayable in 55 EMI of Rs. 619615	11 AL 3123 Lorries	No personal guarantee
	21] CONTRACT 68903	14,699,608	14,836,900	11.00%	Rs. 14699608 principal outstanding is repayable in 55 EMI of Rs. 341639	10 AL 1212 Lorries	No personal guarantee
	22] CONTRACT 68906	10,754,635	10,855,080	11.00%	Rs. 10754635 principal outstanding is repayable in 55 EMI of Rs. 249953	4 AL 3723 Lorries	No personal guarantee
	23] CONTRACT 69446 #	13,632,089	13,568,850	11.00%	Rs. 13632089 principal outstanding is repayable in 56 EMI of Rs. 312386	5 AL 3723 Lorries	No personal guarantee
	24] CONTRACT 69448 #	22,224,545	22,121,448	11.00%	Rs. 22224545 principal outstanding is repayable in 56 EMI of Rs. 509286	9 AL 3123 XL Lorries	No personal guarantee
	25] CONTRACT 71159	15,103,270	15,103,270	11.00%	Rs. 15103270 principal outstanding is repayable in 57 EMI of Rs. 347773	10 AL 1212 Lorries	No personal guarantee
	26] CONTRACT 73793	19,362,176	19,362,176	11.00%	Rs. 19362176 principal outstanding is repayable in 57 EMI of Rs. 445761	8 AL 3123 XL Lorries	No personal guarantee
	27] CONTRACT 73795	37,418,780	37,418,780	11.00%	Rs. 37418780 principal outstanding is repayable in 57 EMI of Rs. 861466	14 AL 3723 Lorries	No personal guarantee
	Total	**514,063,113**	**923,072,037**				

Annexure 8B

(Amount in Rupees)

Sr. no.	Name of the Institution	Balance outstanding as at 31 December 2014	Sanctioned limits as at 31 December 2014*	Rate of interest as at 31 December 2014	Repayment terms	Details of security	Personal guarantee Name of the guarantor
E	**Kotak Mahindra Prime Limited, Hubli**						
	1) CF7248320,48860	495,348	1,207,112	10.25%	Rs. 495348 principal outstanding is repayable in 21 EMI of Rs. 25868	2 Toyota Etios	No personal guarantee
	2) CF7283997	530,397	1,297,265	10.25%	Rs. 530397 principal outstanding is repayable in 21 EMI of Rs. 27730	Toyota Innova	No personal guarantee
	3) CF-7404397,436	1,109,884	2,593,678	10.75%	Rs. 1109884 principal outstanding is repayable in 22 EMI of Rs. 55320	2 Toyota Innova	No personal guarantee
	4] CF7479241	590,037	1,266,329	10.80%	Rs. 590037 principal outstanding is repayable in 24 EMI of Rs. 27450	Toyota Innova	No personal guarantee
	5] CF 7568092	379,545	785,441	10.80%	Rs. 379545 principal outstanding is repayable in 25 EMI of Rs. 17028	Scorpio	No personal guarantee
	6)CF-8141475	230,706	405,303	11.50%	Rs. 230706 principal outstanding is repayable in 30 EMI of Rs. 8900	Maruti Wagon	No personal guarantee
	7) CF-10092301	533,806	618,000	10.50%	Rs. 533806 principal outstanding is repayable in 50 EMI of Rs. 13250	Honda Amaze	No personal guarantee
	8) CF-10093045	1,579,643	1,828,857	10.50%	Rs. 1579643 principal outstanding is repayable in 50 EMI of Rs. 39200	Sonata	No personal guarantee
	9) CF- 10438400	789,600	859,659	10.25%	Rs. 789600 principal outstanding is repayable in 54 EMI of Rs. 18354	Mahindra Scorpio LX	No personal guarantee
	Total	**6,238,966**	**10,861,644**				

Annexure 8B

(Amount in Rupees)

Sr. no.	Name of the Institution	Balance outstanding as at 31 December 2014	Sanctioned limits as at 31 December 2014*	Rate of interest as at 31 December 2014	Repayment terms	Details of security	Personal guarantee Name of the guarantor
F	**L & T Finance Limited, Hubli**						
	1)OCVO17039S1000220239,220243,22,249,220252	226,874	9,835,080	11.50%	Rs. 226874 principal outstanding is repayable in 1 EMI of Rs. 229040	4 nos of Buses	No personal guarantee
	2)OCVO17039S1000225447	36,289	790,363	11.50%	Rs. 36289 principal outstanding is repayable in 2 EMI of Rs. 18405	One unit of Tempo Traveler	No personal guarantee
	3)OCVO17039S1000284775-783	4,050,151	21,109,136	9.40%	Rs. 4050151 principal outstanding is repayable in 9 EMI of Rs. 467720	08 AL Buses	No personal guarantee
	4)OCV017039S1000288374,78	883,972	4,607,284	9.40%	Rs. 883972 principal outstanding is repayable in 9 EMI of Rs. 102100	02 AL Buses	No personal guarantee
	5)OCV017039S1000298751,753,772,776, 782,795,799,802	4,085,321	19,245,136	9.40%	Rs. 4085321 principal outstanding is repayable in 10 EMI of Rs. 426400	08 AL Buses	No personal guarantee
	6)OCV017039S1100319179,184,185, 187,189	2,977,747	11,779,000	9.40%	Rs. 2977747 principal outstanding is repayable in 12 EMI of Rs. 261000	05 AL 3123 Trucks	No personal guarantee
	7)OCV017039S1100322343,345	4,774,796	17,490,000	9.40%	Rs. 4774796 principal outstanding is repayable in 13 EMI of Rs. 387570	02 Volvo Buses	No personal guarantee
	8)OCV017039S1100323031,032	4,774,228	17,490,000	9.40%	Rs. 4774228 principal outstanding is repayable in 13 EMI of Rs. 387570	02 Volvo Buses	No personal guarantee
	9)OCV017039S1100324478,485,488,490	9,548,456	34,980,000	9.40%	Rs. 9548456 principal outstanding is repayable in 13 EMI of Rs. 775140	04 Volvo Buses	No personal guarantee
	10)OCV01703981100332550,2551,2562	2,069,666	7,067,400	9.40%	Rs. 2069666 principal outstanding is repayable in 14 EMI of Rs. 156600	03 AL 3123 Trucks	No personal guarantee
	11)OCV017039S1100338955,8959,8962, 8963,8965,8967,872	5,458,755	18,236,897	10.50%	Rs. 5458755 principal outstanding is repayable in 14 EMI of Rs. 414890	7 AL Buses	No personal guarantee
	12)OCV017039S1100340933,0935,0937	2,332,792	7,815,813	10.50%	Rs. 2332792 principal outstanding is repayable in 14 EMI of Rs. 177810	3 AL Buses	No personal guarantee
	Total	**41,219,047**	**170,446,109**				
G	**Magma Fincorp Limited, Bangalore**						
	1) PG/0112/08/000008	445,421	9,835,000	11.00%	Rs. 445421 principal outstanding is repayable in 2 EMI of Rs. 226465	4 Nos of AL Buses	No personal guarantee
	2) PG/0112/09/000002	7,579,484	39,631,925	9.25%	Rs. 7579484 principal outstanding is repayable in 9 EMI of Rs. 875379	25 AL 2518H Lorries	No personal guarantee
	3) PG/0112/09/000003	12,584,939	40,048,668	11.00%	Rs. 12584939 principal outstanding is repayable in 15 EMI of Rs. 901952	17 AL 3123 Lorries	No personal guarantee
	4) PG/0112/09/000004	962,124	3,062,163	11.00%	Rs. 962124 principal outstanding is repayable in 15 EMI of Rs. 68951	01 AL Bus with AC Unit	No personal guarantee
	5) PG/0112/10/000001	14,172,095	35,134,098	11.60%	Rs. 14172095 principal outstanding is repayable in 19 EMI of Rs. 820412	04 Volvo Buses	No personal guarantee
	6) PG/0112/10/000004	6,887,682	14,519,958	12.50%	Rs. 6887682 principal outstanding is repayable in 23 EMI of Rs. 338340	6 AL 3123 Lorries	No personal guarantee
	7) PG/0112/10/000005	10,292,313	21,697,310	12.50%	Rs. 10292313 principal outstanding is repayable in 23 EMI of Rs. 505585	10 AL 3116XL Lorries	No personal guarantee
	Total	**52,924,058**	**163,929,122**				

Annexure 8B

(Amount in Rupees)

Sr. no.	Name of the Institution	Balance outstanding as at 31 December 2014	Sanctioned limits as at 31 December 2014*	Rate of interest as at 31 December 2014	Repayment terms	Details of security	Personal guarantee Name of the guarantor
H	**Religare Finvest Limited, Bangalore**						
	1)XOCVKRM00009872 To 9886	2,225,440	17,160,000	9.60%	Rs. 2225440 principal outstanding is repayable in 6 EMI of Rs. 382160	16 Nos of AL Ecomet Vehicles	No personal guarantee
	2)XOCVKRM000010029 To 10033	1,519,195	11,715,000	9.60%	Rs. 1519195 principal outstanding is repayable in 6 EMI of Rs. 260875	05 Nos of AL 12M Buses	No personal guarantee
	3)XOCVKRM000010164	116,767	775,000	9.60%	Rs. 116767 principal outstanding is repayable in 7 EMI of Rs. 17260	01 Unit of Tempo Traveler	No personal guarantee
	4)XOCVKRM000010260 To 61	320,876	2,130,000	9.60%	Rs. 320876 principal outstanding is repayable in 7 EMI of Rs. 47430	02 Nos of AL Ecomet Vehicles	No personal guarantee
	5)XOCVKRM000010258 To 59	326,474	2,167,000	9.60%	Rs. 326474 principal outstanding is repayable in 7 EMI of Rs. 48258	02 Nos of AL Ecomet Vehicles	No personal guarantee
	6)XOCVKRM000010474 To 493	3,231,700	21,450,000	9.60%	Rs. 3231700 principal outstanding is repayable in 7 EMI of Rs. 477700	20 Nos of AL Ecomet Vehicles	No personal guarantee
	7)XOCVKRM000010505 To 12	2,470,846	16,401,000	9.60%	Rs. 2470846 principal outstanding is repayable in 7 EMI of Rs. 365225	07 Nos of AL 12M Buses	No personal guarantee
	8)XOCVKRM000011380 To 393	3,568,144	20,812,000	9.60%	Rs. 3568144 principal outstanding is repayable in 8 EMI of Rs. 463456	08 Nos of AL 12M Buses	No personal guarantee
	9)XOCVKRM000011390 To 92	1,205,094	7,029,000	9.60%	Rs. 1205094 principal outstanding is repayable in 8 EMI of Rs. 156525	03 Nos of AL 12M Buses	No personal guarantee
	10)XOCVKRM000012867	179,774	936,000	9.60%	Rs. 179774 principal outstanding is repayable in 9 EMI of Rs. 20844	01 unit of Fork Lift	No personal guarantee
	11)XOCVKRM000012858-65	3,696,224	19,244,000	9.60%	Rs. 3696224 principal outstanding is repayable in 9 EMI of Rs. 428560	08 Nos of AL Buses	No personal guarantee
	12)XOCVKRM000016578-586	4,479,619	19,244,000	9.60%	Rs. 4479619 principal outstanding is repayable in 11 EMI of Rs. 428560	08 Nos of AL Buses	No personal guarantee
	13)XOCAKRM00016983,620,626,627	993,310	3,928,000	9.60%	Rs. 993310 principal outstanding is repayable in 12 EMI of Rs. 82873	04 unit of Fork Lift	No personal guarantee
	14)XOCVKRM000018669,670,671,672,673	3,578,230	13,025,000	9.60%	Rs. 3578230 principal outstanding is repayable in 13 EMI of Rs. 292825	05 Nos of AL Buses	No personal guarantee
	15)XOCVKRM00021990-2031	12,790,579	40,035,000	11.00%	Rs. 12790579 principal outstanding is repayable in 15 EMI of Rs. 921502	17 Nos of AL 3123 Trucks	No personal guarantee
	Total	**40,702,272**	**196,051,000**				
	Grand Total - term loan from NBFCs	**932,140,943**	**2,002,567,284**				

The outstanding amount is higher than the sanctioned amount due to cumulation of interest charge for the month of December 2014.

***** Disbursed amount has been indicated where the whole sanctioned amount has not been utilised.

Note:-

LTLR= Long term lending rate declared by TCFSL

EMI = Equated monthly installment

VRL LOGISTICS LIMITED

Annexure 8C

Security details on working capital loan from banks

(Amount in Rupees)

Sr. No.	Name of the Bank	Balance outstanding as at 31 December 2014	Sanctioned limits as at 31 December 2014	Rate of interest as at 31 December 2014	Details of security provided	Personal guarantee Name of the guarantor
1	The Shamrao Vithal Co-operative Bank Limited, Hubli C.C. A/c 60	839,019,598	950,000,000	PLR minus 4.50% p.a.	Hypothecation of stocks and book debts upto 150 days. Equitable mortgage of property (land and building) at Gulbarga, Davanagere, Chitradurga and Belgaum. Hypothecation of unencumbered vehicles and pledge of fixed deposits.	Mr. Vijay Sankeshwar Mr. Anand Sankeshwar
2	The Saraswat Co-operative Bank Limited, Hubballi OD/PUB1312	189,042,130	250,000,000	PLR minus 2.00% p.a.	Equitable mortgage of Land and Building situated at Varur, Mangalore & Belgaum.	Mr. Vijay Sankeshwar Mr. Anand Sankeshwar
3	IDBI Bank Limited, Bangalore A/c No.6965780000019	17,448,136	100,000,000	IDBI Base rate plus 2.75% p.a.	Exclusive charge on land and building at Bijapur, Dharwad, Gangavati and Mysore.	Mr. Vijay Sankeshwar Mr. Anand Sankeshwar
4	ICICI Bank Limited A/c No.015705001575	(680,409)	45,700,000	I-Base plus spread of 3.75% p.a.	Exclusive charge by way of equitable mortgage of commercial property (land) situated at Hubli.	Mr. Vijay Sankeshwar Mr. Anand Sankeshwar
	Grand Total - working capital loan from banks	**1,044,829,455**	**1,345,700,000**			

Note:-
PLR= Prime lending rate
I-Base= ICICI bank base rate

VRL LOGISTICS LIMITED

Annexure 9

Statement of deferred tax liabilities (net), as restated

(Rupees in million)

	Particulars	As at 31 December 2014	As at 31 March 2014	2013	2012	2011	2010
a)	**Liabilities**						
	Depreciation / Amortisation* (also refer Annexure 7 and 14)	882.61	863.72	805.40	720.10	940.91	991.48
		882.61	**863.72**	**805.40**	**720.10**	**940.91**	**991.48**
b)	**Assets**						
	Allowance for doubtful debts and advances	6.90	5.71	4.86	4.74	3.90	2.52
	Provision for compensated absences, gratuity and lease equalisation	33.66	11.65	12.02	13.20	6.90	0.58
	Provision for bonus	9.78	12.73	12.53	9.69	7.11	6.88
	Unabsorbed depreciation loss	-	-	-	-	-	222.96
		50.34	**30.09**	**29.41**	**27.63**	**17.91**	**232.94**
	Total	**832.27**	**833.63**	**775.99**	**692.47**	**923.00**	**758.54**

* Deferred tax liability on timing difference related to depreciation/amortisation pertaining to nine months ended 31 December 2014 is net of deferred tax benefit of Rs.5.47 million on write off of written down value of fixed assets (net of residual value), which have no balance useful life in accordance with Schedule II to Companies Act, 2013 as at 1 April 2014.

VRL LOGISTICS LIMITED

Annexure 10

Statement of other long term liabilities, as restated

(Rupees in million)

Particulars	As at 31 December 2014	As at 31 March				
		2014	2013	2012	2011	2010
Deposits from agents and others	88.68	88.66	86.60	78.29	78.05	76.26
Total	**88.68**	**88.66**	**86.60**	**78.29**	**78.05**	**76.26**

Annexure 11

Statement of provisions, as restated

(Rupees in million)

Particulars	As at 31 December 2014		As at 31 March 2014		2013		2012		2011		2010	
	Long term	Short term	Long term	Short term	Long term	Short term	Long term	Short term	Long term	Short term	Long term	Short term
Provision for employee benefits (see note (a) below)	21.97	50.16	16.64	17.48	23.75	5.04	15.87	14.53	-	21.26	-	16.32
Provision for taxation (net of advance tax)	-	47.11	-	6.03	-	1.13	-	1.13	-	62.35	-	77.89
Provision for lease equalisation	26.91	-	9.76	-	5.38	1.19	5.69	4.57	1.40	7.49	4.06	-
Interim dividend declared	-	-	-	171.07	-	-	-	-	-	-	-	106.05
Proposed dividend												
Equity	-	-	-	-	-	310.64	-	49.05	-	-	-	-
Preference	-	-	-	-	-	0.01	-	-	-	-	-	-
Corporate dividend tax	-	-	-	29.07	-	52.79	-	7.96	-	-	-	18.03
Total	**48.88**	**97.27**	**26.40**	**223.65**	**29.13**	**370.80**	**21.56**	**77.24**	**1.40**	**91.10**	**4.06**	**218.29**

a) Employee benefits

Gratuity is provided based on actuarial valuation for employees covered under the Group Gratuity Scheme. Few employees like drivers and hamaals are not covered under the Group Gratuity Scheme on account of very high attrition rates (specific to the industry and in their categories) and therefore gratuity payments made to them during each of the reporting periods are charged to the Statement of Profit and Loss of such periods. Further, no provision is made for compensated absences for drivers and hamaals on similar grounds and such compensated absences are charged to Statement of Profit and Loss in the reporting periods during which such payments are made.

i) Defined Contribution Plans: The amount recognised as an expense during the period/year is as follows:-

(Rupees in million)

Particulars	Nine months ended 31 December 2014	Year ended 31 March 2014	Year ended 31 March 2013	Year ended 31 March 2012	Year ended 31 March 2011	Year ended 31 March 2010
Contribution to provident and other funds	111.06	118.64	106.97	83.39	70.65	61.08

ii) Defined Benefit Plans (Gratuity scheme and compensated absences):

(Rupees in million)

Particulars	Gratuity						Compensated absences					
	Nine months ended 31 December 2014	Year ended 31 March 2014	Year ended 31 March 2013	Year ended 31 March 2012	Year ended 31 March 2011	Year ended 31 March 2010	Nine months ended 31 December 2014	Year ended 31 March 2014	Year ended 31 March 2013	Year ended 31 March 2012	Year ended 31 March 2011	Year ended 31 March 2010
I. Changes in present value of obligations												
Present value of obligation as at the beginning of the period/year	93.72	85.99	80.40	74.12	67.97	51.88	24.51	28.79	20.50	18.09	NA	NA
Current service cost	3.20	6.36	5.39	5.32	12.31	13.60	7.64	6.09	8.83	NA	NA	NA
Interest cost	5.36	7.45	6.28	6.13	5.27	3.94	1.34	1.97	1.60	NA	NA	NA
Actuarial (gain)/loss on obligations	38.59	3.10	2.40	1.09	(7.32)	3.80	1.77	2.21	0.03	NA	NA	NA
Benefits paid	(10.18)	(9.18)	(8.48)	(6.26)	(4.11)	(5.25)	(4.78)	(14.55)	(2.17)	NA	NA	NA
Present value of obligation as at the end of the period/year	130.69	93.72	85.99	80.40	74.12	67.97	30.48	24.51	28.79	20.50	NA	NA
II. Changes in fair value of plan assets												
Fair value of plan assets at the beginning of the period/year	84.11	78.58	70.50	70.95	66.25	44.86	-	-	-	-	-	-
Expected return on plan assets	5.01	6.22	5.70	5.77	5.14	4.19	-	-	-	-	-	-
Actuarial gain/(loss) on plan assets	0.47	1.07	0.96	0.04	0.59	2.15	-	-	-	-	-	-
Contributions	9.63	7.42	9.90	-	3.08	20.30	4.78	14.55	2.17	-	NA	NA
Benefits paid	(10.18)	(9.18)	(8.48)	(6.26)	(4.11)	(5.25)	(4.78)	(14.55)	(2.17)	-	NA	NA
Fair value of plan assets at the end of the period/year	89.04	84.11	78.58	70.50	70.95	66.25	-	-	-	-	-	-
III. Actuarial gain / loss recognised												
Actuarial (gain)/loss for the period/year – Obligation	38.59	3.10	2.40	1.09	(7.32)	3.80	1.77	2.21	0.03	NA	NA	NA
Actuarial (gain)/loss for the period/year – Plan assets	(0.47)	(1.07)	(0.96)	(0.04)	(0.59)	(2.15)	-	-	-	-	-	-
Total (gain)/loss for the period/year	38.12	2.03	1.44	1.05	(7.91)	1.65	1.77	2.21	0.03	NA	NA	NA
Actuarial (gain)/loss recognized during the period/year	38.12	2.03	1.44	1.05	(7.91)	1.65	1.77	2.21	0.03	NA	NA	NA

Annexure 11

(Rupees in million)

Particulars	Gratuity						Compensated absences					
	Nine months ended 31 December 2014	Year ended 31 March 2014	Year ended 31 March 2013	Year ended 31 March 2012	Year ended 31 March 2011	Year ended 31 March 2010	Nine months ended 31 December 2014	Year ended 31 March 2014	Year ended 31 March 2013	Year ended 31 March 2012	Year ended 31 March 2011	Year ended 31 March 2010
IV. Amounts recognised in the Balance Sheet, as restated												
Present value of obligation as at the end of the period/year	130.69	93.72	85.99	80.40	74.12	67.97	30.48	24.51	28.79	20.50	NA	NA
Fair value of plan assets as at the end of the period/year	89.04	84.11	78.58	70.50	70.95	66.25	-	-	-	-	-	-
Funded status	(41.65)	(9.61)	(7.41)	(9.90)	(3.17)	(1.72)	(30.48)	(24.51)	(28.79)	(20.50)	NA	NA
Net asset /(liability) recognised in the Balance Sheet	(41.65)	(9.61)	-	(9.90)	(3.17)	(1.72)	(30.48)	(24.51)	(28.79)	(20.50)	(18.09)	(14.60)
V. Expense recognised in Statement of Profit and Loss, as restated												
Current service cost	3.20	6.36	5.39	5.32	12.31	13.60	7.64	6.09	8.83	NA	NA	NA
Interest cost	5.36	7.45	6.28	6.13	5.27	3.94	1.34	1.97	1.60	NA	NA	NA
Expected return on plan assets	(5.01)	(6.22)	(5.70)	(5.77)	(5.14)	(4.19)	-	-	-	-	-	-
Net actuarial (gain)/loss recognized during the period/year	38.12	2.03	1.44	1.05	(7.91)	1.65	1.77	2.21	0.03	NA	NA	NA
Expense recognised in Statement of Profit and Loss	41.67	9.62	7.41	6.73	4.53	15.00	10.75	10.27	10.46	2.41	NA	NA
VI. Experience adjustments												
On plan liabilities:- (gain) / loss	38.59	3.10	2.40	1.09	(7.32)	3.80	1.77	2.21	0.03	NA	NA	NA
On plan assets:- (gain) / loss	(0.47)	(1.07)	(0.96)	(0.04)	(0.59)	(2.15)	-	-	-	-	-	-
VII. The major category of plan assets as a percentage of total plan assets are as follows:-												
Government Securities	-	20%	20%	NA	NA	NA	-	-	-	-	-	-
Gratuity scheme of Insurance Companies	100%	33%	26%	NA	NA	NA	-	-	-	-	-	-
Special deposits	-	47%	54%	NA	NA	NA	-	-	-	-	-	-
VIII. Assumptions used												
Discount rate	8.06%	9.15%	8.25%	8.50%	8.00%	8.00%	8.06%	9.15%	8.25%	8.50%	NA	NA
Rate of increase in compensation levels	6.00%	6.00%	10% to 5%	10% for 5 years and 5% thereafter	10% for 5 years & 5% thereafter	10% for 5 years & 5% thereafter	6.00%	6.00%	10% to 5%	10% for 5 years and 5% there after	NA	NA
Estimated rate of return on plan assets	8.00%	8.00%	8.00%	8.50%	8.00%	8.00%	-	NA	NA	NA	NA	NA
Expected average remaining working lives of employees (years)	24.64	24.86	23.32	23.49	23.52	22.00	24.64	24.86	23.32	NA	NA	NA
Attrition rate	13.00%	5.00%	1.00%	1.00%	1.00%	1.00%	13%	5%	1%	NA	NA	NA
Mortality rate	Indian assured lives (2006-2008) ultimate mortality table		Indian assured lives (2006-2008) ultimate mortality table	LIC (1994-96) ultimate mortality rate	Indian assured lives mortality (1994-96)		Indian assured lives (2006-2008) ultimate mortality table		Indian assured lives (2006-2008) ultimate mortality table	LIC (1994-96) ultimate mortality rate	NA	NA
Retirement age	60	60	58	58	58	58	60	60	58	NA	NA	NA

Notes:

i) NA indicates that relevant information pertaining to the respective financial year is not available in the actuarial valuation reports.

ii) The Company assesses these assumptions with the projected long-term plans of growth and prevalent industry standards.

VRL LOGISTICS LIMITED

Annexure 12

Statement of trade payables, as restated

(Rupees in million)

Particulars	As at 31 December 2014	As at 31 March				
		2014	2013	2012	2011	2010
Dues to micro, small and medium enterprises (refer note below)	-	-	-	-	-	-
Dues to others	63.73	93.11	50.17	55.58	25.02	53.95
Total	**63.73**	**93.11**	**50.17**	**55.58**	**25.02**	**53.95**

Note:-
Amount due to entities covered under Micro, Small and Medium Enterprises as defined in the Micro, Small and Medium Enterprises Development Act, 2006, have been identified on the basis of information available with the Company. There was no amount due to any such entities which needs to be disclosed. This has been relied upon by the statutory auditors of the Company.

VRL LOGISTICS LIMITED

Annexure 13

Statement of other current liabilities, as restated

(Rupees in million)

Particulars	As at 31 December 2014	As at 31 March 2014	2013	2012	2011	2010
Current maturities of long term debt (refer Annexure 8)	1,538.86	1,431.65	1,217.24	1,269.95	1,014.08	1,000.73
Interest accrued but not due on borrowings	27.13	28.68	31.22	60.48	41.57	15.89
Interest accrued and due on borrowings	-	-	-	11.33	8.83	0.06
Unclaimed matured deposits	-	-	0.85	1.56	1.46	-
Interest accrued on unclaimed matured deposits	-	-	0.33	0.42	0.09	-
Advance from customers and agents	31.16	21.69	23.85	32.53	17.53	9.12
Advance received towards certified emission reductions credits	-	-	-	32.82	123.75	-
Payables for capital expenditure	1.80	9.18	1.31	-	6.93	0.47
Advance for sale of land (refer note 11 of Annexure 5)	100.00	-	16.01	16.01	16.01	-
Advance for sale of Wind Turbine Generators	2.50	2.50	-	-	-	-
Employee related liabilities	124.80	129.71	118.73	111.02	84.73	71.06
Other accrued liabilities	154.97	164.02	209.64	190.72	131.99	113.36
Statutory dues	72.69	37.90	35.88	34.03	31.24	23.31
Total	**2,053.91**	**1,825.33**	**1,655.06**	**1,760.87**	**1,478.21**	**1,234.00**

VRL LOGISTICS LIMITED

Annexure 14

Statement of tangible assets, as restated

(Rupees in million)

Particulars	Freehold land	Leasehold land	Buildings	Plant and equipments	Furniture and fixtures	Office equipment	Vehicles	Aircrafts	Leasehold improvements	Total
Gross block										
Balance as at 01 April 2009	**292.24**	**51.00**	**658.71**	**2,234.43**	**69.43**	**87.23**	**2,855.28**	**254.61**	**6.40**	**6,509.33**
Additions	31.54	-	1.54	6.02	2.65	7.21	360.79	-	2.58	**412.33**
Disposals	(2.03)	-	(91.71)	(9.69)	(3.42)	(0.43)	(119.84)	-	(0.39)	**(227.51)**
Adjustment	-	-	-	-	-	-	-	-	-	**-**
Balance as at 31 March 2010	**321.75**	**51.00**	**568.54**	**2,230.76**	**68.66**	**94.01**	**3,096.23**	**254.61**	**8.59**	**6,694.15**
Accumulated depreciation										
Balance as at 01 April 2009	**-**	**5.48**	**55.02**	**261.74**	**34.13**	**47.71**	**1,203.99**	**16.09**	**0.52**	**1,624.68**
Depreciation charge	-	2.55	12.42	117.49	5.36	8.25	292.87	14.26	1.70	**454.90**
Reversal on disposal of assets	-	-	(6.87)	(2.22)	(0.86)	(0.14)	(65.11)	-	(0.39)	**(75.59)**
Adjustment	-	-	-	-	-	-	-	-	-	**-**
Balance as at 31 March 2010	**-**	**8.03**	**60.57**	**377.01**	**38.63**	**55.82**	**1,431.75**	**30.35**	**1.83**	**2,003.99**
Gross block										
Balance as at 01 April 2010	**321.75**	**51.00**	**568.54**	**2,230.76**	**68.66**	**94.01**	**3,096.23**	**254.61**	**8.59**	**6,694.15**
Additions	0.70	-	18.79	11.99	5.20	13.02	908.88	-	1.72	**960.30**
Disposals	(8.18)	-	(1.50)	- 0.00	(0.03)	(0.41)	(100.03)	-	-	**(110.15)**
Adjustment	(115.53)	-	-	-	-	-	-	-	-	**(115.53)**
Balance as at 31 March 2011	**198.74**	**51.00**	**585.83**	**2,242.75**	**73.83**	**106.62**	**3,905.08**	**254.61**	**10.31**	**7,428.77**
Accumulated depreciation										
Balance as at 01 April 2010	**-**	**8.03**	**60.57**	**377.01**	**38.63**	**55.82**	**1,431.75**	**30.35**	**1.83**	**2,003.99**
Depreciation charge	-	2.55	11.15	117.37	5.61	8.59	338.44	14.26	2.43	**500.40**
Reversal on disposal of assets	-	-	(0.00)	(0.00)	(0.03)	(0.17)	(63.52)	-	-	**(63.72)**
Adjustment	-	-	-	-	-	-	-	-	-	**-**
Balance as at 31 March 2011	**-**	**10.58**	**71.72**	**494.38**	**44.21**	**64.24**	**1,706.67**	**44.61**	**4.26**	**2,440.67**
Gross block										
Balance as at 01 April 2011	**198.74**	**51.00**	**585.83**	**2,242.75**	**73.83**	**106.62**	**3,905.08**	**254.61**	**10.31**	**7,428.77**
Additions	418.30	-	176.90	31.48	8.90	15.57	1,978.86	-	19.90	**2,649.91**
Disposals	-	-	-	(0.55)	-	(0.26)	(38.31)	-	-	**(39.12)**
Adjustment	-	-	-	-	-	-	-	-	-	**-**
Balance as at 31 March 2012	**617.04**	**51.00**	**762.73**	**2,273.68**	**82.73**	**121.93**	**5,845.63**	**254.61**	**30.21**	**10,039.56**
Accumulated depreciation										
Balance as at 01 April 2011	**-**	**10.58**	**71.72**	**494.38**	**44.21**	**64.24**	**1,706.67**	**44.61**	**4.26**	**2,440.67**
Depreciation charge	-	2.55	12.46	118.34	9.25	11.80	512.82	14.26	5.36	**686.84**
Reversal on disposal of assets	-	-	-	(0.55)	-	(0.05)	(29.30)	-	-	**(29.90)**
Adjustment	-	-	-	-	-	-	-	-	-	**-**
Balance as at 31 March 2012	**-**	**13.13**	**84.18**	**612.17**	**53.46**	**75.99**	**2,190.19**	**58.87**	**9.62**	**3,097.61**
Gross block										
Balance as at 01 April 2012	**617.04**	**51.00**	**762.73**	**2,273.68**	**82.73**	**121.93**	**5,845.63**	**254.61**	**30.21**	**10,039.56**
Additions	273.50	-	251.15	37.78	7.08	30.01	376.96	-	14.57	**991.05**
Disposals	-	-	-	-	(0.46)	(0.06)	(28.23)	-	(0.60)	**(29.35)**
Adjustment	-	-	-	-	-	-	-	-	-	**-**
Balance as at 31 March 2013	**890.54**	**51.00**	**1,013.88**	**2,311.46**	**89.35**	**151.88**	**6,194.36**	**254.61**	**44.18**	**11,001.26**

Annexure 14

(Rupees in million)

Particulars	Freehold land	Leasehold land	Buildings	Plant and equipments	Furniture and fixtures	Office equipment	Vehicles	Aircrafts	Leasehold improvements	Total
Accumulated depreciation										
Balance as at 01 April 2012	**-**	**13.13**	**84.18**	**612.17**	**53.46**	**75.99**	**2,190.19**	**58.87**	**9.62**	**3,097.61**
Depreciation charge	-	2.55	21.07	120.59	8.76	14.39	620.25	14.26	8.22	**810.09**
Reversal on disposal of assets	-	-	-	-	(0.08)	(0.01)	(18.08)	-	(0.60)	**(18.77)**
Adjustment	-	-	11.42	-	-	-	-	-	-	**11.42**
Balance as at 31 March 2013	**-**	**15.68**	**116.67**	**732.76**	**62.14**	**90.37**	**2,792.36**	**73.13**	**17.24**	**3,900.35**
Gross block										
Balance as at 01 April 2013	**890.54**	**51.00**	**1,013.88**	**2,311.46**	**89.35**	**151.88**	**6,194.36**	**254.61**	**44.18**	**11,001.26**
Additions	34.10	-	69.09	15.58	8.26	31.87	881.42	120.86	12.76	**1,173.94**
Disposals	-	-	-	-	-	(0.01)	(73.00)	-	-	**(73.01)**
Adjustment	-	-	-	-	-	-	-	-	-	**-**
Balance as at 31 March 2014	**924.64**	**51.00**	**1,082.97**	**2,327.04**	**97.61**	**183.74**	**7,002.78**	**375.47**	**56.94**	**12,102.19**
Accumulated depreciation										
Balance as at 01 April 2013	**-**	**15.68**	**116.67**	**732.76**	**62.14**	**90.37**	**2,792.36**	**73.13**	**17.24**	**3,900.35**
Depreciation charge	-	2.55	27.33	121.46	8.75	14.61	660.10	18.98	10.89	**864.67**
Reversal on disposal of assets	-	-	-	-	-	- 0.00	(56.43)	-	-	**(56.43)**
Adjustment	-	-	-	-	-	-	-	-	-	**-**
Balance as at 31 March 2014	**-**	**18.23**	**144.00**	**854.22**	**70.89**	**104.98**	**3,396.03**	**92.11**	**28.13**	**4,708.59**
Gross block										
Balance as at 01 April 2014	**924.64**	**51.00**	**1,082.97**	**2,327.04**	**97.61**	**183.74**	**7,002.78**	**375.47**	**56.94**	**12,102.19**
Additions	-	-	29.90	22.90	5.48	29.37	489.67	-	10.09	**587.41**
Disposals	-	-	-	-	-	(0.25)	(191.57)	-	-	**(191.82)**
Adjustment (refer note 11 of Annexure 5)	(312.84)	-	-	-	-	-	-	-	-	**(312.84)**
Balance as at 31 December 2014	**611.80**	**51.00**	**1,112.87**	**2,349.94**	**103.09**	**212.86**	**7,300.88**	**375.47**	**67.03**	**12,184.94**
Accumulated depreciation										
Balance as at 01 April 2014	**-**	**18.23**	**144.00**	**854.22**	**70.89**	**104.98**	**3,396.03**	**92.11**	**28.13**	**4,708.59**
Depreciation charge	-	1.92	25.95	82.72	4.93	23.04	528.19	14.25	8.92	**689.92**
Reversal on disposal of assets	-	-	-	-	-	(0.01)	(167.12)	-	-	**(167.13)**
Adjustment *	-	-	-	0.98	1.71	13.41	-	-	-	**16.10**
Balance as at 31 December 2014	**-**	**20.15**	**169.95**	**937.92**	**77.53**	**141.42**	**3,757.10**	**106.36**	**37.05**	**5,247.48**
Net block										
Balance as at 31 March 2010	**321.75**	**42.97**	**507.97**	**1,853.75**	**30.03**	**38.19**	**1,664.48**	**224.26**	**6.76**	**4,690.16**
Balance as at 31 March 2011	**198.74**	**40.42**	**514.11**	**1,748.37**	**29.62**	**42.38**	**2,198.41**	**210.00**	**6.05**	**4,988.10**
Balance as at 31 March 2012	**617.04**	**37.87**	**678.55**	**1,661.51**	**29.27**	**45.94**	**3,655.44**	**195.74**	**20.59**	**6,941.95**
Balance as at 31 March 2013	**890.54**	**35.32**	**897.21**	**1,578.70**	**27.21**	**61.51**	**3,402.00**	**181.48**	**26.94**	**7,100.91**
Balance as at 31 March 2014	**924.64**	**32.77**	**938.97**	**1,472.82**	**26.72**	**78.76**	**3,606.75**	**283.36**	**28.81**	**7,393.60**
Balance as at 31 December 2014	**611.80**	**30.85**	**942.92**	**1,412.02**	**25.56**	**71.44**	**3,543.78**	**269.11**	**29.98**	**6,937.46**

***** Represents the written down value of fixed assets (net of residual value), which have no balance useful life in accordance with Schedule II to Companies Act, 2013 as at 1 April 2014. These balances (net of deferred tax benefit of Rs.5.47 million) have been adjusted against the balance of General Reserve as on 01 April 2014.

VRL LOGISTICS LIMITED

Annexure 15

Statement of intangible assets, as restated

(Rupees in million)

Particulars	Goodwill	Computer software	Total
Gross block			
Balance as at 01 April 2009	**7.84**	**44.81**	**52.65**
Additions	-	0.18	0.18
Disposals	-	-	-
Balance as at 31 March 2010	**7.84**	**44.99**	**52.83**
Accumulated amortisation			
Balance as at 01 April 2009	**7.45**	**16.83**	**24.28**
Amortisation charge	0.39	8.93	9.32
Reversal on disposal of assets	-	-	-
Balance as at 31 March 2010	**7.84**	**25.76**	**33.60**
Gross block			
Balance as at 01 April 2010	**7.84**	**44.99**	**52.83**
Additions	-	1.39	1.39
Disposals	-	-	-
Balance as at 31 March 2011	**7.84**	**46.38**	**54.22**
Accumulated amortisation			
Balance as at 01 April 2010	**7.84**	**25.76**	**33.60**
Amortisation charge	-	8.94	8.94
Reversal on disposal of assets	-	-	-
Balance as at 31 March 2011	**7.84**	**34.70**	**42.54**
Gross block			
Balance as at 01 April 2011	**7.84**	**46.38**	**54.22**
Additions	-	1.21	1.21
Disposals	-	-	-
Balance as at 31 March 2012	**7.84**	**47.59**	**55.43**
Accumulated amortisation			
Balance as at 01 April 2011	**7.84**	**34.70**	**42.54**
Amortisation charge	-	9.14	9.14
Reversal on disposal of assets	-	-	-
Balance as at 31 March 2012	**7.84**	**43.84**	**51.68**

VRL LOGISTICS LIMITED

Annexure 15

(Rupees in million)

Particulars	Goodwill	Computer software	Total
Gross block			
Balance as at 01 April 2012	**7.84**	**47.59**	**55.43**
Additions	-	0.12	0.12
Disposals	-	-	-
Balance as at 31 March 2013	**7.84**	**47.71**	**55.55**
Accumulated amortisation			
Balance as at 01 April 2012	**7.84**	**43.84**	**51.68**
Amortisation charge	-	1.86	1.86
Reversal on disposal of assets	-	-	-
Balance as at 31 March 2013	**7.84**	**45.70**	**53.54**
Gross block			
Balance as at 01 April 2013	**7.84**	**47.71**	**55.55**
Additions	-	9.20	9.20
Disposals	-	-	-
Balance as at 31 March 2014	**7.84**	**56.91**	**64.75**
Accumulated amortisation			
Balance as at 01 April 2013	**7.84**	**45.70**	**53.54**
Amortisation charge	-	1.49	1.49
Reversal on disposal of assets	-	-	-
Balance as at 31 March 2014	**7.84**	**47.19**	**55.03**
Gross block			
Balance as at 01 April 2014	**7.84**	**56.91**	**64.75**
Additions	-	0.19	0.19
Disposals	-	-	-
Balance as at 31 Dec 2014	**7.84**	**57.10**	**64.94**
Accumulated amortisation			
Balance as at 01 April 2014	**7.84**	**47.19**	**55.03**
Amortisation charge	-	1.83	1.83
Reversal on disposal of assets	-	-	-
Balance as at 31 December 2014	**7.84**	**49.02**	**56.86**
Net block			
Balance as at 31 March 2010	**-**	**19.23**	**19.23**
Balance as at 31 March 2011	**-**	**11.68**	**11.68**
Balance as at 31 March 2012	**-**	**3.75**	**3.75**
Balance as at 31 March 2013	**-**	**2.01**	**2.01**
Balance as at 31 March 2014	**-**	**9.72**	**9.72**
Balance as at 31 December 2014	**-**	**8.08**	**8.08**

VRL LOGISTICS LIMITED

Annexure 16

Statement of non-current investments, as restated

(Rupees in million, except share data)

Particulars	Face value per share	As at 31 December 2014		As at 31 March									
				2014		2013		2012		2011		2010	
		Number	Amount	Number	Amount	Number	Amount	Number	Amount	Number	Amount	Number	Amount
Valued at cost unless stated otherwise													
Trade, Unquoted													
Investments in equity shares of Co-operative banks													
Shri Basaveshwar Sahakari Bank Niyamit	100	500	0.05	500	0.05	500	0.05	5,500	0.55	5,500	0.55	5,500	0.55
The Saraswat Co-operative Bank Limited	10	2,500	0.03	2,500	0.03	2,500	0.03	2,500	0.03	-	-	-	-
The Shamrao Vithal Co-operative Bank Limited	25	20,000	0.50	20,000	0.50	20,000	0.50	20,000	0.50	20,000	0.50	20,000	0.50
NKGSB Co-operative Bank Limited	10	50,000	0.50	50,000	0.50	20,000	0.20	20,000	0.20	20,000	0.20	20,000	0.20
Total			**1.08**		**1.08**		**0.78**		**1.28**		**1.25**		**1.25**

Aggregate amount of unquoted investments			1.08		1.08		0.78		1.28		1.25		1.25

VRL LOGISTICS LIMITED

Annexure 17

Statement of loans and advances, as restated

(Rupees in million)

Particulars	As at 31 December 2014		As at 31 March									
			2014		2013		2012		2011		2010	
	Long term	Short term	Long term	Short term	Long term	Short term	Long term	Short term	Long term	Short term	Long term	Short term
Unsecured, considered good, unless otherwise stated												
Capital advances	5.54	-	4.81	-	86.60	-	202.47	-	117.72	-	8.45	-
	5.54	**-**	**4.81**	**-**	**86.60**	**-**	**202.47**	**-**	**117.72**	**-**	**8.45**	**-**
Security deposits												
- Considered good	330.79	5.88	309.85	9.31	321.09	-	196.38	-	164.72	-	137.29	-
- Considered doubtful	-	5.50	-	5.50	4.40	-	2.40	-	2.40	-	2.40	-
	330.79	**11.38**	**309.85**	**14.81**	**325.49**	**-**	**198.78**	**-**	**167.12**	**-**	**139.69**	**-**
Less: Allowances for bad and doubtful deposits	-	5.50	-	5.50	4.40	-	2.40	-	2.40	-	2.40	-
	330.79	**5.88**	**309.85**	**9.31**	**321.09**	**-**	**196.38**	**-**	**164.72**	**-**	**137.29**	**-**
Loans and advances to related parties (refer Annexure 34)	-	-	-	-	-	-	-	-	-	0.04	-	12.05
Deposits with customs authorities and others	101.00	-	101.22	-	98.85	-	93.55	-	83.73	-	82.41	-
Minimum alternate tax credit entitlement	335.49	-	446.43	-	422.36	-	389.63	-	348.37	-	236.63	-
Advance tax and TDS receivable (net of tax provision)	30.40	-	29.54	-	37.73	-	34.63	-	63.71	-	33.99	-
Advance to suppliers	-	24.83	-	16.60	-	6.76	-	13.07	-	10.35	-	6.07
Expenses incurred towards availing certified emission reductions credits	-	-	-	-	-	-	-	4.06	-	19.34	-	5.58
Prepaid expenses	15.56	195.18	18.15	125.99	-	110.37	-	80.69	-	45.42	-	47.39
Other advances												
- Considered good	-	32.96	-	46.15	-	68.34	-	53.63	-	35.98	-	40.21
- Considered doubtful	-	6.80	-	3.30	-	3.30	-	3.30	-	3.30	-	3.30
	482.45	**259.77**	**595.34**	**192.04**	**558.94**	**188.77**	**517.81**	**154.75**	**495.81**	**114.39**	**353.03**	**102.55**
Less: Allowances for bad and doubtful advances	-	6.80	-	3.30	-	3.30	-	3.30	-	3.30	-	3.30
	482.45	**252.97**	**595.34**	**188.74**	**558.94**	**185.47**	**517.81**	**151.45**	**495.81**	**111.09**	**353.03**	**99.25**
Total	**818.78**	**258.85**	**910.00**	**198.05**	**966.63**	**185.47**	**916.66**	**151.45**	**778.25**	**111.13**	**498.77**	**111.30**

VRL LOGISTICS LIMITED

Annexure 18

Statement of other non current assets, as restated

(Rupees in million)

Particulars	As at 31 December 2014	As at 31 March				
		2014	2013	2012	2011	2010
Non-current bank balances (refer Annexure 21)	25.44	25.21	7.16	12.27	5.40	11.22
Total	**25.44**	**25.21**	**7.16**	**12.27**	**5.40**	**11.22**

VRL LOGISTICS LIMITED

Annexure 19

Statement of inventories, as restated

(Rupees in million)

Particulars	As at 31 December 2014	As at 31 March				
		2014	2013	2012	2011	2010
Valued at lower of cost and net realisable value						
Raw materials	0.20	0.19	-	-	-	-
Stores and spares	166.68	134.56	96.84	87.31	61.27	70.07
Less:- Provision for slow and non moving items	-	-	-	-	0.52	0.52
Total	**166.88**	**134.75**	**96.84**	**87.31**	**60.75**	**69.55**

VRL LOGISTICS LIMITED

Annexure 20

Statement of trade receivables, as restated

(Rupees in million)

Particulars	As at 31 December 2014	As at 31 March				
		2014	2013	2012	2011	2010
Outstanding for a period exceeding six months from the date they are due for payment						
Unsecured, considered good	1.28	-	3.75	0.72	-	0.58
Doubtful	8.00	8.00	6.60	4.30	3.80	1.20
	9.28	**8.00**	**10.35**	**5.02**	**3.80**	**1.78**
Less : Provision for doubtful debts	8.00	8.00	6.60	4.30	3.80	1.20
	1.28	**-**	**3.75**	**0.72**	**-**	**0.58**
Other debts						
Unsecured, considered good	882.06	799.56	850.19	784.50	688.04	495.01
Total	**883.34**	**799.56**	**853.94**	**785.22**	**688.04**	**495.59**

VRL LOGISTICS LIMITED

Annexure 21

Statement of cash and bank balances, as restated

(Rupees in million)

Particulars	As at 31 December 2014	As at 31 March				
		2014	2013	2012	2011	2010
Cash and cash equivalents						
Cash on hand	32.94	36.62	37.69	35.97	23.57	23.41
Cheques, drafts on hand/transit	-	4.18	5.70	8.73	10.12	9.85
Balances with banks						
- in current accounts	94.18	107.24	82.08	75.26	91.65	128.17
- in deposit accounts (with maturity upto 3 months)	0.10	0.50	18.88	6.43	3.74	0.62
Cash in transit	0.17	1.87	2.40	1.54	1.49	0.50
	127.39	**150.41**	**146.75**	**127.93**	**130.57**	**162.55**
Other bank balances						
Deposits with maturity more than 3 months but less than 12 months	2.52	0.51	7.61	8.07	20.83	11.88
Bank deposits with maturity of more than 12 months	25.44	25.21	7.16	12.27	5.40	11.22
	27.96	**25.72**	**14.77**	**20.34**	**26.23**	**23.10**
Less : Amounts disclosed as other non-current assets (refer Annexure 18)	25.44	25.21	7.16	12.27	5.40	11.22
Total	**129.91**	**150.92**	**154.36**	**136.00**	**151.40**	**174.43**
Fixed deposits pledged with banks						
For working capital loan	24.01	24.01	21.80	21.07	19.01	23.72
Against bank guarantees	4.05	2.21	3.15	2.10	-	-
Total	**28.06**	**26.22**	**24.95**	**23.17**	**19.01**	**23.72**

VRL LOGISTICS LIMITED

Annexure 22

Statement of other current assets, as restated

(Rupees in million)

Particulars	As at 31 December 2014	As at 31 March 2014	2013	2012	2011	2010
Unsecured, considered good						
Interest accrued on bank deposits	3.82	2.05	2.78	1.45	1.78	0.62
Assets held for sale (at lower of cost and net realisable value) (refer note 11 of Annexure 5)	312.84	-	115.53	115.53	115.53	-
Other receivables	13.60	13.99	25.12	5.00	7.80	7.33
Unamortised share issue expenses	22.86	-	-	65.22	21.68	-
Total	**353.12**	**16.04**	**143.43**	**187.20**	**146.79**	**7.95**

VRL LOGISTICS LIMITED

Annexure 23

Statement of revenue from operations, as restated

(Rupees in million)

Particulars	For the nine months ended 31 December 2014	For the year ended 31 March				
		2014	2013	2012	2011	2010
A) Sale of products						
Sale of power	198.69	250.14	271.06	253.89	234.67	263.63
Sale of certified emission reductions units	-	60.87	60.36	101.45	-	-
Sale of verified emission reductions units	-	-	-	-	-	20.22
B) Sale of services						
Goods transport	9,714.83	11,281.15	9,878.08	8,585.06	7,154.11	5,794.32
Bus operations	2,559.44	3,081.10	2,848.38	2,178.12	1,344.17	932.09
Income from hotel operations	14.36	10.15	-	-	-	-
Air chartering service	88.04	77.51	41.73	47.73	36.61	16.64
Courier service	46.94	53.11	45.24	44.98	50.08	31.88
C) Other operating income						
Sale of scrap materials	115.77	123.81	110.12	92.60	68.38	54.69
Total	**12,738.07**	**14,937.84**	**13,254.97**	**11,303.83**	**8,888.02**	**7,113.47**

VRL LOGISTICS LIMITED

Annexure 24

Statement of other income, as restated

(Rupees in million)

Particulars	For the nine months ended 31 December 2014	For the year ended 31 March					Nature (Recurring/non recurring)	Related/not related to business activity
		2014	2013	2012	2011	2010		
Interest income on fixed deposits with bank	2.01	2.73	3.22	2.16	2.18	1.77	Recurring	Related
Dividend income from long term investment	0.10	0.10	0.29	0.10	0.16	0.18	Recurring	Related
Rent income	31.19	49.85	47.55	24.16	23.04	23.10	Recurring	Related
Advertisement income	13.79	19.54	11.59	11.42	2.59	0.80	Recurring	Related
Interest from customer on amount overdue	-	-	22.40	-	-	-	Non recurring	Related
Interest on income tax refund	-	-	1.46	-	2.72	1.16	Non recurring	Related
Credit balances written back	1.17	7.63	6.11	3.85	1.42	0.43	Non recurring	Related
Gain on foreign exchange fluctuation	-	2.30	-	-	-	-	Non recurring	Related
Miscellaneous income	7.47	17.78	5.65	7.26	9.02	5.22	Non recurring	Related
Total	**55.73**	**99.93**	**98.27**	**48.95**	**41.13**	**32.66**		
% of other income to profit before tax	5.29%	13.03%	15.45%	7.89%	5.78%	7.45%		

Notes:

1) In view of the management, the components of other income detailed above are related to business activities of the Company.

2) The classification of 'other income' as recurring or non-recurring is based on the current operations and business activities of the Company, as determined by the management

VRL LOGISTICS LIMITED

Annexure 25

Statement of operating expenses, as restated

(Rupees in million)

Particulars	For the nine months ended 31 December 2014	For the year ended 31 March				
		2014	2013	2012	2011	2010
Lorry hire	966.54	1,439.08	1,285.26	1,337.45	1,129.60	825.51
Vehicle operation-diesel cost	3,477.67	4,066.36	3,429.09	2,676.93	1,981.22	1,528.60
Vehicle running, repairs and maintenance (net of insurance claims received)	887.53	980.27	1,045.34	853.22	578.05	381.04
Stores and spares consumed	347.35	447.30	393.21	290.74	235.44	223.11
Bridge and toll charges	702.28	778.84	620.49	409.64	294.55	222.86
Tyres, flaps and re-treading	401.18	495.67	482.68	374.68	287.37	200.29
Repairs and maintenance						
a. Plant and equipments	64.70	45.42	26.24	27.08	13.22	8.84
b. Buildings	30.83	37.66	40.28	28.23	22.77	16.77
c. Others	9.63	20.07	10.41	9.63	6.39	5.44
Security charges	20.98	28.01	22.60	18.62	12.02	11.79
Electricity charges	25.09	32.02	28.90	24.13	20.88	17.51
Wind turbine generator operation and maintenance expenses	39.99	49.60	42.60	41.67	39.11	39.39
Rent	511.94	598.12	484.94	398.46	331.19	295.33
Vehicle taxes	245.17	373.00	328.96	253.15	182.82	157.44
Insurance	70.65	84.87	68.43	35.84	25.43	34.05
Agency commission	426.62	538.33	467.99	412.78	316.88	262.01
Hamaali	444.04	512.68	478.40	409.29	325.07	260.88
Clearing and forwarding	294.29	366.07	352.26	283.63	213.36	159.07
Claims	15.38	11.81	18.41	26.01	18.27	27.98
Hotel operating expenses	8.88	6.55	-	-	-	-
Total	**8,990.74**	**10,911.73**	**9,626.49**	**7,911.18**	**6,033.64**	**4,677.91**

VRL LOGISTICS LIMITED

Annexure 26

Statement of employee benefits expense, as restated

(Rupees in million)

Particulars	For the nine months ended 31 December 2014	For the year ended 31 March				
		2014	2013	2012	2011	2010
Salaries, wages and bonus	1,224.39	1,530.27	1,300.50	1,142.22	930.82	793.14
Contribution to provident and other funds (refer Annexure 11)	152.72	128.26	114.39	90.12	75.11	76.10
Staff welfare expenses	79.68	86.06	67.66	56.85	38.90	30.51
Total	**1,456.79**	**1,744.59**	**1,482.55**	**1,289.19**	**1,044.83**	**899.75**

VRL LOGISTICS LIMITED

Annexure 27

Statement of finance costs, as restated

(Rupees in million)

Particulars	For the nine months ended 31 December 2014	For the year ended 31 March				
		2014	2013	2012	2011	2010
Interest expense	448.26	594.72	589.42	641.93	477.42	502.86
Other borrowing costs	1.63	3.68	1.81	7.26	1.71	3.27
Interest on income tax	-	0.73	-	2.23	-	2.31
Total	**449.89**	**599.13**	**591.23**	**651.42**	**479.13**	**508.44**

VRL LOGISTICS LIMITED

Annexure 28

Statement of depreciation and amortisation expense, as restated

(Rupees in million)

Particulars	For the nine months ended 31 December 2014	For the year ended 31 March				
		2014	2013	2012	2011	2010
Depreciation of tangible assets (refer Annexure 14)	689.92	864.67	821.51	686.84	500.40	454.90
Amortisation of intangible assets (refer Annexure 15)	1.83	1.49	1.86	9.14	8.94	9.32
Total	**691.75**	**866.16**	**823.37**	**695.98**	**509.34**	**464.22**

VRL LOGISTICS LIMITED

Annexure 29

Statement of other expenses, as restated

(Rupees in million)

Particulars	For the nine months ended 31 December 2014	For the year ended 31 March				
		2014	2013	2012	2011	2010
Travelling and conveyance	42.71	45.01	35.32	28.58	30.65	22.78
Printing and stationery	22.33	30.46	32.90	31.77	28.96	25.75
Legal and professional	11.89	25.85	20.20	31.79	9.16	15.38
Payment to auditors (refer details below)	3.78	3.56	3.45	2.41	2.27	0.93
Office expenses	7.21	13.07	9.38	9.27	7.64	6.07
Communication expenses	34.32	40.24	34.10	35.61	33.60	35.93
Advertisement and business promotion	8.42	20.02	24.01	16.35	7.60	7.83
Interest on security deposit from agents	3.73	8.35	8.21	6.29	5.58	5.21
Loss on sale of assets (net)	8.27	7.87	3.14	0.33	14.82	15.54
Loss on foreign exchange fluctuation	0.36	-	4.96	7.94	0.01	-
Advances and bad debts written off	0.70	11.80	0.09	7.53	2.42	9.13
Provision for doubtful advances and debts	3.50	2.50	4.30	0.50	2.60	7.42
Bank charges	1.95	4.71	7.32	4.90	2.76	4.79
Donation	0.63	0.53	0.35	0.17	0.32	0.49
Directors' sitting fees	0.31	0.43	0.28	0.32	0.27	0.18
Miscellaneous expenses	1.25	1.36	5.70	0.61	2.20	0.13
Total	**151.36**	**215.76**	**193.71**	**184.37**	**150.86**	**157.56**

Payment to auditors

As auditor:						
Audit / Statutory audit fee	3.20	3.26	3.03	2.13	1.99	0.33
Tax audit	0.42	0.23	0.23	0.23	0.11	0.11
In other capacity						
Other services *	2.03	0.05	0.06	0.03	3.20	0.06
Reimbursement of expenses	0.03	0.02	0.13	0.02	0.09	0.43
Total	**5.68**	**3.56**	**3.45**	**2.41**	**5.39**	**0.93**

* Including Rs.1.90 million and Rs.3.12 million paid/payable towards assurance services for the nine months ended 31 December 2014 and year ended 31 March 2011 in connection with the proposed Initial Public Offering of equity shares of the Company and disclosed as 'Unamortised share issue expenses' in Annexure 22.

VRL LOGISTICS LIMITED

Annexure 30

Statement of capitalisation, as restated

(Rupees in million)

Particulars	Pre-issue as at 31 December 2014	Post-issue *
Borrowings		
Short term debt	1,044.83	*
Long term debt	3,670.16	*
Total borrowings	**4,714.99**	*
Shareholders' funds		
Share capital	855.36	*
Reserves and surplus	2,512.76	*
Total shareholders' funds	**3,368.12**	*
**Long term borrowings / equity ** **	**1.09**	*
**Total borrowings / equity ** **	**1.40**	*

* The corresponding post issue figures will be calculated on finalisation of issue price and the number of shares on conclusion of the book building process.
** Equity = Total shareholders' funds.

Notes:-
1. The restated statement of capitalisation has been prepared on the basis of the Summary Statement of Assets and Liabilities, as restated.
2. As represented by the management, short term borrowings are the borrowings repayable within one year from the balance sheet date.
3. As represented by the management, long term borrowings are borrowings other than short term borrowings and also includes the current maturities of long term borrowings (included in other current liabilities).

VRL LOGISTICS LIMITED

Annexure 31

Statement of tax shelter

(Rupees in million)

	Particulars	For the nine months ended 31 December 2014	For the year ended 31 March				
			2014	2013	2012	2011	2010
	Income tax rate (in %)						
	Basic tax rate	30.00%	30.00%	30.00%	30.00%	30.00%	30.00%
	Surcharge (on basic tax rate)	10.00%	10.00%	5.00%	5.00%	7.50%	10.00%
	Education cess (On basic tax rate + surcharge)	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%
	Total tax rate (in %)	**33.99%**	**33.99%**	**32.45%**	**32.45%**	**33.22%**	**33.99%**
A	Income from house property						
	Net Annual Value	8.65	11.53	11.90	7.09	8.53	9.55
	Less : Deductions u/s 24	2.59	3.46	3.57	2.13	2.56	2.87
	Income from house property	**6.06**	**8.07**	**8.33**	**4.96**	**5.97**	**6.68**
I	Profit before tax as per audited financial statements	1,052.38	767.68	635.88	620.65	704.48	444.73
	Adjustments:						
	1. Permanent differences						
	a) Expenses disallowed for tax						
	Donations	(0.63)	(0.53)	(0.35)	(0.17)	(0.32)	(0.49)
	Penalties	-	-	-	-	(2.12)	-
	b) Adjustments not considered in profit before tax and tax exempt income credited to the Statement of Profit and Loss						
	Prior period adjustments	(0.88)	-	-	-	(18.64)	(0.08)
	Dividend income exempt from tax	-	-	-	-	0.16	0.18
	c) Expenses incurred but not debited to the Statement of Profit and Loss						
	Total of permanent differences (a+b+c)	**(1.51)**	**(0.53)**	**(0.35)**	**(0.17)**	**(20.92)**	**(0.39)**
	2. Timing differences						
	Depreciation and amortisation	(16.70)	56.80	81.72	259.18	20.14	(7.44)
	Expenses disallowed u/s 43B of the Income Tax Act, 1961 (net of allowance based on actual payment)	(40.86)	3.71	(5.40)	(17.09)	(6.60)	6.57
	Provision for doubtful debts and advances	(3.50)	(2.50)	(4.30)	(0.50)	(2.60)	(7.42)
	Provision for contingencies (net)	-	-	4.60	(4.60)	(2.00)	-
	Adjustment for leasehold land and leasehold improvements	10.84	13.44	10.77	7.91	4.98	4.08
	Provision for lease equalisation reserve (net)	(17.15)	(3.19)	3.70	(1.37)	(4.84)	-
	Unrealised exchange loss	-	-	-	0.21	-	-
	Profit/(loss) on sale of fixed assets	(8.27)	58.50	(3.14)	(0.33)	(14.82)	(15.54)
	Rent from building (considered separately)	8.65	11.53	11.90	7.09	8.53	9.55
	Interest on income tax refund (considered separately)	-	-	-	-	2.72	-
	Total of timing differences	**(66.99)**	**138.29**	**99.85**	**250.50**	**5.51**	**(10.20)**
II	**Total adjustments (1+2)**	**(68.50)**	**137.76**	**99.50**	**250.33**	**(15.41)**	**(10.59)**
B	**Business income (I - II)**	**1,120.88**	**629.92**	**536.38**	**370.32**	**719.89**	**455.32**
	Income from capital gains						
C	**Short term capital loss**						
	Sales consideration	-	-	-	-	-	60.76
	Less : Cost of transfer	-	-	-	-	-	-
	Net sales consideration	-	-	-	-	-	60.76
	Less : Cost of acquisition	-	-	-	-	-	75.60
	Short term capital loss	-	-	-	-	-	**(14.84)**

Annexure 31

D	**Long term capital (loss) / gain**						
	Sales consideration	-	186.01	-	-	9.80	27.61
	Less : Cost of transfer	-	-	-	-	-	-
	Net Sales consideration	-	186.01	-	-	9.80	27.61
	Less : Indexed cost of acquisition	-	208.74	-	-	7.11	3.20
	Less : Indexed cost of improvement	-	5.66	-	-	3.21	-
	Long term capital (loss) / gain	**-**	**(28.39)**	**-**	**-**	**(0.52)**	**24.41**
E	**Income from other sources**						
	Interest on income tax refund	-	-	-	-	2.72	-
F	**Gross total income other than long term capital (loss)(A+B+C+D+E)**	1,126.94	637.99	544.71	375.28	728.58	471.57
G	**Deduction U/S 80IA**	**149.43**	**233.85**	**250.84**	**116.58**	**-**	**-**
H	**Unabsorbed depreciation**	**-**	**-**	**-**	**-**	**630.57**	**471.57**
I	**Taxable income (F-G-H)**	977.51	404.14	293.87	258.70	98.01	-
J	**Tax under normal provisions of Income Tax Act, 1961**	**332.26**	**137.37**	**95.34**	**83.95**	**32.56**	**-**
	Minimum Alternate Tax (MAT) rate	20.96%	20.96%	20.01%	20.01%	19.93%	17.00%
	Profit before tax as per audited financial statements	1,052.38	767.68	635.88	620.65	704.48	444.73
	Prior period adjustments	-	-	-	-	0.71	(1.27)
	Dividend income	-	-	-	-	(0.16)	(0.18)
	Provision for doubtful debts and advances	3.50	2.50	4.30	0.50	2.60	7.42
	Provision for contingencies	-	-	-	4.60	2.00	-
	Provision for lease equalisation reserve	-	-	-	-	4.84	-
K	**Taxable profit under MAT**	1,055.88	770.18	640.18	625.75	714.47	450.70
L	**Tax under MAT**	221.32	161.43	128.08	125.20	142.39	76.60
M	**Current domestic tax payable (Higher of J or L)**	332.26	161.43	128.08	125.20	142.39	76.60
N	**Provision for current domestic tax as per books of account**	332.26	161.43	128.08	125.64	140.72	75.34

Notes:

1. The above Statement is in accordance with Accounting Standard 22, 'Accounting for Taxes on Income", as notified under the Companies (Accounting Standards) Rules, 2006 read with Rule 7 of the Companies (Accounts) Rules, 2014.

2. The permanent/ timing differences for the nine months ended 31 December 2014 have been derived on the basis of provisional computation of total income prepared by the Company in line with the final return of income filed for the assessment year 2014-15 and are subject to any change that may be considered at the time of filing of final return of income for the assessment year 2015-16.

3. The permanent/ timing differences for the year ended 31 March 2014, 2013, 2012, 2011 and 2010 have been computed based on the Income-tax returns filed for the respective years.

4. The aforesaid Statement of tax shelter has been prepared in accordance with the audited financial statements and is not based on the profits as per the Summary Statement of Profit and Loss, as restated.

5. Statutory tax rate includes applicable surcharge, education cess and higher education cess for the respective years.

VRL LOGISTICS LIMITED

Annexure 32

Statement of rates and amounts of dividend paid/proposed, as restated

(Rupees in million, except share data)

Particulars	For the nine months ended 31 December 2014	For the year ended 31 March				
		2014	2013	2012	2011	2010
Number of equity shares of Rs.10 each	85,536,162	85,536,162	70,700,000	70,700,000	70,700,000	70,700,000
Number of compulsorily and mandatorily convertible participatory preference shares of Rs.100 each	-	-	11,046,875	-	-	-
Rate of dividend (%)						
Interim dividend	40.00%	40.00%	26.00%	21.00%	30.00%	31.00%
Final dividend	-	-	38.00%	6.00%	-	-
Preference dividend	-	0.001%	0.001%	-	-	-
Participatory preference dividend on preference shares	-	-	3.80%	0.60%	-	-
Amount of dividend						
Interim dividend	342.15	342.14	212.54	148.47	212.10	219.17
Final dividend	-	-	268.66	42.42	-	-
Preference dividend	-	0.01	0.01	-	-	-
Participatory preference dividend on preference shares	-	-	41.98	6.63	-	-
Corporate dividend tax	61.48	58.14	87.27	32.05	35.23	37.26

VRL LOGISTICS LIMITED

Annexure 33

Statement of accounting ratios, as restated

(Rupees in million)

Particulars	For the nine months ended 31 December 2014	As at and for the year ended 31 March				
		2014	2013	2012	2011	2010
Net profit as per Restated Statement of Profit and Loss	716.90	571.76	457.03	767.22	516.64	287.54
Less: Preference dividend and tax thereon	-	0.01	48.80	7.71	-	-
Net profit after tax attributable to equity shareholders	716.90	571.75	408.23	759.51	516.64	287.54
Add: Preference dividend and tax thereon related to dilutive potential equity shares	-	-	0.01	-	-	-
Net profit after tax attributable to equity shareholders (including dilutive potential equity shares)	716.90	571.75	408.24	759.51	516.64	287.54
Weighted average number of equity shares outstanding during the period / year						
For basic earnings per share	85,536,162	79,317,168	70,700,000	70,700,000	70,700,000	70,700,000
For diluted earnings per share	85,536,162	79,317,168	85,536,162	70,700,000	70,700,000	70,700,000
Restated net worth	3,368.12	3,065.48	2,894.01	1,873.15	1,335.50	1,066.19
Restated earnings per share (in Rupees)						
Basic	8.38	7.21	5.77	10.74	7.31	4.07
Diluted	8.38	7.21	4.77	10.74	7.31	4.07
Return on net worth (%)	21.29%	18.65%	15.79%	40.96%	38.69%	26.97%
Net asset value per equity share (in Rupees)	39.38	35.84	40.93	26.49	18.89	15.08
Nominal value of equity shares (in Rupees)	10.00	10.00	10.00	10.00	10.00	10.00

Notes:

1. The ratios have been computed as below:

$$\text{Basic earnings per share (in rupees)} = \frac{\text{Net profit after tax, as restated, attributable to equity shareholders}}{\text{Weighted average number of equity shares outstanding during the period / year}}$$

$$\text{Diluted earnings per share (in rupees)} = \frac{\text{Net profit after tax, as restated, attributable to equity shareholders (including dilutive potential equity shares)}}{\text{Weighted average number of equity shares outstanding during the period / year (including dilutive potential equity shares)}}$$

$$\text{Return on net worth (\%)} = \frac{\text{Net profit after tax, as restated}}{\text{Net worth as restated as at period / year end}}$$

$$\text{Net asset value per equity share (in rupees)} = \frac{\text{Net worth, as restated}}{\text{Number of equity shares as at period / year end}}$$

Net worth = Paid up equity share capital + paid up preference share capital + securities premium balance + general reserve + Surplus in the Statement of Profit and Loss

2. Earnings per share (EPS) calculations are done in accordance with Accounting Standard 20(AS 20), "Earnings Per Share" prescribed by the Central Government in accordance with the Companies (Accounting Standards) Rules, 2006, read with Rule 7 of the Companies (Accounts) Rules, 2014.

3. Figures for the nine months ended 31 December 2014 have not been annualised.

4. The figures disclosed above are based on the Restated Summary Statements of the Company.

VRL LOGISTICS LIMITED

Annexure 34

Statement of related party transactions and balances, as restated

Related party transactions are transfer of resources or obligations between related parties, regardless of whether a price is charged. Parties are considered to be related, if one party has the ability, directly or indirectly, to control the other party or exercise significant influence over the other party in making financial or operating decisions. Parties are considered to be related if they are subject to common control or significant influence. List of related parties, as certified by the management, together with the transactions and related balances are given below:

a) Names of related parties and description of relationship:

Key Management Personnel (KMP) and their relatives	a. Mr. Vijay Sankeshwar (Chairman & Managing Director)
	b. Mr. Anand Sankeshwar (Managing Director)
	c. Mrs. Vani Sankeshwar (President) - relative of director
	d. Mrs. Lalitha Sankeshwar - relative of director
	e. Mrs. Bharati Holkunde - relative of director
	f. Mr. R.P. Raichur (Director Finance and Company Secretary) (Upto 14 November 2009)
	g. Mr. Sunil Nalavadi (Chief Financial Officer) (WEF 1 April 2014)
	h. Mr. Aniruddha Phadnavis (Company Secretary) (WEF 1 April 2014)
Companies in which KMP or their relative have significant influence	a. Aradhana Trust
	b. Ayyappa Bhaktha Vrunda Trust
	c. Shiva Agencies
	d. Sankeshwar Minerals Private Limited
	e. Sankeshwar Printers Private Limited
	f. VRL Cements Limited (Upto 26 October 2012)
	g. VRL Media Limited
Enterprise having significant influence over the entity	NSR- PE Mauritius LLC

b) Disclosures of transactions between the Company and its related parties, along with outstanding balances:

(Rupees in million)

Nature of transactions	Name	Nature of relationship	Nine months ended 31 December 2014	Year ended 31 March 2014	Year ended 31 March 2013	Year ended 31 March 2012	Year ended 31 March 2011	Year ended 31 March 2010
Income								
Rent	Aradhana Trust	Companies in which KMP or their relative have significant influence	0.81	0.96	0.96	0.96	0.90	0.90
	Shiva Agencies		1.75	3.02	3.02	2.96	2.38	1.83
	Sankeshwar Minerals Private Limited		0.40	0.45	0.45	0.36	0.25	0.25
	VRL Media Limited		14.86	20.98	20.87	0.11	-	-
Freight	Sankeshwar Minerals Private Limited	Companies in which KMP or their relative have significant influence	0.30	0.54	0.37	0.26	0.15	0.16
	Shiva Agencies		1.28	7.53	-	-	0.92	-
	VRL Media Limited		32.01	29.47	12.68	-	-	-
Royalty	Sankeshwar Minerals Private Limited	Companies in which KMP or their relative have significant influence	-	-	-	0.06	0.06	0.06
Reimbursements	Sankeshwar Minerals Private Limited	Companies in which KMP or their relative have significant influence	1.37	3.06	3.74	1.80	1.94	1.79
	VRL Media Limited		4.07	6.90	5.41	-	-	-
Advertising/Hoarding	VRL Media Limited	Companies in which KMP or their relative have significant influence	0.96	1.26	1.17	-	-	-
		Total	**57.81**	**74.17**	**48.67**	**6.51**	**6.60**	**4.99**
Expenditure								
Remuneration/Commission	Mr. Vijay Sankeshwar	KMP	23.30	29.75	28.15	25.64	26.51	25.41
	Mr. Anand Sankeshwar	KMP	14.86	21.49	19.81	18.01	18.01	18.01
	Mr. R. P. Raichur	KMP	-	-	-	-	-	2.31
	Mrs. Vani Sankeshwar	KMP/ Relative of KMP	1.35	1.80	1.80	1.60	0.59	0.20
	Mr.Sunil Nalavadi	KMP	1.74	-	-	-	-	-
	Mr.Aniruddha Phadnavis	KMP	1.59	-	-	-	-	-
Printing and stationery	Sankeshwar Printers Private Limited	Company in which KMP or their relative have significant influence	0.48	1.74	3.50	3.90	3.57	3.42
Repairs and maintenance	Sankeshwar Printers Private Limited	Company in which KMP or their relative have significant influence	-	-	-	-	0.22	-
Advertisement expenses	VRL Media Limited	Company in which KMP or their relative have significant influence	0.83	4.17	2.17	-	-	-
Interest on unsecured loan	VRL Media Limited	Company in which KMP or their relative have significant influence	-	-	4.39	15.36	9.46	-
	VRL Cements Limited		-	-	0.09	0.50	0.18	-
Interest on unsecured loan	Mr. R. P. Raichur	KMP	-	-	-	-	-	0.01
		Total	**44.15**	**58.95**	**59.91**	**65.01**	**58.54**	**49.36**

VRL LOGISTICS LIMITED

Annexure 34

Funding and Investment *(Rupees in million)*

Nature of transactions	Name	Nature of relationship	Nine months ended 31 December 2014	Year ended 31 March 2014	Year ended 31 March 2013	Year ended 31 March 2012	Year ended 31 March 2011	Year ended 31 March 2010
Payments								
Repayment- Unsecured loan	Mr. R. P. Raichur	KMP	-	-	-	-	-	0.10
	VRL Media Limited	Companies in which KMP or their relative have significant influence	-	-	300.00	246.00	-	-
	VRL Cements Limited		-	-	4.50	-	-	-
Purchase of fixed assets	VRL Media Limited		-	-	0.86	-	-	-
Advance given	Mrs. Vani Sankeshwar	KMP/ Relative of KMP	-	-	-	-	-	0.63
Purchase of land	Mr. Vijay Sankeshwar	KMP	-	-	-	-	-	3.56
		Total	**-**	**-**	**305.36**	**246.00**	**-**	**4.29**

Receipts								
Unsecured loan taken	VRL Media Limited	Companies in which KMP or their relative have significant influence	-	-	300.00	-	246.00	-
	VRL Cements Limited		-	-	-	-	4.50	-
Rent deposits	Aradhana Trust		-	-	-	1.20	-	-
Sale of property	Mr. Vijay Sankeshwar	KMP	-	-	-	-	-	99.43
		Total	**-**	**-**	**300.00**	**1.20**	**250.50**	**99.43**

Dividend paid and proposed	Mr. Vijay Sankeshwar	KMP	132.30	132.30	211.68	89.30	99.23	102.53
	Mr. Anand Sankeshwar	KMP	130.81	131.11	209.78	100.41	111.59	115.32
	Mrs. Vani Sankeshwar	KMP/ Relative of KMP	1.60	1.60	2.56	1.10	1.20	1.24
	Mrs. Lalitha Sankeshwar	Relative of KMP	0.08	0.08	0.14	0.06	0.06	0.07
	Mrs. Bharati Holkunde	Relative of KMP	0.01	0.01	0.01	0.00	0.01	0.01
	NSR- PE Mauritius LLC	Enterprise having significant influence over the entity	77.02	77.02	98.99	-	-	-
		Total	**341.82**	**342.12**	**523.16**	**190.87**	**212.09**	**219.17**

Balance as at period/year end:

Assets:

Receivables	Shiva Agencies	Companies in which KMP or their relative have significant influence	-	1.11	0.25	-	0.22	-
	Sankeshwar Minerals Private Limited		0.04	0.33	0.32	0.19	0.73	0.15
	Aradhana Trust		0.81	-	-	-	0.90	-
	VRL Media Limited		6.94	3.50	6.85	0.12	-	-
	Mr. Vijay Sankeshwar	KMP	-	-	-	-	-	6.10
	Mrs. Vani Sankeshwar	KMP/ Relative of KMP	-	-	-	-	0.04	0.63
	Mr. Anand Sankeshwar	KMP	-	-	-	-	-	5.32
		Total	**7.79**	**4.94**	**7.42**	**0.31**	**1.89**	**12.20**

Liabilities:

Payables	VRL Media Limited	Companies in which KMP or their relative have significant influence	-	-	0.14	10.46	254.51	-
	Sankeshwar Printers Private Limited		-	0.15	-	-	-	-
	VRL Cement Limited		-	-	-	5.11	4.66	-
	Shiva Agencies		-	0.01	-	-	-	-
Rent deposits	Aradhana Trust		0.34	0.34	1.20	1.20	-	-
Remuneration / Commission payable	Mr. Vijay Sankeshwar	KMP	3.50	2.21	-	-	-	-
	Mr. Anand Sankeshwar	KMP	-	1.11	-	-	-	-
Proposed dividend	Mr. Vijay Sankeshwar	KMP	-	66.15	125.69	19.85	-	-
	Mr. Anand Sankeshwar	KMP	-	65.56	124.56	22.32	-	-
	Mrs. Vani Sankeshwar	KMP/ Relative of KMP	-	0.80	1.52	0.24	-	-
	Mrs. Lalitha Sankeshwar	Relative of KMP	-	0.04	0.08	0.01	-	-
	Mrs. Bharati Holkunde	Relative of KMP	-	0.00	0.01	0.00	-	-
	NSR- PE Mauritius LLC	Enterprise having significant influence over the entity	-	38.51	58.78	-	-	-
		Total	**3.84**	**174.88**	**311.98**	**59.19**	**259.17**	**-**

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

The following discussion of our financial condition and results of operations should be read in conjunction with our restated financial statements as of and for the years ended March 31, 2010, 2011, 2012, 2013 and 2014, and the nine months ended December 31, 2014 prepared in accordance with the Companies Act, Indian GAAP and the SEBI Regulations, including the schedules, annexures and notes thereto and the reports thereon, included in the section "Financial Statements" beginning on page F-1 of this Red Herring Prospectus. Unless otherwise stated, the financial information used in this section is derived from the restated financial statements of the Company.

Indian GAAP differs in certain material respects from U.S. GAAP and IFRS. We have not attempted to quantify the impact of IFRS or U.S. GAAP on the financial data included in this RHP, nor do we provide a reconciliation of our financial statements to those of U.S. GAAP or IFRS. Accordingly, the degree to which the Indian GAAP financial statements included in this RHP will provide meaningful information is entirely dependent on the reader's level of familiarity with Indian accounting practices.

This discussion contains forward-looking statements and reflects our current views with respect to future events and financial performance. Actual results may differ materially from those anticipated in these forward-looking statements as a result of certain factors such as those set forth in the section "Risk Factors" on page 16 of this Red Herring Prospectus.

In this section, unless the context otherwise requires, a reference to the "Company" or "we", "us" and "our" is a reference to VRL Logistics Limited.

Overview

We believe we are one of the leading pan-India surface logistics and parcel delivery service providers. We owned and operated the largest fleet of commercial vehicles in the private sector in India (Source: Limca Book of Records, 2013, data as of May 2012). We provide general parcel and priority parcel delivery (less than truckload services, "**LTL**"), courier and full-truckload ("**FTL**") services through our widespread transportation network in 28 States and four Union Territories across India. Our operational infrastructure for the goods transportation business as of December 31, 2014 comprised 624 branches (comprising 604 leased branches and 20 owned branches) and 346 agencies across India, and of such 624 branches, 48 (41 leased branches and seven owned branches) served as strategic transshipment hubs for our operations. We believe that our differentiated service offerings, large integrated hub-and-spoke transportation network, extensive operational and maintenance infrastructure and in-house technology systems have enabled us to develop our brand across India.

Our goods transportation service business serves a broad range of industries, including the fast moving consumer goods (FMCG) sector as well as other industries including food, textiles, apparel, furniture, appliances, pharmaceutical products, rubber, plastics, metal and metal products, wood, glass, automotive parts and machinery.

We operate through a hub-and-spoke operating model which enables us to transport various parcel sizes and provide our customers with access to multiple destinations for booking and delivery of goods. Our extensive network enables us to provide "last mile" connectivity to even remote areas in India. We believe this offers our customers a compelling value proposition.

As of December 31, 2014, our goods transportation fleet included 3,546 owned vehicles. Our large fleet, most of which is owned by us, enables us to reduce our dependence on hired vehicles, retain control of the value chain and service quality, and establish a reputation for reliable and timely delivery of consignments. The variety of goods transportation vehicles in our fleet also enables us to serve a diverse mix of consignments.

Our in-house technology systems enable us to improve our service quality and consistency and increase our operating efficiency. Our centralized information technology network connects all our branches, agencies, transshipment hubs and other offices enabling seamless real time monitoring of our operations and consignment bookings and delivery status. Our centralised accounting systems also enable us to implement stringent financial controls. Our in-house vehicle body designing facility develops customized configurations to ensure higher payload capacity. Our comprehensive in-house preventive maintenance facility at Hubballi, Karnataka enables us to increase the life of our vehicles, spare parts and components.

Goods transportation is our primary business and revenue from such business in fiscal 2012, 2013, 2014 and the nine months ended December 31, 2014 was ₹ 8,585.06 million, ₹ 9,878.08 million, ₹ 11,281.15 million and ₹ 9,714.83 million, respectively, representing 75.95%, 74.52%, 75.52% and 76.27%%, respectively, of our total revenue from operations in such periods. General and priority parcel services represented 91.75%, 89.15%, 88.51% and 86.43%% of our goods transportation revenue in fiscal 2012, 2013, 2014 and the nine months ended December 31, 2014, respectively.

We also provide luxury bus services across the States of Karnataka, Maharashtra, Goa, Andhra Pradesh, Telengana, Tamil Nadu, Gujarat and Rajasthan. Our bus operations are focused on high density urban commuter cities such as Bengaluru, Mumbai, Pune, Hyderabad and Panjim, and also connect tier-2 and tier-3 cities. Our longest route of operation in India stretches from Bengaluru to Jodhpur. As of December 31, 2014, we owned and operated 455 buses (including 53 staff buses). The wide range of passenger buses in our fleet enables us to better serve the transportation requirements of various customer segments. As of December 31, 2014, we had 81 branch offices (of which 74 were leased offices and seven were owned offices), 739 agencies and 416 prepaid agencies for our bus operations business. We also provide ticketing facilities through our website www.vrlbus.in, as well as through our network of commission agents and online travel agents such as www.redbus.in, www.mybustickets.in, www.makemytrip.com, and www.abhibus.com. Revenue from our bus operations in fiscal 2012, 2013, 2014 and the nine months ended December 31, 2014 was ₹ 2,178.12 million, ₹ 2,848.38 million, ₹ 3,081.10 million and ₹ 2,559.44 million, respectively, representing 19.27%, 21.49%, 20.63% and 20.09%, respectively, of our total revenue from operations in such periods.

We also operate car carrier vehicles for transportation of cars, vehicles for liquid transportation, as well as a courier service business across the State of Karnataka. We also have minor business interests in wind power, air charter services and hospitality.

We have received various industry awards and recognition over the years, including the India Logistics Voice of Customer Award by Frost and Sullivan in 2014 for achieving excellence in logistics and Service Provider of the Year (luxury coaches) in 2013 from World Travel Brands for our bus operations. In addition, our Chairman and Managing Director, Dr. Vijay Sankeshwar and our Managing Director, Mr. Anand Sankeshwar have also received several awards in recognition of their entrepreneurship and business excellence.

As of December 31, 2014 we had 14,092 employees, including 4,506 drivers (but excluding line drivers). Our administrative team plays a central role in our operations, and is responsible for load planning, accounting, information technology, marketing and the human resources functions.

In fiscal 2012, 2013 and 2014 and in the nine months ended December 31, 2014, our total revenue was ₹ 11,352.78 million, ₹ 13,353.24 million, ₹ 15,037.77 million and ₹ 12,793.80 million, respectively, while our profit after tax and exceptional items, as restated, was ₹ 767.22 million, ₹ 457.03 million, ₹ 571.76 million and ₹ 716.90 million, respectively, in such periods.

Principal Factors affecting our Financial Condition and Results of Operations

Our financial condition and results of operations are affected by numerous factors and uncertainties, including those discussed in the section "*Risk Factors*" on page 16 of this Red Herring Prospectus. The following is a discussion of certain factors that have had, and we expect will continue to have, a significant effect on our financial condition and results of operations:

Freight Rates in our Goods Transportation Business

In our goods transportation business, we generate revenue through general parcel and priority parcel delivery services as well as FTL freight. In the case of parcel delivery services, we are typically paid a rate based on the weight and volume characteristics of the freight as well as the distances over which it is to be transported. In the case of FTL freight, we are typically paid a rate per kilometer for our services. Any increases in fuel costs and other operating costs are typically passed on to our customers through periodic review and increase of our freight rates. We generally manage our operations on a round-trip basis to maximize revenue per operating vehicle through our hub-and-spoke operating model which involves coordinating freight shipments through our transshipment hub and branch network. This operating model also enables us to cater to a wide range of customers who require multiple pickups and delivery points, to focus our operations on aggregating parcels, and on selective routes, to combine parcel delivery and FTL freight to maximize revenue per operating vehicle. Our revenue growth is impacted by the aggregate weight and volume of our general parcel delivery services, priority parcel delivery services as well as our FTL freight. While we strategically focus on the higher margin parcel delivery business, we also provide FTL services across India, particularly in regions and routes (particularly return routes) where we are not able to ensure optimal load factors or capacity utilization for our vehicles. Our revenues are therefore impacted by the mix between general parcel and priority parcel delivery as well as FTL freight, the average length of vehicles, the average weight and volume characteristics of the freight delivered, the per kilometer rate received, and distances covered. These factors are affected by, among other factors, the general level of economic activity in India, the demand for goods transportation by road, available freight capacities, competition, pricing dynamics, inventory levels, and availability of goods transportation vehicles and drivers.

Fuel Costs and Other Variable Operational Expenses

Our profitability is significantly impacted by our operational expenses. The most significant operational expenses incurred in our business include fuel costs, employee costs, vehicle running, repairs and maintenance, bridge and toll charges and the cost of hired vehicles, i.e. hiring third party goods transportation vehicles during periods of high demand to ensure timely and uninterrupted service to our customers. Our operating profitability is impacted by variable costs of transporting freight for our customers, fixed costs and other expenses containing both fixed and variable components. Our primary variable costs include fuel cost, tires-related expenses, bridge and toll charges, vehicle running, repair and maintenance costs, agency commissions, hamaali (loading and unloading) charges, clearing and forwarding charges, and cost of hired vehicles. These expenses generally vary with the distance travelled by our fleet, fleet age, efficiency and other factors, many of which may be beyond our control.

Fuel costs represent the most significant proportion of our operating expenses, and any changes in fuel costs may have a significant impact on our business operations and results of operations. In fiscal 2012, 2013 and 2014 and in the nine months ended December 31, 2014, fuel costs represented 24.94%, 26.96%, 28.36% and 29.62%, respectively, of our total expenses, and 23.58%, 25.68%, 27.04% and 27.18%, respectively, of our total revenue. We generally address any increases in fuel costs through periodic increases in our base freight rate for goods transportation, increases in passenger ticket prices for our bus operations or by introducing other cost saving changes to our operations. Although we generally endeavour to pass on increases in fuel costs to our customers, significant increases in fuel costs that we are unable to pass on to our customers or otherwise absorb through changes to our operations may adversely affect our business and results of operations. We have historically been able to pass a significant portion of long-term increases in fuel prices and related taxes to customers in the form of increases in our base freight rate. However, the GoI has recently deregulated the price of diesel, leading to significant change in the price of diesel linked to global diesel prices. We expect our fuel costs to vary significantly as a result of such changes in diesel price.

Size and Composition of our Fleet

The size, age and composition of our fleet have a significant impact on our financial condition and results of operations. Our results of operations are dependent on the availability of adequate vehicles for servicing freight requirements of our customers as well as passenger traffic. Our fleet mix is optimized to cater to the requirements of different customer segments in the goods transportation as well as in our bus operations business. As of December 31, 2014, our goods transportation fleet included 3,546 owned vehicles, of which 1,166 vehicles were less than five years, 2,375 were debt free and 1,235 were fully depreciated. As of December 31, 2014, we owned and operated 455 buses (including 53 staff buses), of which 399 were less than five years, 87 were debt free and six were fully depreciated. We continue to expand our fleet of goods transportation vehicles to meet anticipated growth in our goods transportation business, and in recent years we have been focused on increasing our fleet size particularly in the heavy commercial vehicles of load capacities between 19 tonnes and 31 tonnes.

The following table sets forth certain information relating to our fleet of vehicles used in our goods transportation business that were owned by us as of December 31, 2014:

As of	Small Vehicles[1]	Light Commercial Vehicles[2]	Heavy Commercial Vehicles[3]	Car Carriers[4]	Tankers[5]	Cranes [6]	Total Vehicles Owned	Capital Expenditure incurred for Owned Vehicles (excluding capital advances) during the year (₹ million)
March 31, 2010	180	842	1,480	-	07	10	2,519	**239.76**
March 31, 2011	171	892	1,575	-	07	10	2,655	**455.24**
March 31, 2012	139	883	1,916	102	27	12	3,079	**1,082.07**
March 31, 2013	122	883	1,941	102	27	13	3,088	**44.87**
March 31, 2014	122	882	2,210	102	23	13	3,352	**781.84**
December 31,2014	122	934	2,361	102	14	13	3,546	**501.98**

(1) Small vehicles are defined as vehicles with carrying capacity up to 2,500 kilograms.
(2) Light commercial vehicles are defined as vehicles with carrying capacity between 2,500 kilograms and 7,500 kilograms.
(3) Heavy commercial vehicles are defined as vehicles with carrying capacity of more than 7,500 kilograms.
(4) Used for transportation of automobiles.
(5) Used for transportation of liquid.
(6) Cranes are predominantly used for internal operations.

We intend to use part of the Issue Proceeds for the expansion of our fleet of goods transportation vehicles. However, an increase in the size of our fleet without commensurate increase in freight or passenger traffic may adversely affect our results of operations.

We do not intend to increase the size of our bus fleet as we consolidate our bus operations and instead focus on increased margins through introduction of longer route operations, optimal route planning and maximizing occupancy levels. We believe that the relative proportion of our revenues from bus operations as a percentage of total revenues will decline significantly in future fiscal reporting periods as we continue to expand the goods transportation business.

We believe that the proposed Transport Bill, which proposes a unified vehicle registration system and a simplified system of vehicular and transport permits, will significantly improve operating efficiencies and reduce operational costs for our bus operations business by reducing operational hurdles relating to inter-State transportation of passengers, and simplifying the regulatory framework around vehicle permits and driver licenses. However, it is currently unclear when and in what form the Transport Bill will finally be signed into law, and our consolidation strategy for our bus operations is likely to continue until the introduction of any such proposed modification to the prevailing regulatory environment.

Competition

The goods and passenger transportation industry is extremely competitive and highly fragmented. In the goods transportation industry, we compete with a variety of local, regional, and national carriers of varying sizes and, to a lesser extent, with railroads and air freight carriers. The goods transportation industry is dominated by small fleet operators due to low entry barriers to this industry. While the goods transportation industry is expected to remain fragmented, the industry has in recent years become relatively more organised, with the market share of large-fleet owners increasing. In the bus operations business we compete with State owned road transport corporations and a variety of local, regional and inter-regional private bus operations. We expect competition to intensify due to the possibility of new entrants in the market and existing competitors further expanding their operations. Increased competition could affect our market share in the goods transportation business as well as in our bus operations.

Passenger Traffic and Average Revenue per Passenger

Our passenger transportation business depends on passenger traffic and the fares we charge our passengers. Using our management information systems, we endeavour to maximize seat occupancy and revenue per bus that we operate. We have also introduced various kinds of buses to address the requirements of various customer segments, and have in recent years increased our focus on the luxury bus segment over long distances. We have increased our fleet of multi-axle luxury Volvo and Isuzu buses to cater to this segment.

Availability of Drivers and Employee Costs

Our goods transportation business and bus operations are significantly dependent on our ability to attract, recruit and retain a sufficient number of qualified and experienced drivers. We face significant competition to attract qualified and experienced drivers, and over the years have experienced significant increases in driver compensation, resulting in lower profit margins. An inability to attract and retain a sufficient number of qualified drivers could force us to increase our reliance on hired transportation thereby increasing third party lorry hire expenses, as well as result in a decrease in revenues resulting from a decrease in the number of pickups and deliveries we are able to make. Non-availability of drivers may also increase the number of our idle vehicles and limit our growth prospects.

General Economic Conditions and Road Infrastructure in India

Our operations and business prospects are affected by general economic conditions in India and in particular economic factors that affect goods and passenger transportation in India. India's gross domestic product, or GDP, has been and will continue to be of importance in determining our operating results and future growth. Our goods and passenger transportation business depends on existing road infrastructure in India to address the growth in volume of freight movement and passenger traffic and to provide quality, secure and reliable services. Although the GoI has announced various programs for the expansion and improvement of the road infrastructure in India, there may be constraints relating to quality of roads that might impact our business. Improvement in the quality of road infrastructure may also result in increased toll levies in the future.

Regulatory Developments

Our operations are subject to a number of transportation, environmental, labour, employment and other laws and regulations. These laws and regulations are subject to change based on new legislation and regulatory initiatives, which could affect the economics of the transportation industry by requiring changes in operating practices or influencing the demand for, and the cost of providing, transportation services.

The GoI has recently introduced the Transport Bill which seeks to provide a comprehensive framework for goods transportation and passenger transportation activities in India, including a unified, transparent and single-window driver licensing system that is expected to increase the availability of qualified drivers in India. The Transport Bill also proposes a unified vehicle registration system and a simplified system of vehicular and transport permits and single portal clearances for the goods transportation industry. The Transport Bill also proposes a two-tier permit system - at the national and intra-State levels for the passenger transportation industry, and also develop and regulate various public passenger transport schemes.

While we believe that the Transport Bill, if signed into law and implemented effectively, will significantly affect our operations in a positive manner by reducing various operational hurdles relating to inter-State transportation of goods and passengers, and simplifying the regulatory framework around vehicle permits and driver licenses, it is currently unclear when and in what form the Transport Bill will finally be signed into law.

In addition, the proposed implementation of the goods and services tax (GST) in India, aimed at implementing a comprehensive indirect tax levy on manufacture, sale and consumption of goods and services at a national level, is expected to remove the current multiple taxation effect of octroi, central sales tax, State-level sales tax, entry tax, as well as taxes on transportation of goods and services. The GST regime is expected to benefit the logistics sector particularly inter-State movement of goods. In addition, the introduction of uniform billing systems and advanced infrastructure is expected to result in better implementation of the benefits of tax credits.

Significant Accounting Policies

A summary of the significant accounting policies applied in the preparation of our financial statements is set out in the notes to the financial statements included elsewhere in this RHP.

The restated summary statements prepared under the historical cost convention on the accrual basis of accounting, are in accordance with the applicable requirements of the Companies Act, 1956 and the provisions of the Companies Act, 2013 (to the extent notified) (the "Act") and comply in all material aspects with the Accounting Standards prescribed by the Central Government, in accordance with the Companies (Accounting Standards) Rules, 2006 read with Rule 7 of the Companies (Accounts) Rules, 2014 in respect of section 133 of the Companies Act, 2013, to the extent applicable. The accounting policies have been consistently applied by the Company.

The restated summary statements have been prepared to comply in all material respects with the requirements of Part I of Chapter III to the Companies Act, 2013 and Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 (the "SEBI Regulations") issued by SEBI, as amended from time to time.

During fiscal 2012, the Revised Schedule VI notified under the Companies Act, 1956, has become applicable to the Company for the preparation and presentation of its financial statements, accordingly, previous years' figures have been re-grouped/re-classified, wherever applicable.

Appropriate re-classifications/ adjustments have been made in the restated summary statements wherever required, by re-classification of the corresponding items of income, expenses, assets and liabilities, in order to bring them in line with the requirements of the SEBI Regulations.

The preparation of restated summary statements in conformity with Generally Accepted Accounting Principles (GAAP) requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent liabilities on the date of financial statements and reported amounts of revenue and expenses for that period / year. Actual results could differ from these estimates. Any revision to accounting estimates is recognised prospectively in current and future periods.

All assets and liabilities have been classified as current and non-current as per normal operating cycle of the Company and other criteria set out in Schedule III to the Companies Act, 2013. Based on nature of products / services, the Company has ascertained its operating cycle as 12 months for the purpose of current and non-current classification of assets and liabilities.

While all aspects of our financial statements should be read and understood in assessing our current and expected financial condition and results of operations, we believe that the following significant accounting policies warrant particular attention.

Recognition of Income and Expenditure

- Income and expenditure is recognised on accrual basis and provision is made for all known losses and liabilities.

- Revenue from Goods transport and Courier service is recognised when goods / documents are delivered to the customers.

- Revenue from Bus operation is recognised upon commencement of journey of passengers.

- Revenue from sale of power is recognised upon deposit of units of generated power at the grid of the purchasing electricity company.

- Revenue from sale of eligible carbon credit units such as Verified / Certified Emission Reductions units (VERs)/ (CERs) is recognised on completion of the validation process for units generated and entering of a definitive binding agreement for the sale of such units.

- Revenue from passenger air charter is recognised upon commencement of flight journey.

- Revenue from hotel operations is recognized upon rendering of service.

- Freight income related to unclaimed parcels is recognised on realisation basis.

- Interest on deposits is recognised on time proportion basis.

- Dividend income is recognised when the right to receive the dividend is established.

- Rent income is recognised on time proportion basis.

- Advertisement income is recognised when the related advertisement or commercial appears before the public.

- Provision for expenses against trip advance is made on an estimated basis.

Fixed Assets and Capital Work In Progress

Fixed assets are stated at cost of acquisition or construction less accumulated depreciation/amortisation. Cost includes inward freight, taxes and expenses incidental to acquisition and installation, up to the point the asset is ready for its intended use.

Direct expenses as well as clearly identifiable indirect expenses, incurred during the period of construction of building and body building of vehicles are capitalised with the respective assets in accordance with the ratio determined and certified by our management.

Assets acquired but not ready for use and stock of body building materials are classified under Capital work in progress and are stated at cost comprising direct cost and related incidental expenses.

Depreciation

- Depreciation on fixed assets is provided under the straight line method over the useful life of assets as prescribed under Part C of Schedule II of the Companies Act, 2013 / Schedule XIV of the Companies Act, 1956, as applicable, except on Vehicles.

- Vehicles are depreciated over a period of 9 years.

- For Vehicles, based on internal assessment and independent technical evaluation carried out by external valuer, the management believes that the useful life as mentioned above represent the period over which management expects to use these assets. Hence, the useful life for these assets are different from the useful life as prescribed under Part C of Schedule II of the Companies Act, 2013, which is effective for financial years / periods beginning on or after April 1, 2014.

- Cost of leasehold land and leasehold improvements is amortised over the period of the lease or its useful life, whichever is lower.

- Goodwill is amortised over a period of five years.

- Software is amortised over a period of five years.

- Depreciation on replaced vehicle bodies is restricted to the period that is co-terminus with balance working life of such vehicles.

Leases

Operating leases are those leases where the lessor retains substantial risks and benefits of ownership of leased assets. Rentals in such cases are expensed with reference to lease terms and other considerations on a straight line basis.

Impairment of Assets

- Management evaluates at regular intervals, using external and internal sources, the need for impairment of any asset. Impairment occurs where the carrying value of the asset exceeds the present value of future cash flows expected to arise from the continuing use of the asset and its net realisable value on eventual disposal. Any loss on account of impairment is expensed as the excess of the carrying amount over the higher of the asset's net sales price or present value, as determined.

- After impairment, depreciation is provided on the revised carrying amount of the asset over its remaining useful life.

- A previously recognised impairment loss is increased or reversed depending on changes in circumstances. However, the carrying value after reversal is not increased beyond the carrying value that would have prevailed by charging usual depreciation, if there was no impairment.

Valuation of Inventories

Consumables and stores and spares are valued at lower of cost computed on first-in-first out basis or net realisable value. Stock of tyres is valued based on specific identification method. Obsolete, defective, unserviceable and slow/non moving stocks are duly provided for.

Borrowing Costs

Borrowing costs attributable to the acquisition and construction of qualifying assets are capitalised as part of the cost of such assets up to the date such assets are ready for their intended use. Other borrowing costs are treated as revenue expenditure.

Taxation

Tax expenses comprise current tax (amount of tax for the period determined in accordance with the Income Tax Regulations in India) and deferred tax charge or credit (reflecting the tax effects of timing differences between accounting income and taxable income for the period).

The deferred tax charge or credit and the corresponding deferred tax liabilities or assets are recognised using the tax rates that have been enacted or substantively enacted by the Balance Sheet date. Deferred tax assets are recognised only to the extent there is reasonable certainty that the assets can be realised in future; however, where there is unabsorbed depreciation or carry forward losses under taxation laws, deferred tax assets are recognised only if there is a virtual certainty of realisation of such assets. Deferred tax assets are reviewed at each Balance Sheet date and written down or written up to reflect the amount that is reasonably / virtually certain, as the case may be, to be realised.

Tax credit is recognised in respect of Minimum Alternate Tax (MAT) as per the provisions of Section 115JAA of the Income Tax Act, 1961 based on convincing evidence that the Company will pay normal income tax within the statutory time frame and is reviewed at each Balance Sheet date.

Provisions and Contingent Liabilities

Provisions are recognised in the financial statements in respect of present probable obligations, for amounts which can be reliably estimated.

Contingent liabilities are disclosed in respect of possible obligations that arise from past events, whose existence would be confirmed by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company. Such liabilities are disclosed by way of notes to the financial statements. No disclosure is made if the possibility of an outflow on this account is remote.

Summary Results of Operations

The table below provides our statement of profit and loss as per our restated financial statements for fiscal 2010, 2011, 2012, 2013, 2014 and the nine months ended December 31, 2014.

Particulars	**Fiscal**										**For the nine months ended December 31, 2014**	
	2010		**2011**		**2012**		**2013**		**2014**			
	(₹. millions)	Percentage of total revenue (%)	(₹. millions)	Percentage of total revenue (%)	(₹. millions)	Percentage of total revenue (%)	(₹. millions)	Percentage of total revenue (%)	(₹. millions)	Percentage of total revenue (%)	(₹. millions)	Percentage of total revenue (%)
Revenue												
Revenue from operations	7,113.47	99.54%	8,888.02	99.54%	11,303.83	99.57%	13,254.97	99.26%	14,937.84	99.34%	12,738.07	99.56
Other income	32.66	0.46%	41.13	0.46%	48.95	0.43%	98.27	0.74%	99.93	0.66%	55.73	0.44
Total revenue	**7,146.13**	**100.00%**	**8,929.15**	**100.00%**	**11,352.78**	**100.00%**	**13,353.24**	**100.00%**	**15,037.77**	**100.00%**	**12,793.80**	**100.00%**
Expenses												
Operating expenses	4,677.91	65.46%	6,033.64	67.57%	7,911.18	69.68%	9,626.49	72.09%	10,911.73	72.56%	8,990.74	70.27
Employee benefits expense	899.75	12.59%	1,044.83	11.70%	1,289.19	11.36%	1,482.55	11.10%	1,744.59	11.60%	1,456.79	11.39
Finance costs	508.44	7.11%	479.13	5.37%	651.42	5.74%	591.23	4.43%	599.13	3.98%	449.89	3.52
Depreciation and amortization expense	464.22	6.50%	509.34	5.70%	695.98	6.13%	823.37	6.17%	866.16	5.76%	691.75	5.41
Other expenses	157.56	2.20%	150.86	1.69%	184.37	1.62%	193.71	1.45%	215.76	1.43%	151.36	1.18
Total Expenses	**6,707.88**	93.87%	**8,217.80**	**92.03%**	**10,732.14**	**94.53%**	**12,717.35**	**95.24%**	**14,337.37**	**95.34%**	11,740.53	91.77
Profit Before Exceptional Item and Tax	**438.25**	**6.13%**	**711.35**	**7.97%**	**620.64**	**5.47%**	**635.89**	**4.76%**	**700.40**	**4.66%**	**1,053.27**	**8.23**
Exceptional Item	-	-	-		-		-		66.37	**0.44**	-	
Profit Before Tax	**438.25**	**6.13%**	**711.35**	**7.97%**	**620.64**	**5.47%**	**635.89**	**4.76%**	**766.77**	**5.10%**	**1,053.27**	**8.23**
Taxation												
Current tax	0.71		30.25		83.95		95.34		137.37		332.26	2.60
Deferred tax	150.00		164.46		(230.53)		83.52		57.64		4.11	0.03

Profit for the Period/ Year	**287.54**	4.02%	**516.64**	**5.79%**	**767.22**	**6.76%**	**457.03**	**3.42%**	**571.76**	**3.80%**	716.90	5.60

Principal Components of Income Statement

Revenue

Our revenue comprises revenue from operations and other income.

Revenue from Operations

Revenue from operations include revenue from (i) goods transportation; (ii) bus operations (or passenger transportation services); (iii) courier services; (iv) air chartering services; (vii) hotel operations; (v) sale of power; (vi) sale of CERs/ VERs; and (viii) sale of scrap materials.

Goods Transport

Our goods transportation business is our principal business. Revenues from goods transportation business represented 81.46%, 80.49%, 75.95%, 74.52%, 75.52%, and 76.27% of our revenues from operations in fiscal 2010, 2011, 2012, 2013, 2014 and in the nine months ended December 31, 2014, respectively.

For general parcel and priority parcel delivery, which is our primary business, we are paid a rate based on the weight and volume characteristics of the parcel as well as the distance over which they are required to be transported. For FTL freight, we are generally paid a rate per kilometer. These rates are fixed by us and are modified from time to time depending on various factors, including adjustments for increases in operating costs. We pass on any increases in fuel costs and increase in operational costs to our customers through corresponding increases in our base freight rate. We charge premium rates for consignment delivery to certain remote locations. In addition to the base freight, there are certain additional charges including hamaali (loading and unloading) charges, toll charges, pick-up and delivery charges as well as risk/ freight on value charges.

Revenue from goods transport is recognized when the parcels or goods and/or documents are delivered to the customers. Freight income related to unclaimed parcels is recognized on realization basis.

Bus Operations

Our bus operations or passenger transportation services contribute a significant proportion of our total revenue from operations. Revenue from bus operations represented 13.10%, 15.12%, 19.27%, 21.49%, 20.63% and 20.09% of our revenues from operations in fiscal 2010, 2011, 2012, 2013, 2014 and in the nine months ended December 31, 2014, respectively.

Revenue from bus operations primarily represent sale of tickets for transportation of passengers on our passenger buses. In addition, we also earn revenue from carriage of certain commercial cargo on our passenger buses.

Our passenger transportation business depends on passenger traffic and the fares we charge our passengers. We endeavor to maximize seat occupancy and revenue per bus. Revenue from bus operations is recognized upon commencement of journey by passengers, while commercial cargo revenue is recognized on delivery of such cargo.

The following table sets forth certain information relating to our bus operations:

Particulars	Fiscal					Nine Months ended December 31,
	2010	2011	2012	2013	2014	2014
Fleet size[(1)]	211	323	449	502	522	455
Revenue from bus operations (excluding revenue from carriage of commercial cargo) (₹. millions)	840.11	1229.05	2,032.86	2,679.76	2,889.60	2,411.86

(1) Fleet size represents the number of buses as on the last date of the reporting period.

Courier Services

Revenue from courier services represented 0.45%, 0.56%, 0.40%, 0.34%, 0.36% and 0.37% of our revenues from operations in fiscal 2010, 2011, 2012, 2013, 2014 and in the nine months ended December 31, 2014, respectively. Revenue from courier services consists of the charges paid by our customers for delivery of documents and packages. The charges are based on the weight and volume characteristics of the consignments as well as the distances over which they need to be transported. Revenue from courier service is recognized when goods or documents are delivered to customers.

Air Chartering Services

We have established a small air charter business and revenue from air chartering services is generated from fares charged for air chartering services. Revenue from passenger air charter is recognized upon commencement of flight journey. Revenue from air chartering services represented 0.23%, 0.41%, 0.42%, 0.31%, 0.52% and 0.69% of our revenues from operations in fiscal 2010, 2011, 2012, 2013, 2014 and in the nine months ended December 31, 2014, respectively.

Hotel Operations

Income from hotel operations is derived from a restaurant set up in Tumkur in fiscal 2014 primarily for our bus passengers. Revenue from hotel operations is recognized upon rendering of service. Revenue from hotel operations represented 0.07% and 0.11% of our revenues from operations in fiscal 2014 and in the nine months ended December 31, 2014, respectively.

Sale of Power

Revenue from sale of power comprises sale of electricity under the PPAs we have entered into with HESCOM. The tariff rates with respect to our PPAs are determined by prevailing tariff regulations and policies set by the KERC. Revenue from sale of power is recognized upon deposit of units of generated power at the grid of the purchasing electricity company. The following table sets forth certain information relating to power generated, plant load factor and revenue from sale of power in fiscal 2010, 2011, 2012, 2013, 2014 and in the nine months ended December 31, 2014:

Particulars	Fiscal					Nine Months ended December 31,
	2010	2011	2012	2013	2014	2014
Gross power generated (kWh)*	77,814,064	69,271,073	74,949,978	79,991,660	73,817,429	58,621,635
Net power generated (kWh)**	77,559,868	69,043,752	74,700,801	79,748,884	73,592,920	58,455,587
Revenue generated (₹. million)	263.63	234.67	253.89	271.06	250.14	198.69

* Net of transmission and step us loss
** Net of captive consumption

Sale of VERs and CERs

Revenue from sale of eligible carbon credit units such as VERs or CERs is recognized on completion of the validation process for units generated and entering of a definitive binding agreement for the sale of such units. Revenue from sale of CERs represented 0.90%, 0.46% and 0.41% of our revenues from operations in fiscal 2012, 2013 and 2014, respectively. Sale of VERs represented 0.28% of our revenues from operations in fiscal 2010.

Sale of Scrap Materials

We also derive some revenue from scrap materials, generated from our operations as well as sale of unclaimed consignments. Sale of scrap materials represented 0.77%, 0.77%, 0.82%, 0.83%, 0.83% and 0.91% of our revenues from operations in fiscal 2010, 2011, 2012, 2013, 2014 and in the nine months ended December 31, 2014, respectively.

Other Income

Other income consists primarily of recurring items such as interest on deposits, dividend income, rent income, advertisement income and miscellaneous income. Other income also includes any profit on sale of assets, write back of sundry balances, exchange differences and interest received on amounts overdue from customers.

Expenditure

Our expenditure comprise (i) operating expenses; (ii) employee benefits expense; (iii) finance costs; (iv) depreciation and amortisation expense; and (v) other expenses.

Operating Expenses

Operating expenses include direct expenses relating to operating our vehicles, hiring of third party lorries and other indirect operating expenses. In fiscal 2010, 2011, 2012, 2013, 2014 and in the nine months ended December 31, 2014, calculated as a percentage of total revenue, operating expenses was 65.46%, 67.57%, 69.68%, 72.09%, 72.56% and 70.27%, respectively.

Our operating expenses primarily include: (i) vehicle operation-diesel cost; (ii) lorry hire expenses; (iii) vehicle running, repairs and maintenance costs; (iv) stores and spares consumed (v) bridge and toll charges; (vi) tyres, flaps and re-treading expenses; (vii) repairs and maintenance of plant and machinery, building and others; (viii) electricity charges; (ix) rent; (x) wind turbine generator operation and maintenance expenses; (xi) vehicle taxes; (xii) insurance; (xiii) agency commission; (xiv) hamali (loading and unloading) charges; (xv) clearing and forwarding charges; (xvi) hotel operating expenses; (xvii) security charges; and (xviii) claims.

Our most significant operating expenses include fuel cost, tyres and tubes, bridge and toll charges, stores and spares consumed, vehicle running, repair and maintenance costs (including any incentives paid to our lorry and bus drivers), agency commission, hamali (loading and unloading) charges, clearing and forwarding charges, and third-party lorry hire costs, which are variable in nature. Expenses that are primarily fixed in nature include rental expenses, vehicles taxes, insurance costs, depreciation and operation and maintenance costs for our windmills. Expenses that have both fixed and variable components include employee costs, as well as maintenance of vehicles, plant and machinery, buildings and others.

Our principal operating expenses include:

- Diesel cost is the most significant component of our operating expenses. Fuel costs depend on consumption and fuel prices. Fluctuations in fuel prices are beyond our control. The historical relationship of fuel costs to revenues has, however, remained relatively consistent, demonstrating our ability to pass increases in fuel costs to our customers, through periodic base freight rate revisions in relation to our goods transportation business and fare revisions in relation to our passenger transportation business. In fiscal 2010, 2011, 2012, 2013, 2014 and in the nine months ended December 31, 2014, calculated as a percentage of total revenue, fuel costs was 21.39%, 22.19%, 23.58%, 25.68%, 27.04% and 27.18% respectively.

- Lorry hire charges represent cost of hiring third party trucks during periods of high demand and for regions where we experience lower load factors and / or no assurance of consignment loads for return trips. We also hire third party trucks for local pick-ups and deliveries in certain cities.

- Vehicle running, maintenance and repair expenses include scheduled and unscheduled maintenance for our vehicle fleet, engines and other spare parts. In order to optimize and control maintenance costs, we have implemented rigorous preventive maintenance schedules for each vehicle. Any incentive payments made to our lorry and bus drivers are also accounted for as vehicle running, maintenance and repair expenses.

- Stores and spares represent expenses incurred for various spare parts and materials used in our vehicle maintenance operations. We have established arrangements with Ashok Leyland Limited and Volvo Commercial Vehicles Limited to set up in-location spare parts to reduce stores and spares costs.

- Bridge and toll charges incurred in connection with our goods and passenger transportation business account for a significant percentage of our operating expenses. Some of these charges are passed on to our customers directly.

- Tyres, flaps and re-treading expenses primarily represent cost of purchase of new tyres and flaps as well as maintenance costs associated with tyres including re-treading costs.

- We typically lease premises used for our branches and transshipment hubs, which represent a significant operating expense. We expect rent expenses to increase as we expand our operations through establishment of additional transshipment hubs and other branches.

- Vehicles taxes represent primarily road taxes levied by the GoI and various States as well as entry permits for our trucks and buses.

- Agency commissions relate to payments to franchisees and other agents (including online travel agents and prepaid agencies for our bus operations) who procure business for us.

- Clearing and forwarding charges and hamali charges relate to loading and unloading charges for freight at our transshipment hubs, booking points and delivery points.

Employee Benefits Expense

Employee benefit expenses comprise (i) salaries, wages and bonus; (ii) contribution to provident and other funds; and (iii) staff welfare expenses. In fiscal 2010, 2011, 2012, 2013, 2014 and in the nine months ended December 31, 2014, calculated as a percentage of total revenue, employee benefit expenses was 12.59%, 11.70%, 11.36%, 11.10%, 11.60% and 11.39%, respectively.

All short term employee benefits are accounted on undiscounted basis during the accounting period based on services rendered by employees. Our contribution to provident fund and employee state insurance scheme is determined based on a fixed percentage of the eligible employees' salary and charged to the statement of profit and loss. We have categorised our provident fund and the employee state insurance scheme as a defined contribution plan since we have no further obligations beyond these contributions. Our liability towards gratuity and compensated absences, being defined benefit plans is accounted for on the basis of an independent actuarial valuation done periodically and actuarial gains/losses are charged to the statement of profit and loss. Gratuity liability is funded by payments to the trust established for the purpose.

Finance Costs

Finance costs primarily include interest expense and other borrowing costs. Interest expenses include interest paid on term and working capital facilities, bank loans and public deposits. Borrowing costs attributable to the acquisition and construction of qualifying assets are capitalised as part of the cost of such assets up to the date such assets are ready for their intended use. In fiscal 2010, 2011, 2012, 2013, 2014 and in the nine months ended December 31, 2014, calculated as a percentage of total revenue, finance costs was 7.11%, 5.37%, 5.74%, 4.43%, 3.98% and 3.52%, respectively.

Depreciation and Amortization

Depreciation/amortization expenses include depreciation of tangible assets and amortisation of intangible assets. Depreciation costs include depreciation of our vehicles, office equipment, buildings, plant and machinery (including wind turbine generators), computers, software, furniture, fixtures and office equipment, aircraft, leasehold improvements, capitalized lease rentals and other equipment. In fiscal 2010, 2011, 2012, 2013, 2014 and in the nine months ended December 31, 2014, calculated as a percentage of total revenue, depreciation and amortization expenses was 6.50%, 5.70%, 6.13%, 6.17%, 5.76% and 5.41%, respectively.

Depreciation charge was adjusted for the written down value of the fixed assets (net of residual value), which have no balance useful life in accordance with Schedule II to Companies Act, 2013 as at April 1, 2014. These balances (net of deferred tax benefit of ₹ 5.47 million) have been adjusted against the general reserve as on April 1, 2014.

Other Expenses

Other expenses primarily include expenses relating to travelling and conveyance, printing and stationery, professional and legal expenses, payment to auditors, office expenses, communication expenses, advertisement and business promotion, interest on security deposit from agents, loss on sale or discarding of net assets, foreign exchange difference, write off of advances and bad debt, any provision for doubtful advances and debt, bank charges, donations, directors’ sitting fees and miscellaneous expenses. In fiscal 2010, 2011, 2012, 2013, 2014 and in the nine months ended December 31, 2014, calculated as a percentage of total revenue, other expenses was 2.20%, 1.69%, 1.62%, 1.45%, 1.43% and 1.18%, respectively.

Taxation

Tax expenses comprise current tax (amount of tax for the period determined in accordance with the Income Tax Regulations in India) and deferred tax charge or credit (reflecting the tax effects of timing differences between accounting income and taxable income for the period).

The deferred tax charge or credit and the corresponding deferred tax liabilities or assets are recognised using the tax rates that have been enacted or substantively enacted by the Balance Sheet date. Deferred tax assets are recognised only to the extent there is reasonable certainty that the assets can be realised in future; however, where there is unabsorbed depreciation or carry forward losses under taxation laws, deferred tax assets are recognised only if there is a virtual certainty of realisation of such assets. Deferred tax assets are reviewed at each Balance Sheet date and written down or written up to reflect the amount that is reasonably / virtually certain, as the case may be, to be realised.

Deferred tax credit for fiscal 2012 includes reversal of deferred tax liability of ₹ 307.36 million, representing timing differences arising on depreciation on wind turbine generators, for the tax holiday period from fiscal 2012 to fiscal 2021. This reversal arose due to the decision of the management to avail income tax benefits in accordance with Section 80IA of the Income Tax Act, 1961, as amended, with effect from fiscal 2012.

Tax credit is recognised in respect of Minimum Alternate Tax (MAT) as per the provisions of Section 115JAA of the Income Tax Act, 1961 based on convincing evidence that the Company will pay normal income tax within the statutory time frame and is reviewed at each Balance Sheet date.

Restatement Adjustments

The following table illustrates the impact of changes due to restatement on the summary of restated profit and loss account:

Particulars	Fiscal					For the nine months ended December 31, 2014
	2010	2011	2012	2013	2014	
Profit as per audited statement of Profit and Loss	**290.98**	**509.73**	**410.58**	**802.94**	**570.10**	**718.56**
Restated adjustments:						
Revenue from operations	(1.13)	1.12	-	-	-	-
Other income	0.33	(0.29)	-	-	-	-
Operating expenses	(0.93)	1.81	-	-	-	-
Employee benefits expense	(1.33)	3.51	-	-	-	-
Finance Costs					(0.73)	0.73
Depreciation and amortization expense	(0.02)	-	-	-	-	-
Other expenses	0.19	0.05	-	-	-	0.15
Current tax	(0.55)	0.71	61.66	(0.45)	-	-
MAT credit entitlement	-	-	(12.38)	(38.10)	-	(2.54)
Deferred Tax	-	-	307.36	(307.36)	-	-
Profit for the period/year, as restated	**287.54**	**516.64**	**767.22**	**457.03**	**571.76**	**716.90**

Significant Adjustments relating to Prior Years

Adjustments on account of restatements to income balances

Adjustments in operating income has mainly arisen out of debits / credits being recorded as prior period items arising out of errors / omissions and or short recording of operating incomes during fiscal 2011 and 2010. Adjustments also include adjustments relating to de-recognition of accrued revenues on parcels remaining unclaimed as at the end of such financial reporting periods. The effect of these adjustments has been given in the respective years to which they relate in the summary statement of profit and loss, as restated.

Restatement adjustments for expense balances

Adjustments recorded to expense balances predominantly arose on account of recording of prior period expenses arising out of errors and / or omissions, short provisioning, etc. in respect of:

- Operating expenses such as vehicle running, repairs and maintenance, rent, insurance, agency commission etc.

- Employee benefits expense like salaries, wages and bonus and staff welfare expenses.

- Depreciation and amortisation expense.

- Other expenses such as legal and professional expenses, communication expenses, printing and stationery etc.

Accordingly, the effect of such adjustments has been given in the respective years to which they relate in the summary statement of profit and loss, as restated.

Significant tax adjustment pertaining to earlier years

Restatement adjustment to the profit as per audited statement of profit and loss for fiscal 2012 includes rectification of net profit considered by the management for the purpose of computation of Minimum Alternate Tax Liability (MAT) under Section 115JB for fiscal 2007, as indicated in the order under Section 154 of the Income Tax Act, 1961, as amended, dated June 2011, thereby leading to a current tax charge (including interest) of ₹ 60.25 million with a corresponding MAT credit of ₹ 50.48 million. In addition, MAT credit of ₹ 38.10 million relating to fiscal 2012, which was considered in fiscal 2013 in the audited financial statements has been restated to fiscal 2012.

Deferred tax represents reversal of deferred tax liability on timing differences in relation to depreciation of wind turbine generators for the tax holiday period from fiscal 2012 to fiscal 20121. This reversal arose due to the decision of the management to avail income tax benefits in accordance with Section 80IA of the Income Tax Act, 1961, as amended, with effect from fiscal 2012. This was accounted in fiscal 2013in he audited financial statements and has been restated to fiscal 2012.

Adjustments for current tax

Short or excess provisions for taxes relating to earlier years, based on intimations or orders received or returns filed, accounted for during fiscal 2010, 2011, 2012 and 2013 have been appropriately adjusted to the respective years to which they relate. Adjustments related to fiscal years prior to fiscal 2010 have been adjusted against the opening balance of reserves and surplus as at April 1, 2009.

Restatement adjustments made in the restated statement of reserves and surplus to the balance as at April 1, 2009 of surplus in the statement of profit and loss

Particulars		(Rupees in million)
Surplus in the Statement of Profit and Loss as at April 1, 2009 as per audited financial statements		159.76
Adjustments		
a. Revenue from operations	0.01	
b. Other income	(0.04)	
c. Operating expenses	(0.88)	
d. Employee benefits expense	(2.18)	
e. Depreciation and amortisation expense	0.02	
f. Other expenses	(0.24)	
g. Current tax	(61.37)	
h. MAT credit entitlement	50.48	
Total		(14.20)

Surplus in the Statement of Profit and Loss as at April 1, 2009, as restated		145.56

Results of Operations

Nine Months Ended December 31, 2014

Revenue

Our total revenue was ₹ 12,793.80 million in the nine months ended December 31, 2014.

Revenue from Operations

The following table sets forth certain information relating to our revenue from operations in the nine months ended December 31, 2014:

Particulars	Nine months ended December 31, 2014	
	Revenue from Operations (₹ million)	Percentage of Total Revenue from Operations (%)
Goods transport	9,714.83	76.27%
Bus operations	2,559.44	20.09%
Income from hotel operations	14.36	0.11%
Air chartering services	88.04	0.69%
Courier services	46.94	0.37%
Sale of power	198.69	1.56%
Sale of scrap materials	115.77	0.91%
Total	**12,738.07**	**100.00%**

Goods Transport

Revenue from goods transportation was ₹ 9,714.83 million in the nine months ended December 31, 2014, compared to ₹ 11,281.15 million in fiscal 2014. Revenue from goods transportation in the nine months ended December 31, 2014 were relatively higher primarily on account of increase in our freight rates, particularly since November 2013. The number of goods transportation vehicles in our fleet increased by 5.79% from 3,352 as of March 31, 2014 to 3,546 as of December 31, 2014.

Bus Operations

Revenue from bus operations was ₹ 2,559.44 million in the nine months ended December 31, 2014, compared to ₹ 3,081.10 million in fiscal 2014. Revenue from bus operations is typically higher during the first quarter of our fiscal year corresponding to the summer holiday period. The period also reflects higher fares resulting from peak period demand.

Courier Services

Revenue from courier services was ₹ 46.94 million in the nine months ended December 31, 2014, compared to ₹ 53.11 million in fiscal 2014.

Air Chartering Services

Revenue from air chartering services was ₹ 88.04 million in the nine months ended December 31, 2014, compared to ₹ 77.51 million in fiscal 2014.

Hotel Operations

Income from hotel operations from our restaurant in Tumkur was ₹ 14.36 million in the nine months ended December 31, 2014, compared to ₹ 10.15 million in fiscal 2014.

Sale of Power

Income from sale of power was ₹ 198.69 million in the nine months ended December 31, 2014, compared to ₹ 250.14 million in fiscal 2014.

Sale of Scrap Materials

Income from sale of scrap materials and others was ₹ 115.77 million in the nine months ended December 31, 2014, compared to ₹ 123.81 million in fiscal 2014.

Other Income

Other income was ₹ 55.73 million in the nine months ended December 31, 2014 and primarily comprised of rent income of ₹ 31.19 million.

Expenses

Total expenses in the nine months ended December 31, 2014 was ₹ 11,740.53 million, compared to total expenses of ₹ 14,337.37 million in fiscal 2014.

Operating Expenses

Operating expenses in the nine months ended December 31, 2014 was ₹ 8,990.74 million, compared to ₹ 10,911.73 million in fiscal 2014. The following table sets forth certain information relating to our operating expenses in the nine months ended December 31, 2014 expressed as a percentage of our total revenue in such period:

Operating Expenses	**Nine months ended December 31, 2014**	
	Amount (₹ million)	**Percentage of Total Revenue (%)**
Lorry hire	966.54	7.55
Vehicles operation-diesel cost	3,477.67	27.18
Vehicle running, repairs and maintenance	887.53	6.94
Stores and spares consumed	347.35	2.71
Bridge and toll charges	702.28	5.49
Tyres, flaps and re-treading	401.18	3.14
Repairs and maintenance		
a. Plant and machinery	64.70	0.51
b. Buildings	30.83	0.24
c. Others	9.63	0.08
Security charges	20.98	0.16
Electricity charges	25.09	0.20
Wind turbine generator operation and maintenance expenses	39.99	0.31
Rent	511.94	4.00
Vehicle taxes	245.17	1.92
Insurance	70.65	0.55
Agency commission	426.62	3.33
Hamaali	444.04	3.47

Clearing and forwarding	294.29	2.30
Claims	15.38	0.12
Hotel operating expenses	8.88	0.07
Total	8,990.74	70.27

- Fuel costs in the nine months ended December 31, 2014 was ₹ 3,477.67 million, compared to ₹ 4,066.36 million in fiscal 2014. We incurred relatively higher fuel costs in the nine months ended December 31, 2014 primarily reflecting the increase in diesel rates as well as the high level of bus operations during such period. Expressed as a percentage of total revenue, fuel costs was 27.18% in the nine months ended December 31, 2014.

- Lorry hire expenses in the nine months ended December 31, 2014 was ₹ 966.54 million, compared to ₹ 1,439.08 million in fiscal 2014. Expressed as a percentage of total revenue, lorry hire expenses was 7.55% in the nine months ended December 31, 2014. We incurred relatively lower lorry hire expenses during the nine months ended December 31, 2014 as we increased our fleet to provide for the growth in our goods transportation business and also due to relatively stable volume of business.

- Vehicle running, repairs and maintenance expenses were ₹ 887.53 million in the nine months ended December 31, 2014, representing 6.94% of our total revenue during such period, compared to ₹ 980.27 million in fiscal 2014.

- Tyres, flaps and re-treading expenses was ₹ 401.18 million in the nine months ended December 31, 2014 compared to ₹ 495.67 million in fiscal 2014.

- Bridge and toll charges in the nine months ended December 31, 2014 was ₹ 702.28 million, compared to ₹ 778.84 million in fiscal 2014.

- Hamaali expenses were ₹ 444.04 million in the nine months ended December 31, 2104, compared to ₹ 512.68 million in fiscal 2014 while our clearing and forwarding expenses for the nine months ended December 31, 2014 was ₹ 294.29 million compared to ₹ 366.07 million in fiscal 2014.

- Agency and commission charges for the nine months ended December 31, 2014 was ₹ 426.62 million compared to ₹ 538.33 million in fiscal 2014.

- Vehicle taxes during the nine months ended December 31, 2014 was ₹ 245.17 million compared to ₹ 373.00 million in fiscal 2014.

- We incurred rent of ₹ 511.94 million in the nine months ended December 31, 2014 compared to ₹ 598.12 million in fiscal 2014 as a result of significant expansion of our branch networks and capacity addition to transshipment hubs. We have also experienced escalations in rental expenses in relation to our existing branches and transshipment hubs.

Employee Benefits Expense

Employee benefits expenses in the nine months ended December 31, 2014 was ₹ 1,456.79 million, compared to ₹ 1,744.59 million in fiscal 2014. The relative increase in our employment expenses was as a result of the increase in the number of our total employees from 13,187 as of March 31, 2013 to 13,526 as of March 31, 2014 and to 14,092 as of December 31, 2014 as well as salary increments. Expressed as a percentage of total revenue, employee benefit expenses was 11.39% in the nine months ended December 31, 2014.

Finance Costs

Finance costs was ₹ 449.89 million in the nine months ended December 31, 2014, compared to ₹ 599.13 million in fiscal 2014. Interest expense was ₹ 448.26 million during the period. As a percentage of total revenue, finance costs were 3.52% in the nine months ended December 31, 2014.

Depreciation and Amortization

Depreciation and amortization expenses was ₹ 691.75 million in the nine months ended December 31, 2014, compared to ₹ 866.16 million in fiscal 2014, reflecting the increase in our fleet of vehicles. As a percentage of total revenue, depreciation and amortization costs were 5.41%in the nine months ended December 31, 2014.

Other Expenses

Other expenses were ₹ 151.36 million in the nine months ended December 31, 2014, compared to ₹ 215.76 million in fiscal 2014, including primarily travelling and conveyance expense and communication expenses.

Profit before Exceptional Item and Tax

Profit before exceptional items and taxes was ₹ 1,053.27 million in the nine months ended December 31, 2014, compared to ₹ 700.40 million in fiscal 2014.

Taxation

Current taxes in the nine months ended December 31, 2014 was ₹ 336.37 million, while there was a deferred tax credit of ₹ 4.11 million.

Profit for the Period

As a result of the foregoing factors, our profit for the year, as restated, was ₹ 716.90 million in the nine months ended December 31, 2014.

Fiscal 2014 Compared to Fiscal 2013

Revenue

Our total revenue increased by 12.62% from ₹ 13,353.24 million in fiscal 2013 to ₹ 15,037.77 million in fiscal 2014 due to an increase in the size of operations in our goods transportation business as well as bus operations.

Revenue from Operations

The following table sets forth our revenue from operations from the various business operations in the periods indicated:

Particulars	**Fiscal 2013**		**Fiscal 2014**	
	Revenue From Operations (₹ million)	**Percentage of Total Revenue from Operations (%)**	**Revenue From Operations (₹ million)**	**Percentage of Total Revenue from Operations (%)**
Goods transport	9,878.08	74.52%	11,281.15	75.52%
Bus operations	2,848.38	21.49%	3,081.10	20.63%
Courier services	45.24	0.34%	53.11	0.35%
Air chartering services	41.73	0.31%	77.51	0.52%
Income from hotel operations	-	-	10.15	0.07%
Sale of power	271.06	2.05%	250.14	1.67%
Sale of certified emission reduction units	60.36	0.46%	60.87	0.41%
Sale of scrap	110.12	0.83%	123.81	0.83%

materials				
Total	**13,254.97**	**100.00%**	**14,937.84**	**100.00%**

Goods Transport

Revenue from goods transportation increased by 14.20% from ₹ 9,878.08 million in fiscal 2013 to ₹ 11,281.15 million in fiscal 2014, primarily reflecting an increase in freight rates. The number of good transportation vehicles in our fleet increased by 8.55% from 3,088 as of March 31, 2013 to 3,352 as of March 31, 2014.

Bus Operations

Revenue from bus operations increased by 8.17% from ₹ 2,848.38 million in fiscal 2013 to ₹ 3,081.10 million in fiscal 2014 reflecting increases in average passenger fares particularly for our premium category buses. The number of buses in our fleet increased by 3.98% from 502 as of March 31, 2013 to 522 as of March 31, 2014.

Courier Services

Revenue from courier services increased by 17.41% from ₹ 45.24 million in fiscal 2013 to ₹ 53.11 million in fiscal 2014, resulting from an expansion in our courier delivery routes as well as an increase in our courier rates.

Air Chartering Services

Revenue from air chartering services increased by 85.76% from ₹ 41.73 million in fiscal 2013 to ₹ 77.51 million in fiscal 2014 primarily resulting from acquisition of an additional aircraft in October, 2013.

Hotel Operations

We set up a restaurant in Tumkur in September, 2013 primarily to serve our passengers on our bus routes through Tumkur. Revenue from hotel operations in fiscal 2014 was ₹ 10.15 million in fiscal 2014. We did not have any such income in fiscal 2013.

Sale of Power

Income from sale of power decreased by 7.72% from ₹ 271.06 million in fiscal 2013 to ₹ 250.14 million in fiscal 2014 due to lower production resulting from unfavorable weather conditions.

Sale of CERs

Income from sale of CERs was ₹ 60.87 million in fiscal 2014 compared to ₹ 60.36 million in fiscal 2013.

Sale of Scrap Materials

Income from sale of scrap materials increased by 12.44% from ₹ 110.12 million in fiscal 2013 to ₹ 123.81 million in fiscal 2014.

Other Income

Other income increased marginally from ₹ 98.27 million in fiscal 2013 to ₹ 99.93 million in fiscal 2014. While advertisement income increased by 68.63% from ₹ 11.59 million in fiscal 2013 to ₹19.54 million in fiscal 2014 and miscellaneous income increased from ₹ 5.65 million in fiscal 2013 to ₹ 17.78 million in fiscal 2014.

Expenditure

Total expenses increased by 12.73% from ₹ 12,717.35 million in fiscal 2013 to ₹ 14,337.37 million in fiscal 2014 primarily resulting from an increase in operating expenses and employee benefit expenses.

Operating Expenses

Operating expenses increased by 13.35% from ₹ 9,626.49 million in fiscal 2013 to ₹ 10,911.73 million in fiscal 2014 reflecting the growth in our operations, particularly in the goods transportation and bus operations businesses. Operating expenses increased in fiscal 2014 primarily due to an increase in fuel costs and third party lorry hire expenses, as well as due to increases in bridge and toll charges and rent.

The following table presents our operative expenses in fiscal 2013 and 2014 expressed as a percentage of our total revenue in such periods:

Operating Expenses	Fiscal 2013		Fiscal 2014	
	Amount (₹ million)	Percentage of Total revenue (%)	Amount (₹ million)	Percentage of Total revenue (%)
Lorry hire	1,285.26	9.63%	1,439.08	9.57%
Vehicles operation-diesel cost	3,429.09	25.68%	4,066.36	27.04%
Vehicle running, repairs and maintenance	1,045.34	7.83%	980.27	6.52%
Stores and spares consumed	393.21	2.94%	447.30	2.97%
Bridge and toll charges	620.49	4.65%	778.84	5.18%
Tyres, flaps and re-treading	482.68	3.61%	495.67	3.30%
Repairs and maintenance				
a. Plant and machinery	26.24	0.20%	45.42	0.30%
b. Buildings	40.28	0.30%	37.66	0.25%
c. Others	10.41	0.08%	20.07	0.13%
Security charges	22.60	0.17%	28.01	0.19%
Electricity charges	28.90	0.22%	32.02	0.21%
Wind turbine generator operation and maintenance expenses	42.60	0.32%	49.60	0.33%
Rent	484.94	3.63%	598.12	3.98%
Vehicle taxes	328.96	2.46%	373.00	2.48%
Insurance	68.43	0.51%	84.87	0.56%
Agency commission	467.99	3.50%	538.33	3.58%
Hamaali	478.40	3.58%	512.68	3.41%
Clearing and forwarding	352.26	2.64%	366.07	2.43%
Claims	18.41	0.14	11.81	0.08%
Hotel operating expenses	-	-	6.55	0.04%
Total	**9,626.49**	**72.09%**	**10,911.73**	**72.56%**

- Fuel costs increased by 18.58% from ₹ 3,429.09 million in fiscal 2013 to ₹ 4,066.36 million in fiscal 2014 primarily due to the growth in our operations as well as the gradual increase in the cost of diesel in fiscal 2014. Expressed as a percentage of total revenue, fuel costs increased to 27.04% in fiscal 2014 compared to 25.68% in fiscal 2013.

- An increase in third party lorry hire expenses in fiscal 2014 by 11.97% from ₹ 1,285.26 million in fiscal 2013 to ₹ 1,439.08 million in fiscal 2014 was primarily resulting from an increase in lorry hire rates corresponding to increase in fuel rates during fiscal 2014. Expressed as a percentage of total revenue, lorry hire expenses was 9.57% in fiscal 2014 compared to 9.63% in fiscal 2013.

- Vehicle running, repairs and maintenance expenses decreased by 6.22% from ₹ 1,045.34 million in fiscal 2013 to ₹ 980.27 million in fiscal 2014 due to preventive maintenance initiatives and varying driver incentive schemes applicable during such periods. Expressed as a percentage of total revenue, vehicle running, repairs and maintenance expenses decreased to 6.52% in fiscal 2014 compared to 7.83% in fiscal 2013.

- However, tyres, flaps and re-treading expenses increased from ₹ 482.68 million in fiscal 2013 to ₹ 495.67 million in fiscal 2014, and stores and spares increased from ₹ 393.21 million in fiscal 2013 to ₹ 447.30 million in fiscal 2014, reflecting the growth in our operations and increase in our fleet size.

- Bridge and toll charges increased by 25.52% from ₹ 620.49 million in fiscal 2013 to ₹ 778.84 million in fiscal 2014, reflecting the increase in toll rates and/ or collection points as well as levy of toll on additional routes.

- Hamaali expenses increased by 7.17% from ₹ 478.40 million in fiscal 2013 to ₹ 512.68 million in fiscal 2014 reflecting the increase in labour costs and there was also an increase in clearing and forwarding expenses by 3.92% from ₹ 352.26 million to ₹ 366.07 million. Agency commissions increased by 15.03% from ₹ 467.99 million in fiscal 2013 to ₹ 538.33 million in fiscal 2014 as a result of escalation in commission rates paid primarily to franchisees.

- Vehicle taxes increased by 13.39% from ₹ 328.96 million in fiscal 2013 to ₹ 373.00 million in fiscal 2014 as a result of additions to our fleet of vehicles in general and an increase in taxation rates in certain states, primarily in relation our bus operations.

- Rent expenses increased by 23.34% from ₹ 484.94 million in fiscal 2013 to ₹ 598.12 million in fiscal 2014 as a result of expansion of our branch networks and capacity addition to transshipment hubs. We have also experienced escalations in rental expenses in relation to our existing branches and transshipment hubs.

Employee Benefits Expense

Employee benefits expense increased by 17.67% from ₹ 1,482.55 million in fiscal 2013 to ₹ 1,744.59 million in fiscal 2014 primarily due to an increase in the salaries as well as an increase in the number of employees, particularly our pool of truck drivers, as we expanded our fleet of vehicles and grew our operations. Salaries, wages and bonus expense increased by 17.67% from ₹ 1,300.50 million in fiscal 2013 to ₹ 1,530.27 million in fiscal 2014. Contribution to provident and other funds increased 12.12% from ₹ 114.39 million in fiscal 2013 to ₹ 128.26 million in fiscal 2014 while staff welfare expenses increased by 27.19% from ₹ 67.66 million in fiscal 2013 to ₹ 86.06 million in fiscal 2014. Our total employees increased from 13,187 as of March 31, 2013 to 13,526 as of March 31, 2014. Expressed as a percentage of total revenue, employee benefits expenses was 11.60% in fiscal 2014 compared to 11.10% in fiscal 2013.

Finance Costs

Finance costs was ₹ 599.13 million in fiscal 2014 compared to ₹ 591.23 million in fiscal 2013. Expressed as a percentage of total revenue, finance costs decreased to 3.98% in fiscal 2014 compared to 4.43% in fiscal 2013.

Depreciation and Amortization

Depreciation and amortization expenses increased from ₹ 823.37 million in fiscal 2013 to ₹ 866.16 million in fiscal 2014, reflecting the increase in our fleet of vehicles. Expressed as a percentage of total revenue, depreciation and amortization expenses however decreased from 6.17% in fiscal 2013 to 5.76% in fiscal 2014.

Other Expenses

Other expenses increased by 11.38% from ₹ 193.71 million in fiscal 2013 to ₹ 215.76 million in fiscal 2014, primarily due a write off of certain irrecoverable security deposits extended in respect of leased premises. There were also increases in travelling and conveyance expense, professional and legal expenses, office expenses and communication expenses offset in part by decreases in printing and stationery expenses and advertisement and business promotion expenses. Expressed as a percentage of total revenue, other expenses was 1.43% in fiscal 2014 compared to 1.45% in fiscal 2013.

Profit before Exceptional Item and Tax

Profit before exceptional items and taxes increased by 10.15% from ₹ 635.89 million in fiscal 2013 to ₹ 700.40 million in fiscal 2014. Further there was also an exceptional item amounting to ₹ 66.37 million recorded in fiscal 2014. This was a result of profit on sale of the land that had been held for disposal previously.

Taxation (including Deferred Tax)

Our provision for taxation was ₹ 195.01 million in fiscal 2014 compared to ₹ 178.86 million in fiscal 2013.

Profit for the Year

As a result of the foregoing factors, our profit for the year, as restated, increased by 25.10% from ₹ 457.03 million in fiscal 2013 to ₹ 571.76 million in fiscal 2014.

Fiscal 2013 Compared to Fiscal 2012

Revenue

Our total revenue increased by 17.62% from ₹ 11,352.78 million in fiscal 2012 to ₹ 13,353.24 million in fiscal 2013 primarily due to an increase in the size of operations in the goods transportation and bus operations business.

Revenue from Operations

The following table sets forth our revenue from operations from the various business operations in the periods indicated:

Particulars	Fiscal 2012		Fiscal 2013	
	Revenue From Operations (₹ million)	Percentage of Total Revenue from Operations (%)	Revenue From Operations (₹ million)	Percentage of Total Revenue from Operations (%)
Goods transport	8,585.06	75.95%	9,878.08	74.52%
Bus operations	2,178.12	19.27%	2,848.38	21.49%
Courier services	44.98	0.40%	45.24	0.34%
Air chartering services	47.73	0.42%	41.73	0.31%
Sale of power	253.89	2.25%	271.06	2.05%
Sale of certified emission reduction units	101.45	0.90%	60.36	0.46%
Sale of scrap materials	92.60	0.82%	110.12	0.83%
Total	**11,303.83**	**100%**	**13,254.97**	**100%**

Goods Transport

Revenue from goods transportation increased by 15.06% from ₹ 8,585.06 million in fiscal 2012 to ₹ 9,878.08 million in fiscal 2013, reflecting an increase in volume of goods transported. In fiscal 2013, we also nominally increased our base freight rate due to increases in operating expenses. The number of good transportation vehicles in our fleet increased by 0.29% from 3,079 as of March 31, 2012 to 3,088 as of March 31, 2013.

Bus Operations

Revenue from bus operations increased by 30.77% from ₹ 2,178.12 million in fiscal 2012 to ₹ 2,848.38 million in fiscal 2013 due to higher occupancy levels and increases in average passenger fares. The number of buses in our fleet increased by 11.80% from 449 as of March 31, 2012 to 502 as of March 31, 2013.

Courier Services

Revenue from courier services remained relatively steady at ₹ 45.24 million in fiscal 2013 compared to ₹ 44.98 million in fiscal 2012.

Air Chartering Services

Revenue from air chartering services decreased by 12.58% from ₹ 47.73 million in fiscal 2012 to ₹ 41.73 million in fiscal 2013.

Sale of Power

Income from sale of power increased by 6.76% from ₹ 253.89 million in fiscal 2012 to ₹ 271.06 million in fiscal 2013 due to increased production resulting from favorable weather conditions.

Sale of CERs

While our income from sale of CERs was ₹ 60.36 million in fiscal 2013 it was ₹ 101.45 million in fiscal 2012.

Sale of Scrap Materials

Income from sale of scrap materials increased by 18.92% from ₹ 92.60 million in fiscal 2012 to ₹ 110.12 million in fiscal 2013.

Other Income

Other income increased by 100.76% from ₹ 48.95 million in fiscal 2012 to ₹ 98.27 million in fiscal 2013 primarily due to increases in rental income from certain of our properties as well as income from advertisement and interest from customers on overdue amounts, offset by a decrease in miscellaneous income.

Expenses

Total expenses increased by 18.50% from ₹ 10,732.14 million in fiscal 2012 to ₹ 12,717.35 million in fiscal 2013 primarily due to an increase in operating expenses and employee benefits expenses offset in part by a decrease in finance costs.

Operating Expenses

Operating expenses increased by 21.68% from ₹ 7,911.18 million in fiscal 2012 to ₹ 9,626.49 million in fiscal 2013 primarily due to an increase in certain operating expenses such as fuel cost, vehicle running, repairs and maintenance expenses and bridge and toll charges.

The following table presents our operative expenses in fiscal 2012 and 2013 expressed as a percentage of our total revenue in such periods:

Operating Expenses	Fiscal 2012		Fiscal 2013	
	Amount (₹ million)	Percentage of Total revenue (%)	Amount (₹ million)	Percentage of Total revenue (%)
Lorry hire	1,337.45	11.78%	1,285.26	9.63%
Vehicles operation-diesel cost	2,676.93	23.58%	3,429.09	25.68%
Vehicle running, repairs and	853.22	7.52%	1,045.34	7.83%

maintenance				
Stores and spares consumed	290.74	2.56%	393.21	2.94%
Bridge and toll charges	409.64	3.61%	620.49	4.65%
Tyres, flaps and re-treading	374.68	3.30%	482.68	3.61%
Repairs and maintenance				
a. Plant and machinery	27.08	0.24%	26.24	0.20%
b. Buildings	28.23	0.25%	40.28	0.30%
c. Others	9.63	0.08%	10.41	0.08%
Security charges	18.62	0.16%	22.60	0.17%
Electricity charges	24.13	0.21%	28.90	0.22%
Wind turbine generator operation and maintenance expenses	41.67	0.37%	42.60	0.32%
Rent	398.46	3.51%	484.94	3.63%
Vehicle taxes	253.15	2.23%	328.96	2.46%
Insurance	35.84	0.32%	68.43	0.51%
Agency commission	412.78	3.64%	467.99	3.50%
Hamaali	409.29	3.61%	478.40	3.58%
Clearing and forwarding	283.63	2.50%	352.26	2.64%
Claims	26.01	0.23%	18.41	0.14%
Total	**7,911.18**	**69.68%**	**9,626.49**	**72.09%**

- Fuel costs increased significantly by 28.10% from ₹ 2,676.93 million in fiscal 2012 to ₹ 3,429.09 million in fiscal 2013 primarily due to the growth in our operations as well as an increase in the cost of diesel in fiscal 2013. Our total fleet of vehicles increased from 3,528 as of March 31, 2012 to 3,590 as of March 31, 2013. Expressed as a percentage of total revenue, fuel costs increased to 25.68% in fiscal 2013 compared to 23.58% in fiscal 2012.

- Lorry hire charges decreased by 3.90% from ₹ 1,337.45 million in fiscal 2012 to ₹ 1,285.26 million in fiscal 2013 resulting from increased utilisation of own vehicles and reduction in reliance on hired vehicles for our operations. As a percentage of total revenue, lorry hire charges decreased from 11.78% in fiscal 2012 to 9.63% in fiscal 2013.

- Vehicle running, repairs and maintenance expenses increased by 22.52% from ₹ 853.22 million in fiscal 2012 to ₹ 1,045.34 million in fiscal 2013 primarily resulting from certain additional incentive schemes introduced during fiscal 2013. Expressed as a percentage of total revenue, vehicle running, repairs and maintenance expenses was 7.83% in fiscal 2013 compared to 7.52% in fiscal 2012.

- However, tyres, flaps and re-treading expenses increased by 28.82% from ₹ 374.68 million in fiscal 2012 to ₹ 482.68 million in fiscal 2013resulting primarily from increase in cost of tyres, while stores and spares consumed also increased by 35.24% from ₹ 290.74 million in fiscal 2012 to ₹ 393.21 million in fiscal 2013due to expiry of spare parts warranty periods on certain vehicles in our bus operations fleet.

- Bridge and toll charges increased by 51.47% from ₹ 409.64 million in fiscal 2012 to ₹ 620.49 million in fiscal 2013 reflecting the increase in toll rates and/ or collection points as well as levy of toll on additional routes.

- The growth in our goods transportation business in fiscal 2013 was reflected in the increase in hamaali expense by 16.89% from ₹ 409.29 million in fiscal 2012 to ₹ 478.40 million in fiscal 2013 and an increase in clearing and forwarding expenses by 24.20% from ₹ 283.63 million in fiscal 2012 to ₹ 352.26 million in fiscal 2013. Agency commission also increased by 13.38% from ₹ 412.78 million in fiscal 2012 to ₹ 467.99 million in fiscal 2013.

- Vehicle taxes increased by 29.95% from ₹ 253.15 million in fiscal 2012 to ₹ 328.96 million in fiscal 2013 as a result of introduction of additional interstate routes involving payment of entry taxes in relation to our bus operations.

- Rent expenses increased by 21.70% from ₹ 398.46 million in fiscal 2012 to ₹ 484.94 million in fiscal 2013 as a result of expansion of our branch networks and capacity addition to transshipment hubs. We have also experienced escalations in rental expenses in relation to our existing branches and transshipment hubs.

Employee Benefits Expense

Employee benefits expense increased by 15.00% from ₹ 1,289.19 million in fiscal 2012 to ₹ 1,482.55 million in fiscal 2013 primarily due to an increase in the salaries. Our total employees increased from 12,045 as of March 31, 2012 to 13,187 as of March 31, 2013. Salaries, wages and bonus expense increased by 13.86% from ₹ 1,142.22 million in fiscal 2012 to ₹ 1,300.50 million in fiscal 2013, while contribution to provident and other funds increased by 26.92% from ₹ 90.12 million in fiscal 2012 to ₹ 114.39 million in fiscal 2013 while staff welfare expenses increased by 19.01% from ₹ 56.85 million in fiscal 2012 to ₹ 67.66 million in fiscal 2013.

Expressed as a percentage of total revenue, employee benefit expenses was 11.10% in fiscal 2013 compared to 11.36% in fiscal 2012.

Finance Costs

Finance costs decreased by 9.24% from ₹ 651.42 million in fiscal 2012 to ₹ 591.23 million in fiscal 2013. This was due to a decrease in the interest expenses and other borrowing costs as we repaid a significant part of our long term borrowings in fiscal 2013 from the proceeds of CCPPS issuance in fiscal 2013. Interest expenses decreased by 8.18% from ₹ 641.93 million in fiscal 2012 to ₹ 589.42 million in fiscal 2013, and other borrowing costs decreased by 75.13% from ₹ 7.26 million in fiscal 2012 to ₹ 1.81 million in fiscal 2013.

Depreciation and Amortization

Depreciation and amortization expenses increased by 18.30% from ₹ 695.98 million in fiscal 2012 to ₹ 823.37 million in fiscal 2013, reflecting the increase in our fleet of goods transportation vehicles and buses in fiscal 2012 and 2013 as well as expansion of our transshipment hub.

Other Expenses

Other expenses increased by 5.07% from ₹ 184.37 million in fiscal 2012 to ₹ 193.71 million in fiscal 2013 primarily due to an increase in travelling and conveyance expense, printing and stationery expenses and advertisement and business promotion expenses offset by decreases in professional and legal expenses and communication expenses.

Profit before Exceptional Item and Tax

Profit before exceptional items and taxes increased by 2.46% from ₹ 620.64 million in fiscal 2012 to ₹ 635.89 million in fiscal 2013.

Taxation (including Deferred Tax)

There was provision for taxation of ₹ 178.86 million in fiscal 2013 compared to a tax credit of ₹ 146.58 million in fiscal 2012. Deferred tax credit for fiscal 2012 includes reversal of deferred tax liability of ₹ 307.36 million, representing timing differences arising on depreciation on wind turbine generators, for the tax holiday period from fiscal 2012 to fiscal 2021. This reversal arose due to the decision of the management to avail income tax benefits in accordance with Section 80IA of the Income Tax Act, 1961, as amended, with effect from fiscal 2012.

Profit for the Year

As a result of the foregoing factors, our profit for the year, as restated, decreased by 40.43% from ₹ 767.22 million in fiscal 2012 to ₹ 457.03 million in fiscal 2013.

Financial Condition

Fixed Assets

Our fixed assets include: (i) tangible assets; (ii) intangible assets and (iii) capital work in progress. Our fixed assets primarily include vehicles, plant and machinery, computers and software, land, buildings, office equipment, and furniture and fixtures. Our fixed assets are increasing gradually as we procure additional vehicles in the goods and passenger transportation businesses.

Our net block of tangible assets as of March 31, 2012 and 2013, and 2014 was ₹ 6,941.95 million, ₹ 7,100.91 million and ₹ 7,393.60 million, respectively, while our net block of tangible assets as of December 31, 2014 was ₹ 6,937.46 million.

Our net block of intangible assets as of March 31, 2012, 2013 and 2014 was ₹ 3.75 million, ₹ 2.01 million, and ₹ 9.72 million, respectively, while our net block of intangible assets as of December 31, 2014 was ₹ 8.08 million.

As of December 31, 2104, our capital work in progress was ₹ 146.05 million compared to ₹ 140.37 million as of March 31, 2014.

Investments

Non-current investments include long term, trade and unquoted investments. Our non-current investments were ₹ 1.08 million as of March 31, 2014.

Loans and Advances

Long term loans and advances primarily include capital advances, security deposits, allowances for bad and doubtful deposits, loans and advances to related parties (if any), deposits with custom authorities and others, minimum alternate tax credit entitlement, advance tax and TDS receivable, prepaid expenses and other advances. Our long term loans and advances as of March 31, 2012, 2013 and 2014 was ₹ 916.66 million, ₹ 966.63 million, and ₹ 910.00 million, respectively, while long term loans and advances as of December 31, 2014 was ₹ 818.78 million.

Short term loans and advances primarily include security deposits, advance to suppliers, prepaid expenses, allowances for bad and doubtful advances and other advances. Our short term loans and advances as of as of March 31, 2012, 2013 and 2014 was ₹ 151.45 million, ₹ 185.47 million and ₹ 198.05 million, respectively, while our short term loans and advances as of December 31, 2014 was ₹ 258.85 million. The increase in short term loans and advances was primarily due to increased security deposits.

Inventory

Our inventory primarily relates to raw materials and stores and spares. Our inventory as of March 31, 2012, 2013 and 2014 was ₹ 87.31 million, ₹ 96.84 million and ₹ 134.75 million, respectively, while our inventory as of December 31, 2014 was ₹ 166.88 million.

Trade Receivables

Trade receivables, consisting primarily of receivables from "on account" customers as well as receivables against sale of power, was ₹ 785.22 million, ₹ 853.94 million and ₹ 799.56 million, respectively, as of March 31, 2012, 2013 and 2014 while our trade receivable was ₹ 883.34 million as of December 31, 2014.

Cash and Bank Balances

Cash and bank balances comprise cash in hand and cash equivalent i.e. balances with banks. Total cash and bank balances as of March 31, 2012, 2013 and 2014 was ₹ 136.00 million, ₹ 154.36 million and ₹ 150.92 million, respectively, while cash and bank balance as of December 31, 2014 was ₹ 129.91 million.

Other Assets

Other non-current assets comprise non-current bank balances. Our non-current assets as of March 31, 2012, 2013 and 2014 was ₹ 12.27 million, ₹ 7.16 million and ₹ 25.21 million, respectively, while our non-current assets as of December 31, 2014 was ₹ 25.44 million. The increase in non-current assets was primarily due to an increase in non-current bank balances.

Other current assets primarily comprise interest accrued on bank deposits and other receivables. Our other current assets as of March 31, 2012, 2013 and 2014 was ₹ 187.20 million, ₹ 143.43 million and ₹ 16.04 million, respectively, while our current assets as of December 31, 2014 was ₹ 353.12 million. The decrease in current assets as of March 31, 2014 was primarily due to disposal of assets held for sale.

Liabilities

Non-Current Liabilities

Long term borrowings were ₹ 4,035.11 million and ₹ 2,851.63 million as of March 31, 2012 and 2013, respectively. Long term borrowings as of March 31, 2014 was ₹ 2,528.79 million while long term borrowings as of December 31, 2014 was ₹ 2,131.30 million. In fiscal 2013 we repaid a significant part of our long term borrowings in fiscal 2013 from the proceeds of CCPPS issuance.

Net deferred tax liability were ₹ 692.47 million, ₹ 775.99 million and ₹ 833.63 million as of March 31, 2012, 2013 and 2014, respectively, while net deferred tax liability as of December 31, 2014 was ₹ 832.27 million. Deferred tax liability on timing difference related to depreciation/ amortization relating to the nine months ended December 31, 2014 is net of deferred tax benefit of ₹ 5.47 million on write off of written down value of fixed assets (net of residual value), which have no balance useful life in accordance with Schedule II to the Companies Act, 2013 as at April 1, 2014.

Our other long term liabilities primarily represent security deposits from agents. Other long term liabilities were ₹ 78.29 million and ₹ 86.60 million as of March 31, 2012 and 2013, respectively, and ₹ 88.66 million as of March 31, 2014. Our other long term liabilities as of December 31, 2014 was ₹ 88.68 million.

Long term provisions, primarily relating to provision for employee benefits and provision for lease equalization reserves, were ₹ 21.56 million and ₹ 29.13 million as of March 31, 2012 and 2013, respectively, and ₹ 26.40 million as of March 31, 2014. Our long term provisions as of December 31, 2014 was ₹ 48.88 million.

Current Liabilities

Our current liabilities primarily include short term borrowings, trade payables, other current liabilities and short term provisions.

Trade payables comprise dues to others and were ₹ 55.58 million and ₹ 50.17 million as of March 31, 2012 and 2013, respectively, and ₹ 93.11 million as of March 31, 2014. Our trade payables as of December 31, 2014 were ₹ 63.73 million.

Other current liabilities primarily include current maturities of long term debt, interest accrued but not due on borrowings, advance from customers and agents, statutory dues and payables for capital expenditure. Our other current liabilities were ₹ 1,760.87 million and ₹ 1,655.06 million as of March 31, 2012 and 2013, respectively, and ₹ 1,825.33 million as of March 31, 2014. Our other current liabilities as of December 31, 2014 was ₹ 2,053.91 million.

Short term borrowings were ₹ 729.03 million and ₹ 938.42 million as of March 31, 2012 and 2013, respectively, and ₹ 1,094.25 million as of March 31, 2014. Our short term borrowings as of December 31, 2014 was ₹ 1,044.83 million.

Short term provisions, primarily relate to provision for employee benefits, provision for taxation, interim dividend declared and tax on interim dividend declared, as applicable. Short term provisions were ₹ 77.24 million and ₹ 370.80 million as of March 31, 2012 and 2013, respectively, and ₹ 223.65 million as of March 31, 2014. Our short term provisions as of December 31, 2014 were ₹ 97.27 million.

Liquidity and Capital Resources

Historically, our primary liquidity requirements have been to finance our working capital requirements for our operations and capital expenditures. We have met these requirements from cash flows from operations as well as from borrowings. Going forward, we will incur significant expenditure for the expansion of our fleet and establishment of several owned transshipment hubs to strategically expand the network of our goods transport business.

Cash Flows

The table below summarizes the statement of cash flows, as per our restated summary statements, for the period indicated:

(₹ millions)

Particulars	Fiscal			**For the nine month period ended December 31,**
	2012	2013	2014	2014
Net cash generated from (used in) operations	1,659.22	1,629.80	2,032.62	1,858.75
Net cash generated from (used in) investing activities	(2,423.13)	(898.37)	(910.65)	(486.85)
Net cash generated from (used in) financing activities	761.27	(712.61)	(1,118.31)	(1,394.92)
Net increase/(decrease) in cash and cash equivalents	**(2.64)**	**18.82**	**3.66**	**(23.02)**

Operating Activities

Net cash generated from operations in the nine month period ended December 31, 2014 was ₹ 1,858.75 million, while profit before tax was ₹ 1,053.27 million. The difference was primarily attributable to adjustments for depreciation and amortisation of ₹ 691.75 million and interest expense of ₹ 449.89 million which was offset by working capital adjustments for increase in trade receivables of ₹ 83.78 million and increase in loans and advances and other current assets of ₹ 105.58 million. Further there was also working capital adjustment for increase in inventories of ₹ 32.13 million. There was also direct taxes paid (net of refunds) of ₹ 181.26 million in the nine months ended December 31, 2014.

Net cash generated from operations in fiscal 2014 was ₹ 2,032.62 million, while profit before tax was ₹ 766.77 million. The difference was primarily attributable to adjustments for depreciation and amortisation expense of ₹ 866.16 million, interest expense of ₹ 599.13 million, advances and bad debts written off of ₹ 11.80 million and net loss on sale of fixed assets of ₹ 7.87 million which was offset in part by adjustment for exceptional items of ₹ 66.37 million and credit balance written back of ₹ 7.63 million. Further there were also working capital adjustments for decrease in trade receivables of ₹ 52.98 million and increase in trade payables, other liabilities and provisions of ₹ 12.87 million which were offset by increase in loans and advances and other current assets of ₹ 23.65 million and increase in inventories of ₹ 37.91 million. There was also direct taxes paid (net of refunds) of ₹ 149.07 million.

Net cash generated from operations in fiscal 2013 was ₹ 1,629.80 million, while profit before tax was ₹ 635.89 million. The difference was primarily attributable to adjustments for depreciation and amortisation expense of ₹ 823.37 million and interest expense of ₹ 591.23 million which was offset in part by working capital adjustments for increase in loans and advances and other current assets of ₹ 184.24 million, increase in trade receivables of ₹ 73.02 million, decrease in trade payables, other liabilities and provisions of ₹ 20.61 million and increase in inventories of ₹ 9.54 million. There was also direct taxes paid (net of refunds) of ₹ 131.19 million.

Net cash generated from operations in fiscal 2012 was ₹ 1,659.22 million, although profit before tax was ₹ 620.64 million. The difference was primarily attributable to adjustments for depreciation and amortisation expense of ₹ 695.98 million, interest expense of ₹ 651.42 million and working capital adjustments for increase in trade payables, other liabilities and provisions of ₹ 57.03 million. These were offset in part by increase in trade receivables of ₹ 97.68 million, increase in loans and advances and other current assets of ₹ 86.53 million and increase in inventories of ₹ 26.56 million. There was also direct taxes paid (net of refunds) of ₹157.33 million.

Investing Activities

Net cash used in investing activities in the nine months ended December 31, 2014 was ₹ 486.85 million, primarily reflecting purchase of fixed assets (including capital advances) of ₹ 601.38 million offset in part by proceeds from sale of fixed assets and proceeds from advance towards sale of land of ₹ 16.42 million and ₹.100.00 million respectively.

Net cash used in investing activities in fiscal 2014 was ₹ 910.65 million, primarily reflecting purchase of fixed assets (including capital advances) of ₹ 1093.57 million offset in part by proceeds from sale of fixed assets of ₹ 190.61 million. There was also placement of fixed deposits with banks of ₹ 10.95 million.

Net cash used in investing activities in fiscal 2013 was ₹ 898.37 million, primarily reflecting purchase of fixed assets (including capital advances) of ₹ 914.06 million offset in part by proceeds from sale of fixed assets of ₹ 7.44 million and encashment of fixed deposits with banks of ₹ 5.57 million.

Net cash used in investing activities in fiscal 2012 was ₹ 2,423.13 million, primarily reflecting purchase of fixed assets (including capital advances) of ₹ 2,440.47 million and offset in part by proceeds from sale of fixed assets of ₹ 8.89 million and encashment of fixed deposits with banks of ₹ 5.89 million.

Financing Activities

Net cash used in financing activities in the nine months ended December 31, 2014 was ₹ 1.394.92 million, primarily representing repayment of long term borrowings of ₹ 1,123.89 million, dividend paid and tax thereon of ₹ 603.77 million and interest and processing fees paid of ₹ 451.44 million.

Net cash used in financing activities in fiscal 2014 was ₹ 1,118.31 million, primarily representing repayment of long term borrowings of ₹ 1,275.94 million, interest and processing fees paid of ₹ 601.27 million and dividend paid and tax thereon of ₹ 563.59 million. This was offset in part by proceeds from long term borrowings of ₹ 1,192.63 million and net proceeds from short term borrowings of ₹ 155.83 million.

Net cash used in financing activities in fiscal 2013 was ₹ 712.61 million, primarily representing repayment of long term borrowings of ₹ 2,107.97 million, interest and processing fees paid of ₹ 620.58 million and dividend paid and tax thereon of ₹ 304.03 million. This was offset in part by proceeds from issue of shares (including securities premium) of ₹ 1,250.00 million, proceeds from long term borrowings of ₹ 931.80 million and net proceeds from short term borrowings of ₹ 214.89 million.

Net cash generated from financing activities in fiscal 2012 was ₹ 761.27 million, primarily representing proceeds from long term borrowings of ₹ 3,028.71 million. This was offset in part by repayment of long term borrowings of ₹ 1,234.08 million, interest and processing fees paid of ₹ 629.69 million, net repayment of unsecured loans to corporates of ₹ 246.00 million and dividend and taxes paid thereon of ₹ 172.56 million.

Indebtedness

As of December 31, 2014, we had long term borrowings of ₹ 2,131.30 million and short term borrowings of ₹ 1,044.83 million. The following table sets forth certain information relating to our outstanding indebtedness as of December 31, 2014, and our repayment obligations in the periods indicated:

Particulars	**As of December 31, 2014**		
	Payment due by period		
	Total	**Less than 1 year**	**More than 1 year**
	(₹ in millions)		
Long Term Borrowings			
Secured	3,670.16	1,538.86	2,131.30
Unsecured	-	-	-
Total Long Term Borrowings	3,670.16	1,538.86	2,131.30
Short Term Borrowings			
Secured	1,044.83	1,044.83	-
Unsecured	-	-	-
Total Short Term Borrowings	1,044.83	1,044.83	-

Some of our financing agreements also include various conditions and covenants that require us to obtain lender consents prior to carrying out certain activities and entering into certain transactions. We cannot assure you that we will be able to obtain these consents and any failure to obtain these consents could have significant adverse consequences for our business. Specifically, we require, and may be unable to obtain, lender consents to make any change to our share capital; effect any scheme of amalgamation or reconstruction; implement a new scheme of expansion or take up an allied line of business; enlarge the scope of our trading activities; dispose the whole or substantially the whole of any undertaking; to commit, omit any act, deed or thing whatsoever as to incur winding up or liquidation process; invest any funds by way of deposits and loans in the share capital of other company; declare dividend if any instalments towards principal or interest remains unpaid; permit withdrawals of deposits/advances by friends/relatives/family members/proprietor; and dilution of capital or sale of fixed assets. Please see "*Financial Indebtedness*" on page 258 of this Red Herring Prospectus for further information.

We believe that our relationships with our lenders are good, and we have in the past obtained consents from them to undertake various actions and have informed them of our activities from time to time. Compliance with the various terms is, however, subject to interpretation and we cannot assure you that we have requested or received all consents from our lenders that are required by our financing documents. Any failure to comply with the requirement to obtain a consent, or other condition or covenant under our financing agreements that is not waived by our lenders or is not otherwise cured by us, may lead to a termination of our credit facilities, acceleration of all amounts due under such facilities and trigger cross default provisions under certain of our other financing agreements, and may adversely affect our ability to conduct our business and operations or implement our business plans.

Contractual Obligations and Commitments

The following table sets forth certain information relating to future payments due under known contractual commitments as of December 31, 2014, aggregated by type of contractual obligation:

Particulars	**As of December 31, 2014**

	Payment due by period			
	Total	Less than 1 year	1-5 years	More than 5 years
	(₹ in millions)			
Non-cancellable operating lease obligations	986.85	123.14	413.58	450.13

In addition, estimated amounts of contract remaining to be executed on capital account and not provided for (net of advances) was ₹ 88.10 million as of December 31, 2014.

Contingent Liabilities and Off-Balance Sheet Arrangements

The following table sets forth certain information relating to our contingent liabilities as of December 31, 2014:

Particulars	Amount (₹ in millions)
Claims against the Company not acknowledged as Debts	
- Income tax matters	53.08
- Customs Duty (refer note (c) below)	69.49
- PF and ESIC matters	1.29
- Other contractual matters	31.89
Disputed claims pending in Courts	60.33
Guarantees given on behalf of the Company by banks	4.05
Total	220.13

For further information, see Annexure 5, Note 3 of our restated financial statements beginning on page F-14 of this RHP.

Except as disclosed above or in our restated financial statements included in this RHP, there are no off-balance sheet arrangements that have or are reasonably likely to have a current or future effect on our financial condition, revenues or expenses, results of operations, liquidity, capital expenditures or capital resources that we believe are material to investors. We do not have any off-balance sheet arrangements, derivative instruments or other relationships with other entities that would have been established for the purpose of facilitating off-balance sheet arrangements.

Historical and Planned Capital Expenditures

Our historical capital expenditures were, and we expect our future capital expenditures to be, primarily for the purchase of vehicles for our goods and passenger transportation businesses and establishment of owned transshipment hubs. In fiscal 2012, 2013 and 2014 and in the nine months ended December 31, 2014, our capital expenditure (excluding capital advances) was ₹ 1,739.64 million, ₹ 470.00 million, ₹ 846.09 million and ₹ 502.45 million, respectively. We intend to use ₹ 674.15 million from the Net Proceeds of the Issue for funding the purchase of goods transportation vehicles. Please see "*Objects of the Issue*" on page 102 of this Red Herring Prospectus for further information on our proposed deployment of funds.

Related Party Transactions

We enter into various transactions with related parties. Primarily these transactions include managerial remuneration and rental payments. For further information relating to our related party transactions, see our restated financial statements included in the section "*Financial Statements*" beginning on page F-1 of this Red Herring Prospectus.

Interest Service Coverage Ratio

The interest service coverage ratio, which we define as earnings before interest and tax (EBIT) divided by interest cost) in fiscal 2012, 2013, 2014 and in the nine months ended December 31, 2014 was 1.97 times, 2.08 times, 2.18 times and 3.34 times, respectively.

Audit Remarks – Matters Relating to Companies (Auditors' Report) Order, 2003

Our statutory auditors have in their report on our restated financial statements highlighted certain matters relating to the Companies (Auditors' Report) Order, 2003, annexed to the audit reports on our audited financial statements for fiscal 2010, 2011, 2012, 2013 and 2014 and as more fully disclosed in Annexure 5, Note 18 of our restated financial statements beginning on page F-18 of this Red Herring Prospectus.

Quantitative and Qualitative Disclosures about Market Risk

Commodity Risk

In the goods and passenger transportation businesses, our primary market risk involves fluctuations in fuel prices, which can affect our profitability. Diesel fuel prices fluctuate significantly due to economic, political, and other factors beyond our control. While we attempt to pass along some or all of these costs to our customers through fuel surcharges or increases in our base freight rate or changes to our passenger ticket prices, there can be no assurance that we will be able to offset or otherwise address future increases in the price of fuel through such means. Market pressures may limit our ability to pass along such costs to our customers. For additional discussion on how the results of our operations are affected by fluctuations in the price and availability of our key materials, Please see "*Risk Factors*" on page 16 of this Red Herring Prospectus for further information.

Interest Rate Risk

Interest rates for borrowings have been volatile in India in recent periods. Our current debt facilities carry interest at variable rates as well as fixed rates. Therefore based on changes in the base rate of the respective lenders, which are subject to renegotiation at periodic intervals, movements in domestic interest rates constitutes the main source of interest rate risk. If the interest rates for our existing or future borrowings increase significantly, our cost of funds will increase. This may adversely affect our results of operations, planned capital expenditures and cash flows.

Credit Risk

We are exposed to credit risk on amounts owed to us by our clients. If our clients do not pay us promptly, or at all, it may impact our working capital cycle and/or we may have to make provision for or write-off on such amounts.

Inflation

Based on our analysis of the periods presented, we believe that inflation has not had a material effect on our operating results as inflationary increases in fuel and employee costs have generally been offset through increases in our base freight rate, passenger ticket prices, fuel surcharges and other price increases.

Unusual or Infrequent Events or Transactions

Except as described in this RHP, there have been no other events or transactions that, to our knowledge, may be described as "unusual" or "infrequent".

Known Trends or Uncertainties

Other than as described in this RHP, particularly in the sections "*Risk Factors*" and "*Management's Discussion and Analysis of Financial Condition and Results of Operations*" beginning on pages 16 and 223, of this Red Herring Prospectus, respectively, to our knowledge, there are no known trends or uncertainties that are expected to have a material adverse impact on our revenues or income from continuing operations.

Future Relationship between Cost and Income

Other than as described elsewhere in the sections "*Risk Factors*", "*Our Business*" and "*Management's Discussion and Analysis of Financial Condition and Results of Operations*" on pages 16, 143 and 223, respectively, to our knowledge there are no known factors that will have a material adverse impact on our operations and finances.

Seasonality of Business

The goods and passenger transportation businesses are not seasonal in nature, however, we witness sporadic periods of increased revenues and freight volumes during festivals and holiday periods. In relation to the goods transportation business we generally experience increased activity during the second and third quarter of our fiscal year, while we typically experience increased activity in our bus operations during the first quarter of our fiscal year. The wind power business is seasonal and revenues are higher in the first half as compared to the second half of the fiscal year. Therefore, due to the seasonality of the wind power business, we may experience some fluctuation in our quarterly revenues and profits.

Significant Dependence on a Single or Few Suppliers

We have historically procured most of our vehicles and spare parts from Ashok Leyland Limited in the goods transportation business. As a result of this supplier concentration, we are exposed to risk of dependence on one supplier. Any delay or non-conformity to quality requirements by Ashok Leyland Limited can impact our expansion plans in the goods transportation business and our ability to meet customer requirements. Further in relation to our wind power business we are significantly dependent on Suzlon Global Services Limited for the operations and maintenance of our wind power assets.

Competitive Conditions

We operate in a competitive environment. Please refer to the sections "*Our Business*", "*Industry Overview*" and "*Risk Factors*" on pages 143, 129 and 16, respectively, of this Red Herring Prospectus.

Significant Developments After December 31, 2014 that May Affect our Future Results of Operations

Except as stated in this RHP, to our knowledge, no circumstances have arisen since the date of the last restated summary statements as disclosed in this RHP which materially and adversely affects or is likely to affect, our trading or profitability, or the value of our assets or our ability to pay our liabilities within the next 12 months of the date of the last restated financial statements as disclosed in this RHP.

Except as stated in the RHP, there is no development subsequent to December 31, 2014 that we believe is expected to have a material impact on the reserves, profits, earnings per share and book value of the Company.

FINANCIAL INDEBTEDNESS

As on December 31, 2014, our Company has total outstanding secured borrowings amounting to ₹ 4714.99 million. Set forth below is a brief summary of our outstanding financial arrangements as on December 31, 2014.

Secured Term Loans

Provided below is a brief description of the secured loans availed by our Company as onDecember 31, 2014.

Name of the lender and loan documentation	Nature of facility and sanctioned amount (In ₹ million)	Total outstanding amount as on December 31, 2014 (In ₹ million)	Key terms and conditions
NKGSB Co-op Bank Limited through (a) sanction letter dated November 18, 2013 (b) term loan agreement dated November 27, 2013 (c) memorandum for deposit of title deeds dated November 26, 2013.	Term loan for ₹150 million.	127.29	Purpose: Corporate finance. Repayment: The loan facility is to be repaid in 60 equal monthly instalments of ₹ 3,531,738 each (including interest). Interest rate: Prime lending rate minus 0.75%, i.e. currently at 14.00% p.a. as of December 31, 2014. Penalties: Additional interest @ 2% (two percent) per annum over and above the rate stipulated, on account of (a) non submission of the financial statements (b) failure to pay instalments of repayment on the due date (c) failure to maintain security cover d) failure to pay interest. Prepayment: Charges @ 2% (two percent) will be recovered on the entire credit facilities (outstanding balance) at the time of takeover by any other bank/financial institution. Pre-payment charges will not be applicable if the credit facility is liquidated from own sources of the borrower. Events of default: Events of default under this term loan include among others: (a) if any instalment of the principal amount remains unpaid upon due date of the payment; (b) interest remains unpaid and in arrears after the same shall have become due whether demanded or not; (c) borrower commits any default or breach; (d) default in covenants, conditions of the term loan agreement etc. (e) borrower has entered into any arrangement or composition with the creditor or any act of insolvency; (f) if execution or distress is enforced or levied against the borrower's property; (g) appointment of receiver for borrower's property; (h) change in the borrower's constitution or managerial set up which may, under the opinion of the lender, may prejudice its claim and (i) if the borrower ceases or threatens to cease or carry on its business.

Name of the lender and loan documentation	Nature of facility and sanctioned amount (In ₹ million)	Total outstanding amount as on December 31, 2014 (In ₹ million)	Key terms and conditions
			Security: - Equitable mortgage by way of deposit of title deeds relating to land situated at Neeligin Road, Hubballi. - Personal guarantees of Dr. Vijay Sankeshwar and Mr. Anand Sankeshwar.
IDBI Bank through (a) sanction letter dated March 26, 2013 amended by sanction letter dated April 10, 2013 (b) loan agreement dated May 4, 2013 (c) declaration and undertaking dated May 22, 2013.	Term loan for ₹ 200 million.	113.33	*Purpose:* Corporate loan. *Repayment*: The loan facility is to be repaid in 36 equal instalments (including moratorium of 6 (six) months). *Interest rate*: Lender's base rate plus 3.50% *p.a.*, currently @ 13.75 % p.a. as of December 31, 2014, payable with monthly rests. *Penalties*: In case of default in payment, liquidated damages at the rate of 2% (two percent) on the defaulted amount for the period of default and payable on demand. *Prepayment*: Prior approval of IDBI will be required in case of prepayment including payment of premia for such prepayment @ 1% (one percent) of the outstanding amount. *Events of default*: Events of default under this term loan include among others: (a) default in repayment of principal sum and/or payment of an instalment of interest on the loan for a period of thirty days; (b) default in the performance of any representation, warranty, other covenants and conditions; (c) liquidation due to not being able to pay debts; (d) attachment or distraint has been levied on the asset; (e) appointment of receiver or liquidator; (f) any information given by the borrower, warranties made, information made in accordance with the reporting system is misleading or incorrect in material aspects; and (g) sale of any land, building structure and machinery of the borrower without prior approval of the lender. *Security*: - Demand promissory note and post dated cheque. - Extension of exclusive charges on land and building at Mysore, Dharwad, Gangavathi, and Bijapur in Karnataka which is already created to secure the existing overdraft limit of ₹ 100 million. The value of security to be equal to 1.25 times of the aggregate of corporate loan & overdraft limit. - Personal Guarantee of Dr. Vijay Sankeshwar and Mr. Anand Sankeshwar.
State Bank of	Term loan	75.86	*Purpose:* General corporate purpose

Name of the lender and loan documentation	Nature of facility and sanctioned amount (In ₹ million)	Total outstanding amount as on December 31, 2014 (In ₹ million)	Key terms and conditions
Mysore through (a) sanction letter dated April 23, 2012 (b) loan agreement dated June 25, 2012 (c) articles of agreement dated May 15, 2012; (d) letter dated May 24, 2012 for creation of mortgage.	for ₹ 150 million.		*Repayment*: The loan facility is to be repaid in 20 quarterly instalments of ₹ 7,500,000/ each with applicable interest. *Interest rate*: 3% above the base rate of State Bank of Msyore (currently, @ 13.50 % p.a as of December 31, 2014). *Penalties*: Nil. *Prepayment*: Nil. *Events of default*: Events of default under this term loan include among others: (a) non payment of principal sum of the loan on the due date; (b) non servicing of amount of interest on due date; (c) borrower becoming subject of proceedings under insolvency laws; (d) attachment of any part of the property of the borrower; (e) attachment on all or any part of the undertaking of the borrower; and (f) liquidation of the borrower. *Security* - Equitable mortgage of commercial and office premises located at Vashi, Navi Mumbai.
Tata Capital Financial Services Limited through (a) sanction letter dated January 18, 2012 (b) term loan agreement dated February 7, 2012 (c) memorandum of entry dated February 21, 2012.	Term loan for ₹ 300 million	137.349	*Purpose:* Construction of booking and delivery offices and transshipment. *Repayment*: The loan facility is to be repaid in 3 months moratorium period from the date of first disbursement and thereafter payable in 57 equal monthly instalments. *Interest rate*: Equal to long term lending rate less 4.50% i.e. currently @ 13.50% p.a. as on December 31, 2014. Floating rate currently is13.75%. *Penalties*: 4% (four percent) over and above the normal rate of interest shall be charged in case of delayed in payment from due date till the date of receipt. *Prepayment*: Fee @1% flat on the amount to be prepaid by the borrower. *Events of default*: Events of default under this term loan include among others: (a) failure to make payments of the outstanding dues; (b) if any representation, warranty, undertaking, covenant made by the borrower has been found to be incorrect; (c) if the agreement is terminated by the borrower; (d) any consent, authorization, approval or license or registration or declaration to government or public authority etc. is not granted or revoked or

Name of the lender and loan documentation	Nature of facility and sanctioned amount (In ₹ million)	Total outstanding amount as on December 31, 2014 (In ₹ million)	Key terms and conditions
			terminated or expires and is not renewed or otherwise ceases to be in full force ad effect; (e) change in the constitution/ownership/management/control of the borrower or that there is likely to be a change in the constitution/ownership/management/control of the borrower and such change in the opinion of the lender would adversely affect its interest; and (f) any material deterioration and/or impairment particularly in relation to the security created. *Security* - Irrevocable and unconditional personal guarantee of Dr. Vijay Sankeshwar and Mr. Anand Sankeshwar. - Equitable mortgage by way of deposit of title deeds for properties situated at Bijapur, Gadag, Raichur.
Tata Capital Financial Services Limited through (a) sanction letter dated February 16, 2013 (b) term loan agreement dated February 20, 2013 (c) memorandum by deposit of title deeds dated February 20, 2013.	Term loan for ₹ 32 million.	Nil	*Purpose:* Working capital purpose. *Repayment*: The loan facility is to be repaid in 18 monthly equated instalments. *Interest rate*: Equal to long term lending rate less 4.50% i.e. currently @ rate of 13.50% p.a. as on December 31, 2014. Floating rate currently is13.75%. *Penalties*: 2% over and above the normal rate of interest shall be charged in case of delayed in payment from due date till the date of receipt and 1% in case non creation of security or non submission of financial statements. *Prepayment*: Fee @1% flat on the amount to be prepaid by the borrower *Events of default*: Events of default under this term loan include among others: (a) failure to make payments of the outstanding dues, (b) if any representation, warranty, undertaking, covenant made by the borrower has been found to be incorrect; (c) If the agreement is terminated by the borrower; (d) any consent, authorization, approval or license or registration or declaration to government or public authority etc. is not granted or revoked or terminated or expires and is not renewed or otherwise ceases to be in full force ad effect; (e) change in the constitution/ownership/management/control of the borrower or that there is likely to be a change in the constitution/ownership/management/control of the borrower and such change in the opinion of the lender would adversely affect its interest and (f) any material deterioration and/or impairment particularly in relation to the security created.

Name of the lender and loan documentation	Nature of facility and sanctioned amount (In ₹ million)	Total outstanding amount as on December 31, 2014 (In ₹ million)	Key terms and conditions
			Security - Extension of equitable mortgage by way of deposit of title deeds for properties situated at Belgaum, Bijapur, Gadag, Raichur. - Irrevocable and unconditional personal guarantee of Dr. Vijay Sankeshwar and Mr. Anand Sankeshwar.
Saraswat Co-op Bank, through (a) sanction letter dated August 12, 2011 (b) loan agreement dated August 26, 2011 (c) recording letter dated August 26, 2011 evidencing deposit of title deeds.	Term loan for ₹ 1000 million	334	*Purpose:* Corporate loan *Repayment*: The loan facility is to be repaid within 60 months from the date of distribution by way of 50 monthly instalments of ₹ 16.65 million and 10 monthly instalments of ₹ 16.75 million (exclusive of interest). *Interest rate*: Equal to prime lending rate minus 2% p.a. currently @ rate of 12.75% p.a. as of December 31, 2014. *Penalties*: Penal interest ranging from 1% to 2% (one percent to two percent) above the applicable rate in default of payment of any installment of the said loan or payment of interest thereon. *Prepayment*: Prepayment charges @ rate of 2% (two percent) on outstanding amount at the time of prepayment, if the prepayment is not from the cash generated from the business or from the funds. *Events of default*: Events of default under this term loan include among others: (a) divesting of the facilities for purposes other than business (b) non payment of bank's dues within stipulated time; and (c) if the account of the borrower becomes a non performing asset. *Security* - Registered equitable mortgage of property situated at Chabbi village, Varur, Hubballi, Bangra Kulur village, Mangalore, Aralikatti Deshpande Galli, Belgaum. - Personal Guarantee of Dr. Vijay Sankeshwar.
Saraswat Co-op Bank through (a) sanction letter dated January 16, 2012 renewed by further sanction letter dated March 7,	Term loan for ₹ 400 million	153.35	*Purpose:* Additional corporate loan. *Repayment*: The loan facility is to be repaid in 59 monthly instalments of ₹ 66,66000 and 1 installment of ₹ 67,06,000 (exclusive of interest). *Interest rate*: Equal to prime lending rate. 14.50% i.e. currently @ 14.50% p.a. as of December 31, 2014.

Name of the lender and loan documentation	Nature of facility and sanctioned amount (In ₹ million)	Total outstanding amount as on December 31, 2014 (In ₹ million)	Key terms and conditions
2012. (b) additional loan agreement dated February 25, 2013 (c) confirmation on second and subsequent mortgage dated February 23, 2013.			*Penalties*: Penal interest ranges from 1 to 2% over the applicable rate of interest and charged on over due instalments. *Prepayment*: Nil. *Events of default*: Events of default under this term loan include among others: (a) non compliance or breach of any terms and provisions stipulated in the transaction documents; (b) incorrect information and particulars in the relevant documents; (c) any instalment remaining unpaid; (d) any interest remaining unpaid and in arrears for three months; (e) entering into an arrangement with the creditors; (f) any execution or distress being enforced or levied against the whole or any part of the property; (g) proceedings for liquidation; (h) appointment of receiver; (i) adjudicating insolvent of the borrower; and (i) borrower ceasing to carry business. *Security* - Registered equitable mortgage of property situated at Chabbi village, Varur Hubballi, Bangra Kulur village, Mangalore, Aralikatti Deshpande Galli, Belagum. - Personal Guarantee of Dr. Vijay Sankeshwar & Mr. Anand Sankeshwar.
Saraswat Co-op Bank through (a) sanction letter dated September 17, 2014 (b) additional loan agreement dated September 30, 2014 (c) confirmation on second and subsequent mortgage dated September 29, 2014.	Term loan for ₹ 250 million	237.53	*Purpose:* Additional corporate loan. *Repayment*: The loan facility is to be repaid in 60 monthly instalments comprising of ₹ 41,66,000 payable into 59 installments and 1 installment of ₹ 42,06,000.(exclusive of interest). *Interest rate*: Prime lending rate minus 2%. 14.50% minus 2.00% i.e. 12.50% *Penalties*: Penal interest ranges from 1 to 2% over the applicable rate of interest and charged on over due instalments. *Prepayment*: 2% of the outstanding amount at the time of prepayment. *Events of default*: Events of default under this term loan include among others: (a) non compliance or breach of any terms and provisions stipulated in the transaction documents; (b) incorrect information and particulars in the relevant documents; (c) any instalment remaining unpaid; (d) any interest remaining unpaid and in arrears for three months; (e) entering into an arrangement with the creditors; (f) any execution or distress being enforced or levied against the whole or any part of the property; (g) proceedings for liquidation; (h) appointment of receiver; (i)

Name of the lender and loan documentation	Nature of facility and sanctioned amount (In ₹ million)	Total outstanding amount as on December 31, 2014 (In ₹ million)	Key terms and conditions
			adjudicating insolvent of the borrower; and (i) borrower ceasing to carry business. *Security* - Registered equitable mortgage of property situated at Chabbi village, Varur Hubballi, Bangra Kulur village, Mangalore, Aralikatti Deshpande Galli, Belagum. - Personal Guarantee of Dr. Vijay Sankeshwar and Mr. Anand Sankeshwar.

Working Capital Facilities

Provided below is a brief description of the working capital facilities obtained by our Company as on December 31, 2014.

Name of the lender and loan documentation	Sanctioned amount (In ₹ million)	Total outstanding amount as on December 31, 2014 (In ₹ million)	Key terms and conditions
The Shamrao Vithal Co-operative Bank Limited through (a) sanction letter dated August 12, 2013, read with earlier sanction letters dated August 7, 2003, November 22, 2004, September 30, 2005, February 20, 2007, August 2, 2008, June 18, 2010, July 19, 2010, November 3, 2010, June 30, 2011 and September 7, 2012 (b) recording letter dated August 12, 2013 evidencing deposit of title deeds; (c) deed of hypothecation for additional advances dated August 12, 2013.	Credit facility for ₹ 950 million.	839.02	*Purpose: Credit facility.* *Repayment*: Repaybale on demand. *Interest rate*: Currently @ 13% p.a. as of December 31, 2014. *Penalties*: Penal interest will be charged @ 2% (two percent) on the outstanding installment. *Prepayment*: Takeover facility by any other bank or financial institution will attract a penalty @ 3.00% on the outstanding balance in the account at the time of takeover. *Events of default:* Events of default under this facility include among others: (a) non compliance/ breach of any provisions of the facility and (b) furnishing incorrect information in the relevant documents. *Security* - Registered equitable mortgage of the properties situated at Gulbarga, Davanagere, Belgaum, Chitradurga. - Hypothecation of vehicles. - Pledge of fixed deposits. - Personal Guarantee of Dr. Vijay Sankeshwar and Mr. Anand Sankeshwar.

Name of the lender and loan documentation	Sanctioned amount (In ₹ million)	Total outstanding amount as on December 31, 2014 (In ₹ million)	Key terms and conditions
ICICI Bank through (a) Master facility agreement dated October 11, 2012 (b) Supplemental and Amendatory agreement dated August 30, 2013 (c)Supplemental and Amendatory agreement dated august 27, 2014 (d) credit arrangement letter dated August 30, 2012 (e) credit arrangement letter August 26, 2013 (f) Sanction letter dated August 26, 2014	Credit facility for ₹ 45.70	(0.68)	*Purpose:* Working capital finance *Repayment*: Facility shall be repaid by payment of ₹ 476042 on monthly basis over a period of 96 months. *Interest rate*: Currently @ 13.75% p.a. as of December 31, 2014. *Penalties*: In case of breach continuing beyond 15 days, 1% shall be levied over and above interest rate of the facility. Default interest rate shall be 6% over the documented rate in case of excess drawings or excess over limit. *Prepayment*: Premium of 2% shall be payable *Events of default*: Events of default under this facility include among others: (a) if the limits or part of limits are not utilised, (b) deterioration of the creditworthiness of the borrower (c) non compliance of any of the terms of the transaction documents. *Security* - Exclusive charge by way of equitable mortgage over property situated in NCM Building Hubballi. - Irrevocable and unconditional personal guarantee of Dr. Vijay Sankeshwar and Mr. Anand Sankeshwar. - Cheques in favour of the lender of which one for total facility amount and one for two quarter interest.
IDBI Bank through (a) sanction letter dated August 8, 2014 (b) sanction letter dated April 6, 2013 (c) facility agreement dated December 3, 2011 (d) declaration and undertaking dated February 15, 2012.	Credit facility for ₹ 100 million.	17.45	*Purpose:* Working capital requirements. *Repayment*: Payable on demand. As per the terms repayment due on June 23, 2015. *Interest rate*: Equal to base rate plus 275 bps i.e. currently the rate is 13% p.a. as of December 31, 2014. *Penalties*: Penal interest of 2% over and above the rate charged till the repayment in case facilities are diverted to inter corporate deposits, stocks and shares, real estate business. Default in submitting balance confirmation certificate, annual report and such other information & documents may attaract peanl interest @ rate of 2% on the outstanding amount at the discretion of IDBI.

Name of the lender and loan documentation	Sanctioned amount (In ₹ million)	Total outstanding amount as on December 31, 2014 (In ₹ million)	Key terms and conditions
			Prepayment: Nil *Events of default*: Events of default under this facility include among others: (a) company incurring net loss; (b) or change in management without prior intimation to the lender. *Security* - Demand promissory note and post dated cheque. - Extension of exclusive charges on land and building at Mysore, Dharwad, Gangavathi, and Bijapur in Karnataka. - Personal Guarantee of Dr. Vijay Sankeshwar and Mr. Anand Sankeshwar.
Saraswat Co-op Bank Limited, through (a) sanction letter dated February 17, 2014 (b) loan agreement dated March 11, 2014 (c) memorandum on deposit of title deeds dated March 11, 2014.	Credit facility for ₹ 250 million.	189.04	*Purpose:* Overdraft facilities *Repayment*: Repayable on demand and renewal every year within maximum of 6 months from the close of the accounting year of the company. *Interest rate*: Equal to prime lending rate minus 2% i.e. currently @ 12.50% p.a. as of December 31, 2014. *Penalties*: Penal interest @ rate of 2% above the applicable rate in case on default of payment on any instalment. *Prepayment*: Prepayment charges @ rate of 2% on the outstanding amount at the time of prepayment if the prepayment is not from the cash generated from the business or from the funds. *Events of default*: Events of default under this term loan include among others: (a) non compliance or breach of any terms and provisions stipulated in the transaction documents; (b) incorrect information and particulars in the relevant documents; (c) any instalment remaining unpaid; (d) any interest remaining unpaid and in arrears for three months; (e) entering into an arrangement with the creditors; (f) any execution or distress being enforced or levied against the whole or any part of the property; (g) proceedings for liquidation; (h) appointment of receiver; (i) adjudicating insolvent of the borrower; and (i) borrower ceasing to carry business *Security* - Registered equitable mortgage of property

Name of the lender and loan documentation	Sanctioned amount (In ₹ million)	Total outstanding amount as on December 31, 2014 (In ₹ million)	Key terms and conditions
			situated at (i) Bangra Kulur and Padukodi Mangalore, Taluka (ii) Aralikatti Deshpande Galli, Belgaum, Chabbi Village Varur. - Personal guarantee of Dr. Vijay Sankeshwar and Mr. Anand Sankeshwar.

Vehicle Loans

The Company has entered into arrangements with following banks (i) Axis Bank Limited (ii) HDFC Bank Limited (iii) ICICI Bank Limited (iv) ING Vysya Bank Limited (v) Kotak Mahindra Bank Limited (vi) Yes Bank Limited (vii) Daimler Financial Services India P Ltd. (viii) Indiabulls Financial Services Ltd. (ix) Kotak Mahindra Prime Limited (x) L&T Finance Limited (xi) Magma Fincorp Limited (xii) Religare Finvest Limited (xiii) SREI Equipment Finance Limited (xiv) The Saraswat Co-opertive Bank Limited (xv) Tata Capital Financial Services Limited. The total disbursed amount pertaining to vehicle loans as at December 31, 2014 was ₹ 4,619.91 million and the total amount outstanding as on December 31, 2014 was ₹ 2,492.47 million. The rate of interest for the below vehicle loans vary from 9.25% to 13.50% and most of them are typically repayable by way of monthly installments. The vehicles acquired pursuant to these loans have been hypothecated with the respective lenders. The prepayment penalty for our vehicle loans vary from 2% to 4% on pre-payment amount. The penalty is generally charged for delay in payment which varies from 0.1% to 2%. The vehicle, for which the loan has been availed, is generally hypothecated as security for these loans. The events of default for the vehicle loans among others include the following:

i. The borrower failing to pay the insurance premium;
ii. The hypothecated vehicle is damaged due to accident or any other reason;
iii. The hypothecated vehicle is stolen or untraceable;
iv. The hypothecated vehicle is attached or confiscated;
v. The borrower fails to register the vehicle with appropriate authorities.

Restrictive covenants with respect to our borrowings

Under our secured financing arrangements, our Company cannot do among others the following, without the lender's prior written consent:

i. make any change to its share capital;
ii. effect any scheme of amalgamation or reconstruction;
iii. implement a new scheme of expansion or take up an allied line of business;
iv. enlarge the scope of its trading activities;
v. dispose the whole or substantially the whole of any undertaking;
vi. do commit, omit any act, deed or thing whatsoever as to incur winding up or liquidation process etc;
vii. invest any funds by way of deposits and loans in the share capital of other company
viii. declare any dividend if any instalments towards principal or interest remains unpaid;
ix. permit withdrawals of deposits/advances by friends/relatives/family members/proprietor; and
x. dilution of capital or sale of fixed assets.

SECTION VI: LEGAL AND OTHER INFORMATION

OUTSTANDING LITIGATION AND MATERIAL DEVELOPMENTS

Except as described below and other than as disclosed in the section “*Financial Statements*” on page F-1 of this Red Herring Prospectus, there are no outstanding litigation, suits or criminal or civil proceedings or tax liabilities against us, our Promoters, Directors or Group Companies, whose outcome would have a material adverse effect on our business and there are no defaults, non-payment or overdues of statutory dues, institutional or bank dues or dues payable to holders of any debentures, bonds and fixed deposits, that could have a material adverse effect on our business as of the date of this Red Herring Prospectus. Furthermore, except as stated below, in the last five years preceding the date of this Red Herring Prospectus there have been (a) no instances of material frauds committed against our Company (b) no inquiries, inspections or investigations initiated or conducted under the Companies Act or any previous companies law in the case of our Company and, if there were any prosecutions filed (whether pending or not), no fines imposed or compounding of offences; (c) no litigation or legal action pending or taken by any ministry or department of the government or any statutory body against the Promoters.

Except as described below, there are no proceedings initiated for economic or civil offences or any disciplinary action taken by SEBI or any stock exchange, penalties imposed by any authorities against our Company and Directors and no adverse findings in respect of our Company as regards compliance with securities laws. Further, except as described below, there are no instances where our Company or Directors have been found guilty in suits or criminal or civil prosecutions, or proceedings initiated for economic or civil offences or any disciplinary action by SEBI or any stock exchange, or tax liabilities.

Unless stated to the contrary, the information provided below is as on the date of this Red Herring Prospectus.

Contingent Liabilities

There are no contingent liabilities as on December 31, 2014 not provided for and outstanding except as stated below:

Particulars	Amount (₹ millions)
Claims against the Company not acknowledged as debts	
Income tax matters	53.08
Customs duty	69.49
PF and ESIC matters	1.29
Other contractual matters	31.89
Disputed claims pending in courts	60.33
Guarantee given on behalf of the Company by banks	4.05
Total	220.13

Summary

Given below is a summary of the litigation involving our Company, Directors, Promoters and Group Entities as on the date of this Red Herring Prospectus:

Nature of cases	Number of cases	Approximate total amount involved (₹ in millions)
Proceedings involving our Promoter and Director (Dr. Vijay Sankeshwar)		
Criminal	(Filed against Dr. Vijay Sankeshwar)- 5	NIL
	(Filed by Dr. Vijay Sankeshwar)-5	NIL
Civil	(Filed against Dr. Vijay Sankeshwar)-1	10

Nature of cases	Number of cases	Approximate total amount involved (₹ in millions)
Tax	NIL	NIL
Statutory	NIL	NIL
Proceedings involving our Promoter and Director (Mr. Anand Sankeshwar)		
Civil	(Filed against Mr. Anand Sankeshwar)- 1	0.05
Criminal	NIL	NIL
Tax	1	0.06
Statutory	NIL	NIL
Proceedings involving our Director – Mr. Chantam K. Shetty		
Civil	1	0.05
Criminal	NIL	NIL
Tax	NIL	NIL
Statutory	NIL	NIL
Proceedings against the Company		
Criminal	9	0.91
Civil*	1171	1244.12*
Writ	1	NIL
Labour	103	78.41
Consumer Cases	38	9.14
Tax	8	161.34
Proceedings by the Company		
Criminal	57	13.64
Civil	60	40.66
Tax	NIL	NIL
Labour	NIL	NIL
Consumer Cases	1	2.5
Writ	11	1.44
Proceedings involving our Group Entities - VRL Media		
Civil	(Against VRL Media)- 26	1.51
	(Filed by VRL Media) - 4	11.28
Criminal	(Filed by VRL Media) - 18	4.73
	(Against VRL Media) - 7	NIL
Tax	NIL	NIL
Statutory	NIL	NIL
Proceedings involving our Group Entities - Shiva Agencies		
Civil	1	NIL
Criminal	NIL	NIL
Tax	NIL	NIL
Statutory	NIL	NIL
Proceedings involving our Group Entities - Shri Ayyappa Bhakta Vrunda Trust		
Civil	NIL	NIL
Criminal	NIL	NIL
Tax	NIL	NIL

Nature of cases	Number of cases	Approximate total amount involved (₹ in millions)
Statutory	NIL	NIL
Proceedings involving our Group Entities - Aradhana Trust		
Civil	NIL	NIL
Criminal	NIL	NIL
Tax	NIL	NIL
Statutory	NIL	NIL
Total	1529	1579.84

Note: The amounts indicated in the column above are approximate amounts, wherever quantifiable.

* *The information provided in relation to the outstanding civil matters under the Motor Vehicles Act, 1988 involving the Company is as on March 28, 2015.*

I. PROCEEDINGS INVOLVING OUR COMPANY

Outstanding litigation and proceedings initiated against our Company

Criminal

1. A criminal complaint was filed against the driver of the vehicle bearing registration number TN 30L 3820 belonging to the Company by Inspector of Police Civil Supplies, CID. The complaint was based on the allegation that the vehicle was carrying a consignment of 22 rice bags said to be belonging to the government and in contravention of the Tamil Nadu Schedule Commodities (Regulation and Distribution by Card System) Order, 1982 and the Essential Commodities Act, 1955. The Civil Supplies Department Authorities of the Government of Tamil Nadu seized the vehicle of the Company along with the consignment. The Company had filed a petition before Judicial Magistrate First Class, Ponneri for release of vehicle which was dismissed and therefore a criminal revision petition was filed before the High Court of Madras challenging the order dated August 7, 2006 of the Judicial Magistrate First Class, Ponneri in dismissing the application for release of the vehicle. The Company's vehicle was released at the intervention of the High Court. This matter is presently under investigation by the police bearing crime number 370 of 2006.

2. In 2009, a criminal complaint was filed against the Company by Maharashtra Seeds Suppliers, Baramati in relation to a consignment booked from Baramati to Akola for transportation of seeds. In the matter the Judicial Magistrate, First Class, Baramati directed the Baramati town police for investigation into the matter relating to criminal breach of trust and cheating by the Company. The Company filed a criminal petition (2784 of 2010) before the High Court of Bombay for quashing the orders of the Judicial Magistrate, First Class, Baramati. The Hon'ble High Court passed an interim order dated January 31, 2011 granting a stay on the proceedings in the criminal complaint pending the final disposal of the writ petition. The writ petition is pending for disposal.

3. Two vehicles of the Company were hired by a contractor in order to transport scrap i.e. rails belonging to the railway department. However, the contractor was transporting the same without any permission/authority from the concerned railway department. Accordingly, a theft case was filed before the Judicial Magistrate First Class, Basavanabagewadi bearing case number of RPF NO: 1/2010 as vehicles belonging to the Company were seized along with goods worth ₹ 400,000 for alleged unlawful possession of railway property. The Judicial Magistrate First Class, Basavanabagewadi, released the vehicles of the Company subject to certain conditions and indemnity bond. The matter is pending disposal.

4. M/s. Suderson Corporation, Vadodara booked a consignment from Vadodara to Coimbatore consisting 3 barrels containing a chemical called Industrial IPA. However on enquiry, Police of Coimbatore seized the said consignment from Company's Coimbatore godown suspecting that said consignment contains "contraband goods i.e. rectified SPIRIT being used for manufacture of liquor" and alleging violation of Tamil Nadu Rectified Spirit Rules 2000 and Tamil Nadu Prohibition Act. Hence, case was filed by the Police bearing CC No: 126/2011 before JMFC – Coimbatore whereby an employee of the Company was

made one of the accused in the case. The case is still pending for disposal.

5. The Company had taken booking of certain consignment during the time of general assembly elections in February 2013 containing sarees to be transported from Surat to Shivamogga. The police authorities of Tunganagar police station, Shivamogga seized the consignment on the suspicion that the consignments were containing sarees etc. to be distributed to the voters alleging misconduct in the general assembly election. Accordingly a criminal complaint bearing number 1536/2011 was filed before 3rd Additional Civil Judge and Judicial Magistrate First Class – Shivamogga, Karnataka. The 3rd Additional Civil Judge and Judicial Magistrate First Class – Shivamogga, Karnataka passed an order November 5, 2013 declaring that the Company is not to claim freight and storage charges of ₹ 52,148. In view of the same, a criminal revision petition (No. 246/2013) was filed by the Company before the Court of I Addl Sessions Judge at Shivamogga, which was dismissed by order dated July 19, 2014.

6. M./s Bansal Alloys had booked a consignment to Hyderabad with the Company on 'freight to pay basis' and that the consignee had to take delivery of the consignment after paying a sum of ₹ 23,156 towards freight and ₹ 84,000 towards storage charges for delay in taking delivery of the consignment by the consignee. However, the consignee never came forward to take the delivery of the consignment; the consignment was returned to the Company's godown. M/s Bansal Alloys filed a complaint against the Company alleging unlawful withholding of the consignment. The said case was registered at Mandigovindgarh Police Station under FIR No: 17/14 dated January 10, 2014. Parties have entered into a compromise and the same is pending for orders of the court.

7. A police complaint was filed by Mrs. Rani Sharma who is the wife of an ex-agent of the Company named Mr. Vinod Sharma alleging theft of goods when employees of the Company named Mr. Anant Rao Desai and two others went to take charge of the agency office of Mr. Vinod Sharma at Dev Nagar – Delhi after his agency was terminated. Mr. Vinod Sharma was absconding and therefore employees of the Company went ahead to take charge of the goods in the agent's custody. The matter is currently pending.

8. On October 29, 2014, the Assistant Police Sub Inspector, Town Police Station - Koppal seized the vehicle KA-25/A-2415 of the Company based on the information that vehicle was illegally loading the wheat and rice belonging to government under public distribution system and registered a criminal complaint under section 3 and 7 of the Essential Commodities Act, 1955. Accordingly, a criminal complaint bearing crime no. 0239/2014 is registered in Koppal Town Police Station by Mallappa Devappa Halyal, against Abdul Rehman (consignor), Ambresh Soogappa Oli (driver of the Company) and Sharanappa Mallappa (manager of the Company) in relation to the same. In order to release the vehicle, the Company has given a bank guarantee issued by the State Bank of Hyderabad for ₹ 350,000. By an interim order dated November 6, 2014, the Deputy Commissioner ordered release of the vehicle of the Company. The case is pending disposal.

9. A criminal complaint has been filed by Karnataka Forest Department under Karnataka Forest Act 1963 against Basavaraj Ningappa Teliyavar (driver of one of the vehicles of the Company) for transporting 119 bags of Saptarangi Plant Stems, raw material which is being used for manufacture of ayurvedic medicines without obtaining the required specific forest permit and accordingly in violation of Forest Rules 1969 and Biological Diversity Act 2002. The said consignment of Saptarangi Plant Stems was booked by M/s. Venkateshwara Traders - Chennai in favour of M/s S. V. Ayurvedic Bhandar- Mumbai. The forest authorities at Nippani seized the vehicle of the Company bearing no. KA 25 A 7608 along with the consignment. The vehicle of the Company was released for interim custody on production of a bank guarantee for ₹ 400,000 of State Bank of Mysore and subject to certain conditions. The matter is pending disposal

Civil

1. ***Subrogation Proceedings***

Various parties, ("**Consignors**"), had used our services to transport goods, which inadvertently, whether due to an accident or otherwise, got damaged in transit. In each of these cases, the Consignors had insured the relevant goods, and, the relevant insurance company had settled the claims of the Consignor for the goods which were damaged in transit. Subsequently, the relevant insurance companies had, along with the relevant Consignor, initiated proceedings against us, the details of which are as follows:

Sr. No.	***Plaintiff(s)/Petitioner(s)***	***Reference Number of Case***	***Name and Address of Forum***	***Approximate Aggregate Claim Amount (₹ in millions)***
1.	Astra IDL Ltd. & Oriental Insurance Company Limited	OS: 120/1996 EXE: 449/2006 MISC. PETN: 258/2005	City Civil Court Bangalore	0.19
2.	Glenmark Pharmaceuticals & Oriental Insurance Co. Ltd.	OS:4198/2001 C.M.P.NO: 1/2009 A.S.NO:230/2009	Additional City Civil Judge - Chennai	0.7
3.	Parry Confectionery & New India Ins. Co. Ltd.	OS: 3902/2001 S.A.: 82945/2008 A.S.NO: 489/2007	Additional City Civil Judge, Chennai	0.13
4.	Rane Engine Valves Ltd. & United India Ins. Co. Ltd.	OS: 2975/2003 SA: 1215/2008 AS: 24/2007	High Court at Chennai	0.07
5.	Mahyco Seeds Ltd. & United India Ins. Co. Ltd.	RCS: 386/2006	Civil Judge (Senior Division), Jalna	0.03
6.	Anglo French Textiles & National Insurance Co. Ltd.	OS: 1380/2010	1st Additional District Munsiff Court – Puducherry	0.04
7.	Hindustan Aeronautics Ltd & United India Insurance Company Ltd	OS: 7665/2013	XVI Additional City Civil Judge (CCH-12) – Bangalore	2.04
8.	National Insurance Co. Ltd. – Chickmagalur and Ratnagiri Impex Private Limited	OS: 137/2014	Principal Civil Judge & JMFC – Puttur	0.11
9.	National Insurance Co. Ltd & Adduco Engineering	OS: 2790/2014	II Assistant City Civil Judge – Chennai	0.06

All the above proceedings are pending hearing and final disposal.

*2. **Miscellaneous Proceedings initiated against the Company***

Sr. No.	***Plaintiff / Petitioners / Complainant/ Applicant***	***Reference Number of Case***	***Name And Address of Forum***	***Brief Particulars of Case***	***Approximate Aggregate Claim Amount (₹ in millions)***	***Current Status***
1.	Ramkumar Mills Limited	OS: 8611/2001	City Civil Judge at Bangalore,	Ramkumar Mills Limited alleged that the Company delivered goods without collecting the original consignee's copy of the way bill, and has accordingly claimed the value of the goods.	0.71	Matter is pending hearing and final disposal.
2.	Velumani Engineering Industry	OS: 315/2009	Court of Subordinate Judge,	Velumani Engineering Industry has filed the suit alleging that the	0.127	Suit decreed against the Company.

Sr. No.	*Plaintiff / Petitioners / Complainant/ Applicant*	*Reference Number of Case*	*Name And Address of Forum*	*Brief Particulars of Case*	*Approximate Aggregate Claim Amount (₹ in millions)*	*Current Status*
			Coimbatore	goods delivered to the consignee were different from the goods originally booked.		
		Revision Petition No: 4069/2012 filed by the Company	High Court of - Madras	Company has filed a Revision Petition in the High Court of Madras at Chennai against the ex-parte order passed by the Court of the Subordinate Judge, Coimbatore.		Revision Petition filed by the Company is pending hearing and final disposal.
3.	K.N.N. Unni (ex-agent at Kozhikode)	OS: 207/2010 CRP No. 624/2014	Subordinate Judge, Kozhikode	KNN Unni was an agent of the Company at Kochi. His agency was terminated by the Company for violation of the terms and conditions of the agency agreement. Suit was filed by K.N.N. Unni claiming that the termination is illegal and he claimed an amount of ₹ 600,000 from the Company. The Suit was dismissed for default and has been recently restored by the Court of the Subordinate Judge, Kozhikode. Company has challenged the restoration by filing a Civil Revision Petition before the High Court of Kerala, Ernakulam. which was dismissed on December 12, 2014.	0.6	Matter is pending hearing and final disposal.
4.	Sri Sai Krishi Kendra (a proprietary concern)	OS: 348/2007 RA: 73/2008 (filed by the Company), RA: 86/2008 (filed by Sri Sai Krishi Kendra)	Principal Civil Judge (Senior Division), Hubballi	Claim was filed for delay in delivery and damage to the consignment. The Consignee took delivery of the goods after some days due to lack of space at the Consignee's godown. Suit decreed directing the Consignor to pay	0.15	Matter is pending hearing and final disposal.

Sr. No.	*Plaintiff / Petitioners / Complainant/ Applicant*	*Reference Number of Case*	*Name And Address of Forum*	*Brief Particulars of Case*	*Approximate Aggregate Claim Amount (₹ in millions)*	*Current Status*
		RSA: 5777/2013 & 5778/2013 (filed by the Company)	High Court of Karnataka - Dharwad	the cost of the consignment and directing the Company to return the goods. However, Consignee had already taken delivery of the consignment and the trial court granted a decree against the Company. Company had filed regular appeal RA: 73/2008 in the Court of I Additional District & Sessions Judge, Dharwad sitting at Hubballi, which was dismissed and the Company has also filed regular second appeals RSA: 5777/2013 and RSA: 5778/2013 before Karnataka High Court, Dharwad Bench challenging the decree.		
5.	Kasturi Bai Yalasangi	OS: 618/1993; RSA: 1074/2006 (filed by the Company)	High Court of Karnataka, Gulbarga Bench	Kasturi Bai Yalasangi has challenged the sale deed for purchase of property by the Company from one Suresh G. Athnoor.	NIL	Matter is pending hearing and final disposal.
6.	Fathima Begum and others, (“**Claimants**”)	LGC: 42/2000 WP: 6417/11 – filed by the Company	Special Court under the A.P. Land Grabbing (Prohibition) Act, 1982, at Hyderabad High Court of Judicature of Andhra Pradesh, at Hyderabad	Certain premises admeasuring 1,100 square feet had been leased to the Company, by one Mr. Ramanand Agarwal claiming to be the rightful owner of the premises. The Claimants have claimed that they are the rightful owners and have accordingly initiated these proceedings, wherein the Company has been made a party since it is	NIL	Matter is pending hearing and final disposal.

Sr. No.	*Plaintiff / Petitioners / Complainant/ Applicant*	*Reference Number of Case*	*Name And Address of Forum*	*Brief Particulars of Case*	*Approximate Aggregate Claim Amount (₹ in millions)*	*Current Status*
				a lessee of the said premises. The Special Court under the Andhra Pradesh Land Grabbing (Prohibition) Act ordered the eviction of all occupants in the property. The Company has filed a writ petition challenging this order as illegal to the extent of the Company's rights to occupy the property as a lessee.		
7.	S. Prabhakaran (ex-agent Vaniyambadi)	OS: 88/2009	Additional District Munsiff, Vaniyambadi	S. Prabhakaran was an agent of the Company at Vaniyambadi who has filed this petition seeking restraint of termination of his agency.	NIL	Matter is pending hearing and final disposal.
8.	Manoj Katan (ex-agent Kannur)	OS: 252/2010	Additional Munsiff, Kannur	Manoj Katan was an agent of the Company at Kannur who has filed this petition challenging the termination of his agency.	Nil	Matter is pending hearing and final disposal.
9.	Kukkadapu Nookaratnam - Tuni	OS: 285/2010	Senior Civil Judge – Tuni	Dispute between an agent of the Company at Tuni (Lessee) and the owner of the godown (Lessor), which was taken on lease by the agent. The Lessor has made the Company a party to the suit (liable jointly and severally) along with the Lessee i.e. the agent for non-payment of rent. The Company has submitted a reply to the notice of the Lessor directing it to settle the dispute with the Lessee and not make the Company a party.	Nil	Matter is pending hearing and final disposal.

Sr. No.	Plaintiff / Petitioners / Complainant/ Applicant	Reference Number of Case	Name And Address of Forum	Brief Particulars of Case	Approximate Aggregate Claim Amount (₹ in millions)	Current Status
10.	Prem Kumari - Mysore	OS: 697/2011	III Additional Senior Civil Judge – Mysore	On January 06, 2006, the Company purchased some property at Mysore by way of a registered sale deed and paying a valuable sale consideration of ₹ 4,357,501. Prem Kumari claiming her share in the property has filed suit against the sellers of the property and the Company. Suit has been filed after more than six years of registering the sale. Company has filed a written statement denying the share of Prem Kumari.	Nil	Matter is pending hearing and final disposal.
11.	State of Andhra Pradesh represented by Agricultural Officer cum Seed Fertilizer Inspector	ECAC No: 49/2012	District Collector - Warangal	The Agricultural Officer cum Seed Fertilizer Inspector, Warangal has seized certain consignments of cotton seeds under the Essential Commodities Act 1955, being transported by the Company from Indore to Warangal and arraying the Company as one of the respondents for abetting the illegal transport of these cotton seeds.	Nil	Matter is pending hearing and final disposal.
12.	Reshma Sandesh Nangre	Special Civil Suit No: 2354/2011	Civil Judge, Senior Division – Pune	It is a partition suit and Reshma Sandesh Nangre has filed a case claiming her share in the property at Shukravarpeth in Pune, which has been taken on lease by the Company from her father Sri Dattatraya Ambadas Jadhav	Nil	Matter is pending hearing and final disposal.

Sr. No.	Plaintiff / Petitioners / Complainant/ Applicant	Reference Number of Case	Name And Address of Forum	Brief Particulars of Case	Approximate Aggregate Claim Amount (₹ in millions)	Current Status
				(Lessor), by way of an oral rent agreement for a monthly rent of ₹ 17,424. After the death of her father the Company has been lawfully occupying the said premises and been paying the agreed monthly rent to the Lessor's son (the Plaintiff's brother). The Company has filed a written statement denying the contents of the plaint filed by the Plaintiff.		
13.	Kishore Kumar Oswal	OS: 20/2009	District Court, Balotra	Kishore Kumar Oswal has claimed a payment of ₹ 51,500 from Ramdev Cloth Stores for a consignment delivered using the Company's vehicle in December 2005. The Company has been impleaded as a defendant, however no money has been claimed from the Company.	0.052	Matter is pending hearing and final disposal.
14.	Rafi Cut Pieces – Narsapur	OS: 14/2011	Court of the Junior Civil Judge - Narsapur	Rafi Cut Pieces has claimed a payment of ₹ 38,461 i.e. the value of the Consignment which was delivered in a damaged condition by the Company.	0.038	Suit is decereed against the Company. The Company has drawn a demand draft of ₹ 46,522 in favour of the Principal Junior Civil Judge and awaits a copy of the order sheet recording the proof of deposit.

Sr. No.	Plaintiff / Petitioners / Complainant/ Applicant	Reference Number of Case	Name And Address of Forum	Brief Particulars of Case	Approximate Aggregate Claim Amount (₹ in millions)	Current Status
15.	Sri Bhagyalakshmi Sainath Silks Prop: (G. Kalpana)	OS: 174/2011	IV Additional Junior Civil Judge - Rajahmundry	Consignment booked by Sri Bhagyalakshmi Sainath Silks from Rajahmundry to Narasannapeta duly delivered to the Consignee against driver's copy of the way bill without collecting the original Consignee's copy of the way bill. Consignor filed the case alleging that he had requested for rebooking of the consignment back to Rajahmundry, hence compensation claimed.	0.052	Matter is pending hearing and final disposal.
16.	Jainson Wool Combers Pvt Ltd - Ludhiana	Suit filed in the court of Shri. Jatindar Pal Singh Wahnival, Civil Judge (Senior Division) Ludhiana	Civil Judge (Senior Division) Ludhiana, in the court of Shri. Jatindar Pal Singh Wahnival	While transporting the consignments i.e. power cables belonging to Jainson Wool Combers Pvt Ltd, two main power cables got damaged, hence case filed for the said loss.	0.209	Matter is pending hearing and final disposal.
17.	Vamshi Rubber Limited - Hyderabad	OS: 431/2012	IV Senior Civil Judge, City Civil Court - Hyderabad	That the consignments booked from Hyderabad to Vishakhapatnam by the Consignor were duly delivered to the Consignee i.e M/s. Taj Tyres. Consignor filed the case alleging that M/s. Taj Tyres have not received the consignment and did not make the payment after taking delivery of the consignments. Hence, case filed against the Company also for non-delivery of consignment.	0.157	Matter is pending hearing and final disposal.
18.	Concept Packaging - Mumbai	OS: 2307/12	High Court of Judicature Ordinary Original Civil	Concept Packaging had booked a consignment from Mumbai to Greater	0.183	Matter is pending hearing and final

Sr. No.	Plaintiff / Petitioners / Complainant/ Applicant	Reference Number of Case	Name And Address of Forum	Brief Particulars of Case	Approximate Aggregate Claim Amount (₹ in millions)	Current Status
			Jurisdiction - Mumbai	Noida. The Company delivered consignment to the consignee. Concept Packaging filed a case alleging loss of consignment by the Company, as the consignee at Noida claimed not receiving the consignment.		disposal.
19.	Polla Chemicals Pvt Ltd - Hyderabad	OS: 105/2013	Senior Civil Judge – Ranga Reddy District, NTR Nagar, Hyderabad	Polla Chemicals Pvt Ltd had placed an order with Agrico Organics Limited (Consignor) for 3 drums of monocrhrotophos-technical to be transported from Chandigarh to Hyderabad Autonagar. While taking delivery, one drum was found to be empty. Therefore Polla Chemicals Pvt Ltd has filed a case against the Company for loss of goods.	0.151	Matter is pending hearing and final disposal.
20.	Mittal Dairy Products – Morena	RCS: 00002/2013	III Civil Judge Class – I, District Court - Morena	Consignment transported by the Company from Gwalior to Sivakasi got wet due to heavy rain during transit. The consignee refused to take delivery of the Consignment. Mittal Dairy Products has therefore filed a suit against the Company.	0.276	Matter is pending hearing and final disposal.
21.	Padmasree Textiles Pvt Ltd - Ernakulam	OS: 226/2014	Hon'ble Munsiff Court – Ernakulam	Consignment being transported from Bhilwara to Ernakulam, was detained by the Commercial Tax Check Post Authorities (Kerala); therefore the same could not be delivered to Padmasree	0.044	Matter is pending hearing and final disposal.

Sr. No.	*Plaintiff / Petitioners / Complainant/ Applicant*	*Reference Number of Case*	*Name And Address of Forum*	*Brief Particulars of Case*	*Approximate Aggregate Claim Amount (₹ in millions)*	*Current Status*
				Textiles Pvt. Ltd. ("**Consignee**"). Hence, suit filed by the Consignee against the Company for loss of goods.		
22.	Allena Auto Industries Pvt Ltd – Delhi ("**Consignor**")	CS/43/2014	Senior Civil Judge / Rent Controller, Tis Hazari Courts - Delhi	512 pieces of Breather Crank cases out of a consignment of 704 pieces being transported by the Company were damaged during transit. Consignor lodged a claim with its insurance company i.e. the National Insurance Company Limited, which rejected the claim. Hence, the Consignor filed a case against the Company and National Insurance Company Limited claiming the loss for the damage caused to the goods in transit and challenging the rejection of the claim, respectively.	0.120	Matter is pending hearing and final disposal.
23.	Shree Maa Laxmi Associates	OS: 222/2014	Court of the Civil Judge - III, Kamrup (Guwahati)	M/s. Om Shakthi Group (Secunderabad) booked a consignment under Way Bill No. 620288949 dated May 2, 2012 to Guwahati in favour of M/s. Shree Maa Laxmi Associates on freight to pay basis. The Company delivered the consignement to Shree Maa Laxmi Associates on July 5, 2012 which were in a damaged condition. Shree Maa Laxmi Associates filed a money suit in the Court of the Civil Judge, Kamrup on September 22, 2014	0.59	Matter is pending hearing and final disposal.

Sr. No.	*Plaintiff / Petitioners / Complainant/ Applicant*	*Reference Number of Case*	*Name And Address of Forum*	*Brief Particulars of Case*	*Approximate Aggregate Claim Amount (₹ in millions)*	*Current Status*
				claiming an amount equivalent to the value of the consignment i.e. ₹. 586,502.38 along with accrued interest @ 24% per annum from May 6, 2014 till its realization.		

3. ***Proceedings Initiated Before Consumer Forums***

(a) The Company is involved in various proceedings initiated before various Consumer Forums for deficiency of services, as set out below.

Sr. No.	*Claim Amount (₹ In millions)*	*Number of Proceedings*	*Approximate Aggregate Claim Amount (₹ in millions)*
1.	0 to 1	25	4.556
2.	1 to 10	1	3.356
	TOTAL	**26**	**7.912**

4. ***Proceedings under the Motor Vehicles Act, 1988:***

The Company is involved in various proceedings initiated before various Motor Vehicle Accident Claims Tribunals in the country, under the Motor Vehicles Act, 1988, in connection with accidents that our fleet of vehicles have been/allegedly have been involved in. A substantial portion of the expected liability/ payment arising out of these cases would devolve on third parties such as insurance companies, etc. We have classified the proceedings involving our lorries and passenger buses as follows:

Sr. No.	**Claim Amount (₹ in million)**	**Number of Proceeedings involving the death of a person**	**Number of Proceedings involving injury or loss of property**	**Total Number of Proceedings**	**Approximate aggregate claim amount (₹. in millions)**
1.	Upto 1	127	636	763	250.53
2.	1 upto 2.5	99	147	246	352.97

Certain material cases initiated before various Motor Vehicle Accident Claims Tribunals in the country, under the Motor Vehicles Act, 1988, involving a claim compensation amount of ₹ 2.5 million and above are disclosed below:

Sr. No.	**Case Number**	**Court**	**Name of the Parties**	**Compensation Claimed** **(in million)**	**Brief Particulars of the cases**
1.	**MVC: 25/2014**	Motor Accident Claims Tribunal, Nelamangala	**Petitioners**: Padma and Ors. **Respondents**:	3.00	Petitioners claimed that Mr. K.T. Kantharaju was

Sr. No.	Case Number	Court	Name of the Parties	Compensation Claimed (in million)	Brief Particulars of the cases
			Company and United India Insurance Co. Ltd.		travelling on a two wheeler when an accident occurred involving one of the buses of the Company resulting in the death of Mr. K.T. Kantharaju. Compensation is claimed along with interest @ 12% from the date of filing of the petition till realization of the amount. The matter is pending adjudication.
2.	**MVC: 1399/2009**	Motor Accident Claims Tribunal, Udupi	**Petitioners**: T.N.Poojary and Ors. **Respondent**s: Company and ICICI Lombard General Insurance Company	4.00	Petitioners claimed that Mr. Shrinath Poojary was travelling in a personal vehicle when an accident occurred involving one of the buses of the Company. The accident resulted into the death of Mr. Shrinath Poojary. The Petitioners have claimed compensation in this regard along with interest at the rate of 12% from the date of death till date of payment. The matter is pending adjudication.
3.	**MVC: 44/2011**	Motor Accident Tribunal,	**Petitioners**: Kasturi & Ors.	4.30	Petitioners claimed compensation on account of the death

Sr. No.	Case Number	Court	Name of the Parties	Compensation Claimed (in million)	Brief Particulars of the cases
		Basavanabagewadi	**Respondents**: Company, S. Palaniappan, ICICI Lombard General Insurance Company Ltd., Mallawwa Kumbar and Reliance General Insurance Company Ltd.		of Mr. Sangappa Kumbar in a road accident. At the time of the accident, the deceased was employed as a driver of the Company and driving one of the buses of the Company from Bangalore to Panagi. Petitoners have claimed compensation along with interest @ 12% from the date of accident of the petition till realization of the amount. The matter is pending adjudication.
4.	**MVC: 1978/2013**	Motor Accident Claims, Tribunal, Bangalore	**Petitioners**: Veeranna Kupsad & Ors. **Respondents**: United India Insurance Company Ltd., Raju Pandappa Rotti, Nasar, The Oriental Insurance Company Ltd.	4.50	Petitioners claimed that Mrs. Shantha Kupsad along with his daughter Smt. Sangeeta ST were travelling to Bangalore in one of the passenger buses of the Company when the bus met with an accident resulting into the death of Mrs. Shantha Kupsad. Compensation is claimed along with an interest at the rate of 18% from the date of the accident till realization of the

Sr. No.	Case Number	Court	Name of the Parties	Compensation Claimed (in million)	Brief Particulars of the cases
					entire compensation amount. The matter is pending adjudication.
5.	**MVC: 993/12**	Court of District Judge & MACT, Shimogga	**Petitioners**: S. Shivamallappa, & Ors. **Respondents**: Company, United India Insurance Company and Chandrakantha	5.65	Petitioners claimed that Ms. Geetha was travelling along with her relatives in a personal vehicle driven from Shimoga to Chikkarmarasu when an accident occurred involving one of the buses of the Company resulting in the death of Ms. Geetha. Compensation is claimed along with interest @ 18%. The matter is pending adjudication.
6.	**MVC:291/10**	Motor Accident Claims Tribunal, Gangavati	**Petitioners**: Smt. Padmaji and Ors. **Respondents**: Adeppa, Company and ICICI Lombard Insurance Company Limited	10.588	Petitioners claimed that Mr. N Srihari was travelling to Bangalore in one of the passenger buses of the Company and the bus met with an accident resulting into the death of Mr. N Srihari. Compensation is claimed along with an interest at the rate of 18% from the date of the petition. The matter is pending adjudication.
7.	**MVC: 943/13**	Motor Accident	**Petitioners**: Akhtar Begum,	5.015	Petitioners claimed that Mr. Maheboob

Sr. No.	Case Number	Court	Name of the Parties	Compensation Claimed (in million)	Brief Particulars of the cases
		Tribunal, Gulbarga	Mahemud Begaum **Respondents**: Company and United India Insurance Company Limited		Chudiwale was travelling to Dandothi village when an accident occurred involving one of the buses of the Company resulting in the death Mr. Maheboob Chudiwale. Compensation is claimed along with interest @ 12% from the date of the petition till realization of the amount. The matter is pending adjudication.
8.	**MVC: 942/13**	Motor Accident Tribunal, Gulbarga	**Petitioners**: Hilama Begum & Ors. **Respondents**: Company and United India Insurance Company	4.15	Petitioners claimed that Mr. Md. Gouse Tentewale was travelling to Dandothi village when an accident occurred involving one of the buses of the Company resulting in the death of Md. Gouse Tentewale. Compensation is claimed along with interest @ 12% from the date of the petition till realization of the amount. The matter is pending adjudication.
9.	**MVC: 2693/14**	Motor Accident Tribunal,	**Petitioner**:	8.00	Petitioner claimed that Mr.

Sr. No.	Case Number	Court	Name of the Parties	Compensation Claimed (in million)	Brief Particulars of the cases
		Bangalore	Ramamani K.C., **Respondents**: Company and United India Insurance Company Ltd.		Sathyanarayan K. was travelling to Mangalore in one of the passenger buses of the Company along with the petitioner and the bus met with an accident resulting into the death of Mr. Sathyanarayan K. Compensation is claimed along with interest and costs. The matter is pending adjudication.
10.	**MVC 53/14-**	Motor Accident Claims Tribunal, Jalore	**Petitioners**: Hanja Devi & Ors. **Respondents**: Company Dhaneyamat, United India Insurance Company Ltd. and Ors.	4.06	Petitioners claimed that Mr. Rooparam was travelling on his vehicle when an accident occurred involving one of the buses of the Company resulting into the death of Mr. Rooparam. The Petitioners has claimed compensation along with interest at 18% p.a. from the date of the petition till realization. The matter is pending adjudication.
11.	**MVC: 323/2014**	District Judge & MACT Koppal	**Petitioners**: Shammanna Kalal, Ms. Malleshwari Kalal **Respondents**:	7.00	Petitioners claimed that Mr. Kartik Kalal was travelling from Mysore to Mumbai in one of the passenger buses of

Sr. No.	Case Number	Court	Name of the Parties	Compensation Claimed (in million)	Brief Particulars of the cases
			Company, Veerayya Shatrimath and United India Insurance Company		the Company. Compensation is claimed along with interest @ 18% from the date of accident till realization of the amount. The matter is pending adjudication.
12.	**MVC: 540/2014**	Motor Accidents Claims Tribunal, Thane	**Petitioners**: Farzana Tarvej and Ors. **Respondents**: Company United India Insurance Company	4.00	Petitioners claim that Mr. Tarvej Ansari was travelling from Mysore to Mangalore in one of the passenger buses of the Company along with the Petitioners and the bus met with an accident resulting into the death of Mr. Tarvej Ansari. Compensation is claimed along with interest at the rate of 12% from the date of the application till actual realization. The matter is pending adjudication.
13.	**MVC: 1968/13**	Motor Accidents Claims Tribunal, Bangalore	**Petitioner**: Sangeeta S.T. **Respondents**: Company and United India Insurance Company Ltd, Raju Rott, B. Nasar, Oriental Insurance	5.75	Petitioner claimed that she was travelling to Bangalore in one of the passenger buses of the Company and the bus met with an accident resulting into severe injuries to the petitioner. Compensation along

Sr. No.	Case Number	Court	Name of the Parties	Compensation Claimed (in million)	Brief Particulars of the cases
			Company Ltd.		with interest at the rate of 18% from the date of the accident till realization is claimed. The matter is pending adjudication.
14.	**MVC: 1534/14**	Motor Accidents Claims Tribunal, Bijapur	**Petitioner**: Siddappa Haranal **Respondents**: Company and United India Insurance Company Ltd.	5.00	Petitioner claimed that Mrs. Kasturi Haranal was travelling from Bijapur to Bangalore in one of the passenger buses of the Company and the bus met with an accident resulting into the death of Mrs. Kasturi Haranal Compensation is claimed along with interest and costs. The matter is pending adjudication.
15.	**MVC: 992/12**	Court of District Judge & MACT, Shimoga	**Petitioners**: H.M.Chandrappa & Ors. **Respondents**: Chandrakantha, Company and United India Insurance Company Ltd.	5.58	Petitioners claim that Mrs. Gayatri Chandrappa was travelling along with her relatives in a personal vehicle driven from Shimoga to Chikkarmarasu when an accident occurred involving one of the buses of the Company resulting in the death of Ms. Gayatri Chandrappa. Compensation is claimed along with

Sr. No.	Case Number	Court	Name of the Parties	Compensation Claimed (in million)	Brief Particulars of the cases
					interest @ 18%. The matter is pending adjudication.
16.	**MVC: 21/2011**	Court of the District Judge and Motor Accidents Claims Tribunal, Shimoga	**Petitioners**: Shivamallappa & Ors. **Respondents**: Chandrakantha, Company and United India Insurance Company Ltd.	7. 12	Petitioners claim that Mrs M.C. Manjunatha was travelling along with her relatives in a personal vehicle driven from Shimoga when an accident occurred involving one of the buses of the Company resulting in the death of Ms. M.C. Manjunatha. The matter is pending adjudication.
17.	**MVC: 59/2014**	District Judge & MACT, Haveri	**Petitioners**: Bhaskar Hipparagi **Respondents**: Company and United India Insurance Company Ltd.	3.00	Petitioner claimed that he was travelling in one of the passenger buses of the Company when the bus met with an accident resulting into severe physical injuries. The Petitioner has claimed compensation along with interest at the rate of 12%. The matter is still pending adjudication.
18.	**MVC: 1261-12**	Motor Accident Claims Tribunal, Bijapur	**Petitioner**: Palla Tarik Nazir **Respondents**: Company and	15.50	Petitioner claimed that he was travelling in one of the passenger buses of the Company when

Sr. No.	Case Number	Court	Name of the Parties	Compensation Claimed (in million)	Brief Particulars of the cases
			Reliance General Insurance Company Ltd.		an accident occurred of the bus resulting into severe physical injuries to the petitioner. The compensation is claimed along with interest at the rate of 18% from the date of the accident till the realization of interest.
19.	**MVC: 6278/12**	Small Causes Court, Bangalore	**Petitioners**: Smt. Madhumati & Ors. **Respondents**: Company and United India Insurance Company Ltd.	2.50	Petitioners claimed that Mr. M C. Ranjan died in a road accident involving one of the buses of the Company. The Petitioners being wife and son of the deceased were completely dependent on the deceased and accordingly claimed compensation for loss of dependency. An order awarding compensation of ₹ 2.295 million along with interest at the rate of 6% p.a. from the date of the petition till deposit of the amount is passed. The Company is not aware of the fact whether the compensation amount has been deposited by the insurance company.

Sr. No.	Case Number	Court	Name of the Parties	Compensation Claimed (in million)	Brief Particulars of the cases
20.	**MVC: 925/13**	Additional Senior Civil Judge, Udupi	**Petitioners**: Shashikala Shetty & Ors. **Respondents**: Company, United India Insurance Company and Gulabi Shetty	2.50	Petitioners claimed that Mr. Raghuram Shetty died in a road accident involving one of the buses of the Company. The Petitioners being wife and daughter of the deceased were completely dependent on the deceased and accordingly claimed compensation along with rate of interest at the rate of 12% from the date of the petition till realization of the compensation.
21.	**MVC Case No. 33/08**	Motor Accident Claims Tribunal, Maharaj Ganj	**Petitioners**: Manju Devi and Ors. **Respondents**: Company, ICICI Lombard General Insurance Company Ltd. & Ors.	2.612	Petitioners claimed that Mr. Suresh died in a road accident involving one of the buses of the Company. The Petitioners being wife and daughter of the deceased were completely dependent on Mr. Suresh and accordingly claimed compensation along with rate of interest at 16% from the date of accident to the date of actual payment. The matter is pending adjudication.

Sr. No.	Case Number	Court	Name of the Parties	Compensation Claimed (in million)	Brief Particulars of the cases
22.	**MVC: 1018/14**	Motor Accident Claims Tribunal, Bangalore	**Petitioners**: Bansilal & Ors. **Respondents**: Company and United India Insurance Company	2.623	Petitioners claim that Mr. Pankesh Kumar was travelling on two wheeler when an accident occurred involving one of the lorries of the Company resulting into the death of Mr. Pankesh Kumar. Compensation along with rate of interest at 12% from the date of filing till the realization is claimed. The matter is pending adjudication.
23.	**MVC: 564/12**	Hon'ble District and Sessions, Judge MACT, Davangere	**Petitioners**: Rajappa and Ors. **Respondents**: Company, United India Insurance Company Ltd., Muttappa Kokkatanuru	2.89	Petitioners claimed that Ms. Anitha was travelling along with her relatives in her personal vehicle when an accident occurred involving one of the buses of the Company resulting in the death of Ms. Anitha. Compensation is claimed along with interest from the date of accident till realization of the amount. The matter is pending adjudication.
24.	**MVC: 563/12**	Hon'ble District and Sessions Judge Davangere	**Petitioners**: Nagendrappa & Ors. **Respondents**:	3.19	Petitioners claimed that Smt. Sakamma was travelling along with her relatives in

Sr. No.	Case Number	Court	Name of the Parties	Compensation Claimed (in million)	Brief Particulars of the cases
			Company, Muttappa, United India Insurance Company Ltd.		her personal vehicles when an accident occurred involving one of the buses of the Company resulting in the death of Smt. Sakamma. Compensation is claimed along with interest from the date of accident till realization of the amount. The matter is pending adjudication.
25.	**MVC: 324/12**	Motor Accident Claims Tribunal, Mumbai	**Petitioner**: Maya Umesh Mane **Respondents**: Company and ICICI Lombard General Insurance Company Ltd.	3.50	Petitioner claimed that Ms. Shraddha Umesh was travelling from Murdeshwar to Mumbai in one of the passenger buses of the Company when the bus met with an accident resulting into the death of Mr. Ms. Shraddha Umesh. Compensation is claimed along with an interest at the rate of 18% from the date of the application and incidental expenses. The matter is pending adjudication.
26.	**MVC: 566/12**	Hon'ble District Judge, MACT Court, Davangere	**Petitioners**: Sri. Doddappa and Ors. **Respondents**:	3.99	Petitioners claimed that Smt. Sakamma was travelling along with her relatives in her personal vehicle

Sr. No.	Case Number	Court	Name of the Parties	Compensation Claimed (in million)	Brief Particulars of the cases
			Company, Muthappa and United India Insurance Company Limited		when an accident occurred involving one of the buses of the Company resulting in the death of Smt. Sakamma. Compensation is claimed along with interest from the date of accident till realization of the amount. The matter is pending adjudication.
27.	**MVC: 565/12**	Hon’ble District Judge, MACT Court, Davangere	**Petitioners**: Kum. Anjali & Ors. **Respondents**: Company, Muthappa and United India Insurance Company Limited	4.09	Petitioners claimed that Siddhesh Siddappa was travelling along with her relatives in her personal vehicle when an accident occurred involving one of the buses of the Company resulting in the death of Siddhesh Siddappa. Compensation is claimed along with interest from the date of accident till realization of the amount. The matter is pending adjudication.
28.	**MVC 583/14**	District & Sessions Judge and MACT, Davangere Hassan	**Petitioners**: Dasappa Shetti and Ors. **Respondents**: Company and United India	2.5	Petitioners claimed that his son, Mr. Mohan Kumar was travelling with his family in a private vehicle when an

Sr. No.	Case Number	Court	Name of the Parties	Compensation Claimed (in million)	Brief Particulars of the cases
			Insurance Company		accident occurred involving one of the buses of the Company resulting into the death of Mr. Mohan Kumar. The petitioners have claimed compensation along with interest at the rate of 18% p.a. from the date of accident till realization. The matter is pending adjudication.
29.	**MVC: 905/08**	Motor Accident Claims Tribunal Hyderabad	**Petitioner**: Nagasai Sesham **Respondents**: Company and United India Insurance Co. Ltd.	2.5	Petitioner claimed that he was travelling in one of the passenger buses of the Company when an accident occurred involving the bus. Due to such an accident, the petitioner suffered severe physical injuries and hence claimed compensation along with interest. The matter is pending adjudication.
30.	**MVC: 199/11**	Court of District Judge at Shorapur	**Petitioner**: Sunil Singh **Respondents**: Company and United India Insurance Company Limited	3	Petitioner claimed that he was travelling on his two wheeler when an accident occurred involving one of the vehicles of the Company resulting into severe physical injuries to the petitioners.

Sr. No.	Case Number	Court	Name of the Parties	Compensation Claimed (in million)	Brief Particulars of the cases
					Compensation along with interest at the rate of 12% from the date of accident till actual realization of the entire amount
31.	**MVC: 1435/11**	Motor Accident Claims Tribunal, Bangalore	**Petitioner**: Bhaskar R B **Respondents**: Company and ICICI Lombard General Insurance Company	3	Petitioner claimed that he was travelling in one of the passenger buses of the Company when an accident occurred resulting into several grievous physical injuries to the petitioner. Compensation along with interest at the rate of 12% from the date of accident till actual realization of the entire amount.
32.	**MVC: 175/13**	Motor Vehicle Accident Tribunal, Bangalore	**Petitioner**: Dr. P. Udaya Hebbar **Respondents**: Company and New India Assurance Company Ltd.	3.5	Petitioner claimed that he along with family members was returning from Mangalore to Bangalore in his personal vehicle when an accident occurred involving one of the buses of the Company. Due to such an accident, the petitioner suffered grievous injuries and have claimed compensation along with interest. An order awarding compensation of ₹0.06 million along

Sr. No.	Case Number	Court	Name of the Parties	Compensation Claimed (in million)	Brief Particulars of the cases
					with interest at the rate of 6% p.a. from the date of the petition till deposit of the amount is passed. The Company is not aware of the fact whether the compensation amount has been deposited by the insurance company.
33.	**3122/12 MP: 306/14**	Motor Accident Claims Tribunal, Madras	**Petitioner**: Ganesh **Respondents**: Company and United India Insurance Company	3.6	Petitioner has filed a petition for injuries sustained by in a motor vehicle accident on February 19, 2012 involving one of the vehicles of the Company.
34.	**MVC: 2061/13**	Motor Accident Claims Tribunal, Bijapur	**Petitioner**: Murgesh Kore **Respondents**: Company, Maruti Talwar and SBI General Insurance Company	4	Petitioner claimed that he was travelling in one of the passenger buses of the Company to Navalgund when an accident occurred of the passenger bus resulting into fractural injuries to the petition. In this regard the petitioner has claimed compensation along with at the rate of 18% from the date of the accident till realization of the amount. The matter is pending adjudication.

Sr. No.	Case Number	Court	Name of the Parties	Compensation Claimed (in million)	Brief Particulars of the cases
35.	**MVC: 3122/14**	Motor Accident Claims Tribunal, Bangalore	**Petitioner**: Arun Kumar Bhambore **Respondents**: Company and United India Insurance Company	3.12	Petitioner claims that he was travelling in one of the passenger buses of the Company when a bus accident occurred resulting into grievous injuries to the petitioner. The petitioner has claimed compensation. The matter is still pending adjudication.
36.	**MVC: 628/10**	Motor Accident Tribunal, Kolhapur	**Petitioner**: Mahesh Arvind Alurkar **Respondents**: Bhimmappa Sridamappa Toravi, Company and ICICI Lombard General Insurance Company Ltd.	4.64	Petitioner claimed that he sustained severe physical injuries in a road accident involving one of the buses of the Company and accordingly claimed compensation along with interest at the rate of 18% from the date of accident till the date of realization of the amount. The matter is still pending adjudication.
37.	**MVC: 369/09 (576/09)**	Motor Accident Claims Tribunal Kalghatgi	**Petitioner**: Dinesh Durjay Patra **Respondents**: Company and United India Insurance Company	5	Petitioner claimed that he sustained severe physical injuries in a road accident resulting into permanent disablement for the petition. The accident involved one of the buses of

Sr. No.	Case Number	Court	Name of the Parties	Compensation Claimed (in million)	Brief Particulars of the cases
					the Company and accordingly petitioner has claimed compensation along with interest. The matter is still pending adjudication.
38.	**MVC : 148/12**	Motor Accident Claims Tribunal, Namakkal	**Petitioner**: Vijayanand **Respondents**: Company and ICICI Insurance Company Ltd.	5	Petitioner claimed that he was travelling in a bus when an accident occurred which also involved one of the buses of the Company resulting into grievous injuries to the petitioner. Compensation along with interest at the rate of 12% p.a. from the date of accident is claimed. The matter is pending adjudication.
39.	**MVC 444/13**	Motor Accident Claims Tribunal, Mumbai	**Petitioner**: Gurunath Shetty **Respondents**: Transport Carriers Private Limited, Company and United India Insuarnce Company Limited, ICICI Lombard General Insurance Company	5	Petitioner claimed that he was injured in a motor vehicle accident which involved one of the buses of the Company and accordingly claimed compensation. The petitioner also prayed for interim compensation. The matter is pending adjudication.

Sr. No.	Case Number	Court	Name of the Parties	Compensation Claimed (in million)	Brief Particulars of the cases
			Limited and Ors.		
40.	**MVC No, 2466/13**	Motor Accident Claims Tribunal, Belgaum	**Petitioner**: Pramod Vittal Jalihal **Respondents**: Company and New India Assurance Co. Ltd.	5	Petitioner claimed that he was travelling in one of the passenger buses of the Company when an accident occurred of the bus resulting into severe injuries to the petitioner. The Petitioner has claimed compensation. The matter is pending adjudication.
41.	**MVC No. 641/13**	Small Causes Judge, Bangalore	**Petitioner**: Suresh Kumar **Respondents**: Company and United Insurance Company Ltd.	25.00	Petitioner was travelling in one of the buses of the Company and an accident occurred due to which to the petitioner suffered physical injuries. Petitioner claimed that his left leg had to be amputated resulting into permanent disability for life. The matter is pending adjudication
42.	**MVC: 461/13 (3537/2013)**	Principal Senior Civil Judge & MACT, Hubli	**Petitioner**: Alok Kumar Pugalia **Respondents**: Eswar Naik, Company and United India Insurance Company	28.16	Petitioner claimed that he suffered severe injuries on account of a road accident involving one of the buses of the Company. Petitioner has claimed compensation along with interest at the

Sr. No.	Case Number	Court	Name of the Parties	Compensation Claimed (in million)	Brief Particulars of the cases
					rate of 18% p.a. from the date of accident till the amount is realized. The matter is pending adjudication.
43.	**MVC: 117/2010**	Motor Accident Claims, Tribunal, Tonk	**Petitioners**: Kaidari Dhannalal, & Ors. **Respondents**: Paramjit Singh, company and ICICI Lombard General Insurance Company	5.68	Petitioner claimed that Mr. Madanlal died in an accident involving one of the vehicles of the Company. The Petitioners being completely dependent on the deceased have claimed compensation along with interest at the rate of 18% from the date of accident till the date of realization. The petitioners have also claimed ₹ 50,000 on no fault liability clause along with interest at the rate of 18%. The matter is pending adjudication.
44.	**MACP: 42/2013**	District Judge & Motor Accident Claims Tribunal, Satara	**Petitioners:** Shalan Vyankatesh Waghmode and others **Respondents:** Company and The United India Insurance Company	2.63	Petitioners claim that Mr. Vyankatesh Laxman Waghmode was travelling on the pillion seat of a two wheeler when an accident occurred involving one of the trucks of the Company resulting in the death of Mr. Vyankatesh Laxman

Sr. No.	Case Number	Court	Name of the Parties	Compensation Claimed (in million)	Brief Particulars of the cases
			Limited		Waghmode. Compensation is claimed along with interest at 12% p.a. from the date of claim till realization of the amount. The matter is pending adjudication.
45.	**MACP: 464/2014**	Motor Accident Claims Tribunal, Thane	**Petitioners:** Manisha Ramesh Jadhav and others **Respondents:** Company and The United India Insurance Company Limited	4.16	Petitioners claimed compensation on account of the death Mr. Ramesh Shankar Jadhav who was travelling on a two wheeler when he met with an accident involving one of the trucks of the Company resulting in his death. Compensation is claimed along with interest at 12% from the date of filing of the Petition till realization of the amount. The matter is pending adjudication.
46.	**MCOP: 844/2014**	Motor Accident Claims Tribunal, Cuddalore	**Petitioner:** S Balaji **Respondents:** lClCI Lombard General lnsurance Company Limited, United lndia lnsurance Company	2.50	Petitioner claimed compensation on account of the injury caused to him due to accident with a truck owned by the Company. The matter is pending adjudication.

Sr. No.	Case Number	Court	Name of the Parties	Compensation Claimed (in million)	Brief Particulars of the cases
			Limited		
47.	**MCOP: 845/2014**	Motor Accident Claims Tribunal, Cuddalore	**Petitioner:** M Elangovan **Respondents:** IClCI Lombard General lnsurance Company Limited and United lndia lnsurance Company Limited	2.50	Petitioner claimed compensation on account of the injury caused to him due to accident with a truck owned by the Company. The matter is pending adjudication.
48.	**MCOP: 846/2014**	Motor Accident Claims Tribunal, Cuddalore	**Petitioners:** R Mathiyazhagan **Respondents:** Company, ICICI Lombard General lnsurance Company Limited and United lndia lnsurance Company Limited	2.50	Petitioner claimed compensation on account of the injury caused to him due to accident with a truck owned by the Company. The matter is pending adjudication.
49.	**MCOP: 850/2014**	Motor Accident Claims Tribunal, Cuddalore	**Petitioners:** Y Lakshmi Naravanan **Respondents:** ICICI Lombard General lnsurance Company Limited and United India Insurance	2.50	Petitioner claimed compensation on account of the injury caused to him due to accident with a truck owned by the Company. The matter is pending adjudication.

Sr. No.	Case Number	Court	Name of the Parties	Compensation Claimed (in million)	Brief Particulars of the cases
			Company Limited		
50.	**MVC: 22/2013**	Motor Accident Claims Tribunal, Koppal	**Petitioners:** Mrs. Tippawwa Gonal **Respondents:** Company and The New India Assurance Company Limited	2.85	Petitioners claimed compensation on account of the death of Mr. Shyamanna who was travelling in a lorry when an accident occurred involving one of the trucks of the Company resulting in the death of Mr. Shyamanna. The compensation is claimed along with interest at 18% from the date of accident till realization of the amount. The matter is pending adjudication.
51.	**MVC: 57/2014**	Motor Accident Claims Tribunal, Gulbarga	**Petitioners:** Narasimhacharya and Usha **Respondents:** Company and Reliance General Insurance Company Limited and The United India Insurance Company Limited	3.27	Petitioners claimed compensation on account of the death of Mr. Sanjay who was travelling on a four wheeler when an accident occurred involving one of the trucks of the Company resulting in the death of Mr. Sanjay. The compensation is claimed along with interest and other costs of the Petition. The matter is pending adjudication.
52.	**MVC: 77/2014**	Motor Accident Claims Tribunal,	**Petitioners:**	4.00	Petitioner claimed compensation on

Sr. No.	Case Number	Court	Name of the Parties	Compensation Claimed (in million)	Brief Particulars of the cases
		Bangalore	Muniyappa **Respondents:** Company and The United India Insurance Company Limited		account of the grievous injury suffered to him when accident occurred involving one of the trucks of the Company resulting in grievous injury to Mr. Muniyappa. The matter is pending adjudication.
53.	**MACP: 93/2013**	Motor Accident Claims Tribunal, Parbhani	**Petitioners:** Kantabhai Vishnu Sathe, Anusuya Vishnu Sathe, Pradeep Vishnu Sathe, Sandeep Vishnu Sathe **Respondents:** The United India Insurance Company Limited and Company	5.00	Petitioners claimed compensation on account of the death of Mr. Vishnu Kachru Sathe who was travelling in a Jeep when an accident occurred involving one of the trucks of the Company resulting in the death of Mr. Vishnu Kachru Sathe. The compensation is claimed along with interest at 12% from the date of petition till realization of the amount. The matter is pending adjudication.
54.	**MVC: 105/2008**	Motor Accident Claims Tribunal, Gangavati	**Petitioners:** Sangayya Baswaraj **Respondents:** Company and The New India Assurance Company Limited and The	2.50	Petitioner claimed compensation on account of the grievous injuries sustained by him while he was employed as a driver of the Company. The compensation is claimed along with interest at 12% from

Sr. No.	Case Number	Court	Name of the Parties	Compensation Claimed (in million)	Brief Particulars of the cases
			National Insurance Company Limited		the date of filing of the Petition till realization of the amount. The matter is pending adjudication.
55.	**MVC: 187/2014**	Motor Accident Claims Tribunal, Hungund	**Petitioners:** Divya, Mahesh, Jayamma Patreppa Halli **Respondent:** Company and The New India Assurance Company Limited	4.82	Petitioners claimed compensation on account of the death of Mr. Tippesh who was driving a bus when an accident occurred involving one of the trucks of the Company resulting in the death of Mr. Tippesh. The compensation is claimed along with interest at 24% from the date of filing of the Petition till realization of the amount. The matter is pending adjudication.
56.	**MVC: 366/2009**	Motor Accident Claims Tribunal, Delhi	**Petitioners:** Mehar Singh **Respondents:** Company and ICICI Lombard Insurance Company Limited	3.00	Petitioner claimed compensation on account of the injury sustained to him when an accident occurred involving one of the trucks of the Company resulting in injury. The compensation is claimed along with interest and costs. The matter is pending adjudication.

Sr. No.	Case Number	Court	Name of the Parties	Compensation Claimed (in million)	Brief Particulars of the cases
57.	**MVC: 400/2011**	Motor Accident Claims Tribunal, Allibaug	**Petitioners:** Rajani D Darekar **Respondent:** Company and The New India Assurance Company Limited, Bajaj Allianz General Insurance Company Limited and ICICI Lombard Insurance Company Limited	5.00	Petitioner claimed compensation on account of the injury sustained to her when an accident occurred involving one of the trucks of the Company resulting in injury. The compensation is claimed along with interest at 14% from the date of filing of the Petition till realization of the amount. The matter is pending adjudication.
58.	**MVC: 419/2014**	Motor Accident Claims Tribunal, Bijapur	**Petitioners:** Pramila Tad and others **Respondents:** Company and The New India Assurance Company Limited and M/s Bajaj Allianz General Insurance Company Limited	4.05	Petitioners claimed compensation on account of the death of Mr. Jayasing Tad while he was employed as a driver of the Company. The compensation is claimed along with interest at 18% from the date of filing of the Petition till realization of the amount. The matter is pending adjudication.
59.	**O.P. (M.V) No.: 475/2013**	Motor Accident Claims Tribunal, Ottappalam	**Petitioners:** Sabira K., Muhammed Faris, Muhammed Faiz, Beevi Umma **Respondents:**	8.73	Petitioners claimed compensation on account of the death of Mr. Saidalavi who was travelling on a two wheeler when an accident occurred involving one of the

Sr. No.	Case Number	Court	Name of the Parties	Compensation Claimed (in million)	Brief Particulars of the cases
			Company and The United India Insurance Company Limited		trucks of the Company resulting in the death of Mr. Saidalavi. The compensation is claimed along with interest and costs. The matter is pending adjudication.
60.	**MVC: 560/2013**	Motor Accident Claims Tribunal, Hubli	**Petitioners:** Kumari Manvi Hiremath and others **Respondent:** Company and The United India Insurance Company Limited	4.00	Petitioners claimed compensation on account of the death of Mr. Kumarswamy when an accident occurred involving one of the trucks of the Company resulting in the death of Mr. Kumarswamy. The compensation is claimed along with interest at 18% from the date of filing of the Petition till realization of the amount. The matter is pending adjudication.
61.	**MVC: 706/2014**	Motor Accident Claims Tribunal, Bengaluru	**Petitioners:** V. Anbalagan and Karpagamani **Respondents:** Company and The United India Insurance Company Limited and ICICI Lombard General Insurance Company	4.33	Petitioners claimed compensation on account of the death of A. Hemavathy who was travelling in a bus when an accident occurred involving one of the trucks of the Company resulting in the death of A. Hemavathy. The matter is pending

Sr. No.	Case Number	Court	Name of the Parties	Compensation Claimed (in million)	Brief Particulars of the cases
			Limited		adjudication.
62.	**MVC: 805/2014**	Motor Accident Claims Tribunal, Bellary	**Petitioners:** B. Basavaraj and B. Aruna **Respondents:** Company and The United India Insurance Company Limited and New India Assurance Company Limited	5.75	Petitioners claimed compensation on account of the death of Mr. Rahul P who was travelling on a two wheeler when an accident occurred involving one of the trucks of the Company resulting in his death. The compensation is claimed along with interest from the date of accident till realization of the amount. The matter is pending adjudication.
63.	**MVC: 867/2007**	Motor Accident Claims Tribunal, Thane	**Petitioners:** Priyanka Manoj Baheti and others **Respondent:** Company and The Oriental Insurance Company Limited	5.00	Petitioners claimed compensation on account of the death of Mr. Manoj Sitaram Baheti who was travelling on a two wheeler when an accident occurred involving one of the trucks of the Company resulting in the death of Mr. Manoj Sitaram Baheti. The compensation is claimed along with interest at 15% from the date of application. The matter is pending adjudication.
64.	**MVC: 929/2014**	Motor Accident Claims Tribunal,	**Petitioners:**	9.99	Petitioner claimed compensation on

Sr. No.	Case Number	Court	Name of the Parties	Compensation Claimed (in million)	Brief Particulars of the cases
		Belgaum (Addl. MACT, Bailhongal)	Veerangouda **Respondents:** Company and The United India Insurance Company Limited		account of grievous injury incurred due to an accident with a truck owned by the Company. The matter is pending adjudication.
65.	**MVC: 937/2012**	Motor Accident Claims Tribunal, Nizamabad	**Petitioners:** Bathini Sathawa **Respondents:** Company and The United India Insurance Company Limited	2.75	Petitioner claimed compensation on account of incurring grievous injury when an accident occurred involving one of the trucks of the Company. The compensation is claimed along with interest at 24% from the date of petition till the realization of the matter. The matter is pending adjudication.
66.	**MVC: 993/2013**	Motor Accident Claims Tribunal, Gulbarga	**Petitioners:** Netaji Chavhan **Respondents:** Company and The Bajaj Allianz, General Insurance Company Limited	2.58	Petitioner claimed compensation on account of the injury incurred by him who was travelling on a two wheeler when an accident occurred involving one of the trucks of the Company resulting in grievous injury to him.
67.	**MVC: 869/2013**	Motor Accident Claims Tribunal, Gulbarga	**Petitioners:** Raghunath Pawar **Respondents:**	2.57	Petitioner claimed compensation on account of the injury incurred by him who

Sr. No.	Case Number	Court	Name of the Parties	Compensation Claimed (in million)	Brief Particulars of the cases
			Company and The Bajaj Allianz, General Insurance Company Limited		was travelling on a two wheeler when an accident occurred involving one of the trucks of the Company resulting in grievous injury to him.
68.	**MVC: 1070/2012**	Motor Accident Claims Tribunal, Mangalore	**Petitioners:** Umesh Bhandary, Kushala Bhandary, Kiran, Arun Bhandary **Respondents:** Company and New India Assurance Company Limited and The Oriental Insurance Company Limited	6.00	Petitioners claimed compensation on account of the death of K. Nagalaxmi who met with an accident involving one of the trucks owned by the Company resulting in her death. The compensation is claimed along with interest at 12% from the date of petition till the realization of the amount. The matter is pending adjudication.
69.	**MVC: 1404/2012**	Motor Accident Claims Tribunal, Puttur	**Petitioners:** Somappa Gowda **Respondents:** Company and ICICI Lombard General Insurance Company Limited	2.50	Petitioners claimed compensation on account of the grievous injury and permanent disability sustained while he was travelling in a Jeep when an accident occurred involving one of the trucks of the Company. The compensation is claimed along with interest at 23% from the date of accident till the date of

Sr. No.	Case Number	Court	Name of the Parties	Compensation Claimed (in million)	Brief Particulars of the cases
					realization. An order awarding compensation of ₹0.56 million along with interest at the rate of 6% p.a. from the date of the petition till deposit of the amount is passed. The Company is not aware of the fact whether the compensation amount has been deposited by the insurance company.
70.	**MVC: 1845/2013**	Motor Accident Claims Tribunal, Belgaum (Addl. MACT, Athani)	**Petitioners:** Sanjay Madappa Munje **Respondent:** Company and The New India Assurance Company Limited	2.50	Petitioners claimed compensation on account of the grievous injuries sustained when he was travelling on a two wheeler and an accident occurred involving one of the trucks of the Company. The compensation is claimed along with interest at 18% from the date of filing of the petition till its realization. The matter is pending adjudication.
71.	**MVC: 2903/2007**	Motor Accident Claims Tribunal, Belgaum (Addl. MACT, Bailhongal)	**Petitioners:** Basavanneppa Irappa Yenagi and others **Respondents:** Company and The Oriental	3.50	Petitioners claimed compensation on account of the death of Mr. Irappa Yenagi and his wife who met with an accident involving one of the trucks of the

Sr. No.	Case Number	Court	Name of the Parties	Compensation Claimed (in million)	Brief Particulars of the cases
			Insurance Company Limited		Company resulting in the death of Mr. Irappa Yenagi and his wife Mahadevi. The compensation is claimed along with interest at 18% from the date of filing of the petition till its realization. The matter is pending adjudication.
72.	**MVOP No.: 146/2010**	Motor Accident Claims Tribunal, Tirupati	**Petitioners:** P. Jagadeesh Naidu **Respondents:** Company and The New India Assurance Company Limited	4.00	Petitioner claimed compensation on account of the grievous injury caused resulting in amputation of leg when the petitioner was travelling on a two wheeler and an accident occurred involving one of the trucks of the Company.
73.	**MVOP No.: 151/2014**	Motor Accident Claims Tribunal, Kurnool	**Petitioners:** P. Ramudu and P. Ramanamma **Respondents:** Company and The New India Assurance Company Limited	2.50	Petitioners claim that Mr. P. Chandra Sekhar was travelling on a two wheeler when an accident occurred involving one of the trucks of the Company resulting in the death of Mr. P. Chandra Sekhar. The compensation is claimed along with interest and costs. The matter is pending adjudication.

Sr. No.	Case Number	Court	Name of the Parties	Compensation Claimed (in million)	Brief Particulars of the cases
74.	**O.P. No. 165/2012**	Motor Accident Claims Tribunal, Kamareddy	**Petitioners:** Potharaju Pedda Laxmi **Respondents:** Company and ICICI Lombard General Insurance Company Limited	3.13	Petitioners claim that Mr. Potharaju Pedda Ramulu was travelling on the a two wheeler when an accident occurred involving one of the trucks of the Company resulting in the death of Mr. Potharaju Pedda Ramulu. The matter is pending adjudication.
75.	**Case No: 950/2011**	Motor Accident Claims Tribunal, Udaipur	**Petitioners:** Panki bai Nayak and others **Respondents:** Company and ICICI Lombard General Insurance Company Limited	3.42	Petitioners claim that Mr. Bansilal Nayak was travelling on a two wheeler when an accident occurred involving one of the trucks of the Company resulting in the death of Mr. Bansilal Nayak. The compensation is claimed along with interest at 18% from the date of filing of the petition till its realization. The matter is pending adjudication.
76.	**MVC: 38/2011**	Motor Accident Claims Tribunal, Kekri	**Petitioners:** Lali Gurjar and others **Respondents:** Company and ICICI Lombard General	5.82	Petitioners claim that Mr. Shivraj Gujjar was travelling in a truck when an accident occurred involving one of the

Sr. No.	Case Number	Court	Name of the Parties	Compensation Claimed (in million)	Brief Particulars of the cases
			Insurance Company Limited		trucks of the Company resulting in the death of Mr. Shivraj Gujjar. The compensation is claimed along with interest at 12% from the date of filing of the petition till its realization. The matter is pending adjudication.
77.	**MVC: 38/2005**	Motor Accident Claims Tribunal, Rajsamand	**Petitioners:** Laxmanram and others **Respondents:** Company and The New India Insurance Company Limited	3.02	Petitioner claims that he was travelling on a two wheeler when an accident occurred involving one of the trucks of the Company resulting in grievous injury to the Petitioner. The compensation is claimed along with interest at 18% from the date of accident till its realization. The matter is pending adjudication.
78.	**MVC: 125/2009**	Motor Accident Claims Tribunal, Udaipur	**Petitioners:** Lokendra Singh Bhati and others **Respondents:** Company and The New India Assurance Company Limited, The Oriental Insurance Company Limited and The	2.56	Petitioner claims that he was travelling in a bus when an accident occurred involving one of the trucks of the Company resulting in grievous injury to the Petitioner. The compensation is claimed along with interest at 18% from the date of accident

Sr. No.	Case Number	Court	Name of the Parties	Compensation Claimed (in million)	Brief Particulars of the cases
			New India Insurance Company Limited		till its realization. The matter is pending adjudication.
79.	**MVC: 320/2008**	Motor Accident Claims Tribunal, Udaipur	**Petitioners:** Bhanilal Dangi and others **Respondents:** Company and The New India Assurance Company Limited and The Oriental Insurance Company Limited	5.32	Petitioners claim that Mr. Udibai Dangi was travelling in a bus when an accident occurred involving one of the trucks of the Company resulting in the death of Mr. Udibai Dangi. The compensation is claimed along with interest at 18% from the date of accident till its realization. The matter is pending adjudication.
80.	**MVC: 413/2012**	Motor Accident Claims Tribunal, Bhilwara	**Petitioners:** Santosh Prajapati and others **Respondent:** Company and The United India Insurance Company Limited	2.5	Petitioners claim that Mr. Kalulal Prajapti was travelling in a pick up vehicle when an accident occurred involving one of the trucks of the Company resulting in the death of Mr. Kalulal Prajapati. The compensation is claimed along with interest at 18% from the date of accident till its realization. The matter is pending adjudication.
81.	**MVC: 919/2014**	Motor Accident Claims Tribunal,	**Petitioners:** Reveamma	3.00	Petitioners claim that Mr. Srinivas K C was travelling in a

Sr. No.	Case Number	Court	Name of the Parties	Compensation Claimed (in million)	Brief Particulars of the cases
		Hassan	**Respondents:** Company and The United India Insurance Company Limited		tanker lorry when an accident occurred involving one of the trucks of the Company resulting in his death. The compensation is claimed along with interest at 16%. The matter is pending adjudication.
82.	**MVC: 91/2014**	Motor Accident Claims Tribunal, Bhilwara	**Petitioners:** Pyari Keer and others **Respondents:** Company and General Insurance Company Limited	6.46	Petitioners claim that Mr. Madan Keer was employed as a cleaner in one of the trucks of the Company which met with an accident resulting in the death of Mr. Madan Keer. The compensation is claimed along with interest at 18% from the date of accident till its realization. The matter is pending adjudication.
83.	**MVC: 61/2013 (277/2013)**	Motor Accident Claims Tribunal, Khandwa	**Petitioners:** Chaitali Patel and others **Respondents**: Company and The New India Assurance Company Limited	5.05	Petitioners claim that Mr. Bhawesh Patel was travelling in a four wheeler when an accident occurred involving one of the trucks of the Company resulting in the death of Mr. Bhawesh Patel. The compensation is claimed along with interest at 9% from the date of

Sr. No.	Case Number	Court	Name of the Parties	Compensation Claimed (in million)	Brief Particulars of the cases
					presentation of this claim till its realization. The matter is pending adjudication.
84.	**MVC: 750/2012**	Motor Accident Claims Tribunal, Tumkur (MACT, Kunigal)	**Petitioners:** Veena Aged and others **Respondents:** Company and The New India Assurance Company Limited	2.50	Petitioners claim that K Harish travelling in a four wheeler when an accident occurred involving one of the trucks of the Company resulting in the death of Mr. K Harish. The compensation is claimed along with interest at 12% from the date of presentation of this claim till its realization. The matter is pending adjudication.
85.	**MVC: 800/2012**	(Court of District and Sessions Judge at Udupi) Addl MACT, Kundapura	**Petitioners:** Laxmi R Naik **Respondents:** Company and The United India Insurance Company Limited	8.07	Petitioners claim that Ramchandra Masthi Naik was travelling in a two wheeler when an accident occurred involving one of the trucks of the Company resulting in his death. The compensation is claimed along with interest at 12% from the date of accident till its realization. An order awarding compensation of ₹0.931 million along with interest at the rate of 6% p.a. from

Sr. No.	Case Number	Court	Name of the Parties	Compensation Claimed (in million)	Brief Particulars of the cases
					the date of the petition till deposit of the amount is passed. The Company is not aware of the fact whether the compensation amount has been deposited by the insurance company.
86.	**MVC: 102/2011**	Court of District Judge and MACT, Gadag	**Petitioners:** Mumtaz Begum **Respondents:** Company and The ICICI Lombard General Insurance Company Limited	2.50	Petitioners claim that Tippu Sultan was standing by the road when an accident occurred involving one of the trucks of the Company resulting in his death. The compensation is claimed along with interest at 18% from the date of petition till its realization. The matter is pending adjudication.
87.	**MVC: 280/2010**	Motor Accident Claims Tribunal, Pune	**Petitioners:** Tausif Rafiq Tamboli **Respondents:** Company and The ICICI Lombard Insurance Company Limited	3.5	Petitioner claimed that he and his relatives were travelling along in a personal vehicle driven to Solapur when an accident occurred involving one of the trucks of the Company resulting into severe physical injuries to the petitioner. An order awarding compensation of

Sr. No.	Case Number	Court	Name of the Parties	Compensation Claimed (in million)	Brief Particulars of the cases
					₹0.684 million along with interest at the rate of 8% p.a. from the date of the petition till deposit of the amount is passed. The Company is not aware of the fact whether the compensation amount has been deposited by the insurance companies
88.	**MVC: 527/14**	Hon'ble District Judge and Motor Accident Claims Tribunal, Chitradurga	**Petitioners:** Smt. Maharani Irani and others **Respondents:** Company and The United India Insurance Company Limited	4.00	Petitioners claim that Mr. Zafri Ali was travelling on two wheeler when an accident occurred involving one of lorries of the Company resulting in the death of Mr. Zafri Ali. Compensation is claimed along with interest and other costs including an interim award of ₹ 50,000. The matter is pending adjudication.
89.	**MVC: 1618/14**	Motor Accident Claims Tribunal, Ernakulam	**Petitioners:** John K.T. and others **Respondents:** Company and The New India Assurance Company Limited	5.16	Petitioners claim that Mr. Jomy Joy was travelling on two wheeler when an accident occurred involving one of lorries of the Company resulting in the death of Mr. Jimmy Joy.

Sr. No.	Case Number	Court	Name of the Parties	Compensation Claimed (in million)	Brief Particulars of the cases
					Compensation is claimed along with interest and other costs including an interim award of ₹ 50,000. The matter is pending adjudication.
90.	**MVC: 929/2014**	District Judge & Motor Accident Claims Tribunal, Haveri (In the Court of Civil Judge & MACT, Ranebennur)	**Petitioners:** Smt. Ashratunnisa and others **Respondents:** Company and United India Insurance Company Limited	4.00	Petitioners claim that Mr. Ashpak Ali Olekar was travelling on two wheeler when an accident occurred involving one of the lorries of the Company resulting in the death of Mr. Mr. Ashpak Ali Olekar. Compensation is claimed along with interest at 12% from the date of the accident till realization of the amount. The matter is pending adjudication.
91.	**MVC: 901/2014**	Motor Accidents Claims Tribunal, Bellary	**Petitioners:** Geethamma G and others **Respondents:** Company, Nijagunaya and National Insurance Company Limited	4.00	Petitioners claim that Mr. G Mallajja was travelling on two wheeler when an accident occurred involving one of the lorries of the Company resulting in the death of Mr. G Mallajja. Compensation is claimed along with

Sr. No.	Case Number	Court	Name of the Parties	Compensation Claimed (in million)	Brief Particulars of the cases
					interest at 24% from the date of the accident till realization of the amount. The matter is pending adjudication.
92.	**MVC 331/2009**	Motor Accident Claims Tribunal, Bundi	**Petitioners:** Kaidari Devi and others **Respondents:** Company and The IClCI Lombard General Insurance Company Limited	5.68	Petitioner claimed that Mr. Madan Lal was travelling on his personal vehicle when an accident involving one of the vehicles of the Company resulting into the death of Mr. Madan Lal. Compensation along with interest 18% rate of interest is claimed. The matter is pending adjudication.
93.	**MVC 565/14**	District and Sessions Judge and MCAT, Davangere	**Petitioners:** Smt. Parveen Ahammed and others **Respondents:** Company and The United India Insurance Company Limited	4.96	Petitioners claim that Mr. Nazeer Ahammad was travelling on two wheeler with Mr. Ashpak Ali Olekar when an accident occurred involving one of lorries of the Company resulting in the death of Mr. Nazeer Ahammad. Compensation is claimed along with interest at the rate of 9% from the date of accident till realization and grant of reliefs. The matter is pending

Sr. No.	Case Number	Court	Name of the Parties	Compensation Claimed (in million)	Brief Particulars of the cases
					adjudication.
94.	**MCOP: 1705/14**	Motor Accident Claims Tribunal, Salem	**Petitioners:** M. Vijai **Respondents:** Company and The United India Insurance Company Limited	8.00	Petitioner claim that he was travelling on his motor cycle from Karumathapatty to Coimbatore when he met with an accident involving one of the trucks of the Company. Due to such an accident, the petitioner suffered severe physical injuries and hence claimed compensation along with interest. The matter is pending adjudication.
95.	**MVC 807/14**	District Judge and MACT, Chiradurga	**Petitioners:** Srinivas **Respondents:** Company and The United India Insurance Company Limited	2.50	Petitioner claims that he was traveling on his two wheeler to Narayanapura village when he met with an accident involving one of the lorries of the Company. The Petitioner claimed that he suffered from severe physical injuries due to the accident and accordingly claimed compensation along with current rate of interest from the date of accident to the date of realization of the amount. The matter is pending adjudication.
96.	**MVC: 164/2009**	IV Additional Civil Judge	**Petitioners:** Iqbal Ahmed	4.70	Petitioner claims that he was travelling on

Sr. No.	Case Number	Court	Name of the Parties	Compensation Claimed (in million)	Brief Particulars of the cases
		(Senior Division) and Motor Accident Claims Tribunal, Mysore	Sharif **Respondents:** Company and The New India Assurance Company Limited		a two wheeler when an accident occurred involving one of the lorries of the Company resulting serious injuries caused to the Petitioner. Compensation is claimed along with interest and other costs incurred towards the petition. The matter is pending adjudication.
97.	**MVC: 276/2012**	Motor Accident Claims Tribunal, Kishangarh	**Petitioners:** Achala Raghav and others **Respondents:** Company and The New India General Insurance Company Limited	11.50	Petitioners claim that Mr. Sanjay Kumar Tomar was travelling on a two wheeler when an accident occurred involving one of the lorries of the Company resulting in the death of Mr. Sanjay Kumar Tomar. Compensation is claimed along with interest at 18% from the date of filing of the petition till realization of the amount. The matter is pending adjudication.
98.	**MACP: 112/2014**	Motor Accident Claims Tribunal, Pune	**Petitioners:** Vaishali Balu Selve and others **Respondents:** Company and The New India	3.00	Petitioners claim that Mr. Balu Ganpat Selve was travelling on a two wheeler when an accident occurred involving one of the lorries of

Sr. No.	Case Number	Court	Name of the Parties	Compensation Claimed (in million)	Brief Particulars of the cases
			Insurance Company Limited		the Company resulting in the death of Mr. Balu Ganpat Selve. Compensation is claimed along with interest at 12% from the date of filing of the petition till realization of the amount. The matter is pending adjudication.
99.	**MVC: 83/2013**	Motor Accident Claims Tribunal, Davengere	**Petitioners:** Gayitramma and others **Respondents:** Company and The ICICI Lombard General Insurance Company Limited	2.50	Petitioners claim that Mr. V. Manjunatha was travelling on a two wheeler when an accident occurred involving one of the lorries of the Company resulting in the death of Mr. V. Manjunatha. Compensation is claimed along with interest and other costs incurred towards the petition. The matter is pending adjudication.
100.	**MVC: 230/2008**	Motor Accident Claims Tribunal, Chittorgarh	**Petitioners:** Rameshchandra Toshniwal **Respondents:** Company and National Insurance Company Limited	28.21	Petitioners claim that Mr. Kapil Toshnival was travelling in a car when an accident occurred involving one of the lorries of the Company resulting in his death. Compensation is claimed along with interest at 18% and other costs incurred

Sr. No.	Case Number	Court	Name of the Parties	Compensation Claimed (in million)	Brief Particulars of the cases
					towards the petition. The matter is pending adjudication.
101.	**MACP No. 420/2014**	Motor Accident Claims Tribunal, Satara	**Petitioners:** Rupali Ravindra Shinde and Ors. **Respondents:** Jakir Mohammad, Company and New India Assurance Insurance Company Limited	13.54	Petitioners claim that Mr. Ravindra Shinde was travelling in a motor cycle when an accident occurred involving one of the trucks of the Company resulting in his death. Compensation is claimed along with interest at 10%. The matter is pending adjudication.
102.	**MVC: 5644/2014**	Motor Accident Claims Tribunal, Bangalore	**Petitioners:** Smriti Mehra **Respondents:** Company and ICICI Lombard General Insurance	5.0	Petitioner claimed that she was travelling from Bangalore to Goa in one of the buses belonging to the Company when the bus met with an accident resulting into grievous injuries to the Petitioner. The matter is pending adjudication.
103.	**MVC: 1826/ 2014**	Motor Accident Claims Tribunal, Channarayapatna	**Petitioners:** Savita and Ors. **Respondents:** Company and United India Insurance Company Limited.	7.5	Petitioners claimed compensation on account of the death of Mr. Ananth Kempogowda when an accident occurred involving one of the buses of the Company resulting in the death of Mr. Ananth Kempogowda. The

Sr. No.	Case Number	Court	Name of the Parties	Compensation Claimed (in million)	Brief Particulars of the cases
					compensation is claimed along with interest at 18%. The matter is pending adjudication.
104.	**MVC: 1825/ 2014**	Motor Accident Claims Tribunal, Channarayapatna	**Petitioners:** Amasegwda and Ors. **Respondents:** Company and United India Insurance Company Limited.	5.0	Petitioners claimed compensation on account of the death of Mr. Surendra Kempogowda when an accident occurred involving one of the buses of the Company resulting in the death of Mr. Surendra Kempogowda The compensation is claimed along with interest at 18%. The matter is pending adjudication.
105.	**MACT_ of 2014**	Motor Claims Tribunal, Delhi	**Petitioners:** Kusum Arora and Ors. **Respondents:** Prem Singh, Company and United India Insurance Company Limited	5.0	Petitioners claimed compensation on account of the death of Mr. Harshit Arora when an accident occurred involving one of the buses of the Company resulting in the death of Mr. Harshit Arora. The compensation is claimed along with interest at 12% p.a. The matter is pending adjudication.
106.	**MVC No. 585/ 2014**	Motor Accident Tribunal, Chikmagalur	**Petitioners:** Manavathi M.S. and Ors.	4.0	Petitioners claimed compensation on account of the death

Sr. No.	Case Number	Court	Name of the Parties	Compensation Claimed (in million)	Brief Particulars of the cases
			Respondents: Company and United India Insurance Company Ltd. And Shriram General Insurance Company Ltd.		of Mr. B.N. Srinivasa Murthy when an accident occurred involving one of the buses of the Company resulting in the death Mr. B.N. Srinivasa Murthy. The compensation is claimed along with interest at 12% p.a. The matter is pending adjudication.
107.	**MVC. No. 1445/ 2014**	Senior Civil judge and JMFC, Nagamangala	**Petitioners:** Nagesh Gowda. **Respondents:** Company and United India Insurance Company Ltd.	5.0	Petitioner claimed compensation on account of the injury sustained to him when an accident occurred involving one of the buses of the Company resulting in injury. The compensation is claimed along with interest. The matter is pending adjudication.
108.	**MVC. No. 584/ 2014**	District Judge and Motor Accident claims Tribunal, Chikmagalur	**Petitioners:** Yashodamma and Ors. **Respondents:** Company and United India Insurance Company Ltd. and Shiram General Insurance Company Ltd.	2.5	Petitioners claimed compensation on account of the death of Mr. Nagarajappa when an accident occurred involving one of the buses of the Company resulting in the death of Mr. Nagarajappa. The compensation is claimed along with interest at 12% p.a.

Sr. No.	Case Number	Court	Name of the Parties	Compensation Claimed (in million)	Brief Particulars of the cases
					The matter is pending adjudication.
109.	**MVC No. 900/2013**	Principal District Judge and M.A.C.T., Dharwad	**Petitioners:** Rohit Shetty **Respondents:** Company and United India Insurance Company Ltd.	2.5	Petitioner claimed compensation on account of the injury sustained to him when an accident occurred involving one of the trucks of the Company resulting in injury. The compensation is claimed along with interest. The matter is pending adjudication.
110.	**MVC No. 1632/2014**	Motor Accident Claims Tribunal, Mangalore	**Petitioners:** Mohandas Shetty **Respondents:** Company and United India Insurance Company Ltd.	3.5	Petitioner claimed compensation on account of the injury sustained to him when an accident occurred involving one of the trucks of the Company resulting in injury. The compensation along with interest at 9% p.a. from the date of the petition till recovery is claimed. The matter is pending adjudication.
111.	**M.A.C.P.No.432/2014**	Motor Accident Claims Tribunal, Satara	**Petitioners:** Marisantan Anton D’souza and Ors. **Respondents:** Jakir Mohammad	3.10	Petitioners claimed compensation on account of the death of Mr. Victor Anton Dsouza when an accident occurred involving one of the

Sr. No.	Case Number	Court	Name of the Parties	Compensation Claimed (in million)	Brief Particulars of the cases
			Chand, Company and New India Insurance Company Ltd.		trucks of the Company resulting in the death Mr. Victor Anton Dsouza The compensation is claimed along with interest at 10% p.a. The matter is pending adjudication.

5. ***Tax***

1. An Income Tax demand of ₹ 34.69 million was raised on the Company in connection with assessment year 2003-04. The Company appealed against this demand before the Commissioner of Income Tax (Appeals) at Hubli, (the "**CIT**"). Vide an order dated December 28, 2007, the CIT dismissed the Company's appeal and directed the Assessing Officer to re-compute and verify various items of income and expenditure, for the relevant assessment year, along with previous and later years. The Company in 2008 filed an appeal against the CIT's order before the Income Tax Appellate Tribunal ("**ITAT**") at Bangalore, which was allowed, and the amount recovered from the Company pursuant to the demand was refunded to the Company. The Deputy Commissioner of Income Tax ("**DCIT**") has filed an appeal against the ITAT's order before the High Court of Karnataka which appeal has been registered and admitted for a tax demand amounting to ₹ 15.71 million as on December 31, 2014. The High Court of Karnataka issued an order on August 28, 2013 and directed the assessing officer for fresh consideration of the earlier disallowances in accordance with the law. Further, the assessing officer has reviewed the earlier disallowances and completed the assessment under section 143(3) of the I.T. Act, 1961. The assessing officer has issued an order dated March 31, 2015 pursuant to which a tax demand of ₹ 37.72 million is raised on the Company and also initiated penalty proceedings under section 271 (1) (c) of the I.T. Act. The matter is pending final adjudication.

2. An Income Tax demand was raised on the Company in connection with assessment year 2008-09 which amounts to ₹ 22.05 million as on December 31, 2014. In the order dated December 29, 2010, the Assessing Officer treated the Company's wind power project as a project u/s 80 (IA) of the I.T. Act, and hence disallowed the Company from adjusting expenses pertaining to that project against the income received from the other business carried out by the Company. The assessing officer also disallowed certain expenses related to aircraft, depreciation and communication expenses. The Company has on January 6, 2011 filed an appeal against this order before the Commissioner of Income Tax (Appeals) at Hubli. The matter is pending for final disposal.

3. An Income Tax demand was raised on the Company in connection with assessment year 2009-10 which amounts to ₹ 1.74 million as on December 31, 2014. Subsequently the assessment was reopened by the Commissioner of Income Tax, Hubli U/s 263 and directed to the assessing officer to conduct the fresh assessment by order dated December 26, 2013. Accordingly, the assessing officer completed the assessment and issued an order dated June 6, 2014 with demand of ₹ 1.74 million by disallowing certain aircraft expenses and recomputed the book profit U/s 115JB of the I.T. Act. The Company has filed an appeal against the order before the Commissioner of Income Tax (Appeals) on October 11, 2014. The matter is pending hearing and final disposal.

4. An Income Tax demand was raised on the Company in connection with assessment year 2010-11 which

amounts of ₹ 1.41 million as on December 31, 2014. The assessment was completed U/s 143(3) and issued orders dated March 13, 2013 and April 26, 2013 by disallowing certain expenditure related to aircraft, lease rent paid on wind mill operations, lease hold improvements and interest on capital work in progress. The Company has filed an appeal against the order before the Commissioner of Income Tax (Appeals). The hearings are commenced and pending for final disposal.

5. An Income Tax demand was raised on the Company in connection with assessment year 2011-12 which amounts to ₹ 1.43 million as on December 31, 2014. The assessment was completed U/s 143(3) and issued an order dated March 20, 2014 by disallowing certain expenditure related to aircraft, lease hold improvements, interest on capital work in progress etc. The Company has filed an appeal against the order on April 9, 2014 before the Commissioner of Income Tax (Appeals). The hearings are commenced and pending for final disposal.

6. In March 2008, the Assistant Commissioner of Income Tax at Bellary conducted a survey u/s 133A of the I.T. Act. The Assistant Commissioner then asked the Company for certain details and clarifications pertaining to tax deducted at source on certain payments, for assessment years 2007-08 and 2008-09, u/s 201 of the I.T. Act. Subsequently the Assistant Commissioner has issued the order dated August 30, 2011 stating that certain payment made by the Company are covered U/s 194C & 194I of the I.T. Act, whereas TDS on the same has not been deducted and paid. We have further submitted that the said payments are not a part of the relevant section quoted by the officer and moreover the person who received the above payments is offered for tax. Based on our additional submissions the Assistant Commissioner of Income Tax, Bellary deleted the demand of tax in the order dated August 30, 2011 and the demand of interest is under dispute. The Company has filed an appeal against the order before the Commissioner of Income Tax (Appeals), Hubli. The hearings are commenced and pending for disposal. The amount involved in the matter has been paid by the Company and no outstanding demand is payable for the aforesaid litigation.

7. In 2009, the Commissioner of Customs, Ahmedabad (the "**CoC**") issued a notice to the Company demanding customs duty (including interest) amounting to ₹ 68.81 million on the basis that the aircraft owned by the Company and imported under the Non-scheduled Operators Permit Scheme was being used other than as permitted under notification 21/02-Cus. The Company had previously relied on this notification to claim exemption from payment of duty. Following the CoC's notice, the Company deposited the amount demanded together with interest. The CoC then passed an order against the Company demanding adjustment of the deposit towards the unpaid duty and imposing a penalty equivalent to the tax demand and additional amount of ₹ 25 million on the Company and also a penalty on Mr. Vijay Sankeshwar to the tune of ₹ 10 million and a penalty on Mr. Anand Sankeshwar to the tune of ₹ 0.05 million and penalty on Mr. Chantam K. Shetty to the tune of ₹ 0.05 million.. The Company has filed an appeal before the CESTAT, Ahmedabad and the CESTAT has by way of an order dated August 12, 2010 and by further orders, stayed the recovery of the duty from the Company. The matter is pending hearing and final disposal. The outstanding demand as on December 31, 2014 is ₹ 69.49 million.

8. The Company had received notice under section 142 of the Income Tax Act, 1961 dated October 9, 2014 for producing all financial statements for financial year 2011-2012, all bank extracts for the financial year 2012-2013, copies of the previous assessment orders. The Company has submitted the required information to the assessment officer. Further, the Company has received a show cause notice under section 274 of the I.T. Act dated March 19, 2015 for the assessment year 2012-13. In this regard, Company has also received an assessment order dated March 19, 2015, re-assessing the taxable income of the Company. The Company has filed a reply dated March 23, 2015 to aforesaid show cause notice received under Section 274 and is awaiting response from the Income Tax authorities. The aggregate liability of the Company is ₹ 2.50 million.

Labour

The following proceedings have been initiated by employees/former employees against the Company. No monetary claims have been made in these proceedings.

Sr. No.	Reference Number of Case	Name and Address of Forum	Plaintiffs/Petitioners	Brief Particulars of Proceedings	Current Status
1.	WP: 11085/10	High Court of Karnataka	Prabhakar Padmasale, formerly employed by the Company as a clerk	Alleged improper removal from employment. Reinstatement sought.	Pending hearing and final disposal.
2.	REF: 125/ID/2011	Labour Court Indore	Sitaram Prajapati – Working as Driver in our Indore Office	The Petitioner Sitaram Prajapati was transferred from Indore to Vijayawada. But he did not report at Vijayawada and remained unauthorizedly absent and was subsequently removed. He has filed the case for reinstatement, etc.	Pending hearing and final disposal.
3.	ID NO: 5/12	Before Labour Court - Kannur	M. Bhaskaran EX – EMPLOYEE working as Parcel Clerk in our Kannur Agency Office	For violations of the agency agreement, the Company terminated the agency services of Mr. Manoj Katan at Kannur. The claimant Mr. Bhaskaran was an employee of the agent, Mr. Manoj Khatan. The agent's employee is claiming employment with us.	Pending hearing and final disposal.
4.	ID: 19/12	1st Additional Labour Court - Bangalore	A. Gangaraju Ex Employee, working as Junior Clerk in our Bangalore Office	Applicant was transferred from Bangalore to Delhi vide transfer order No: VRL / HRD / 8208 dated November 19, 2012 but the claimant refused to accept the transfer order and remained unauthorizedly absent. A case filed for instatement, back wages etc. was field by the applicant.	Pending hearing and final disposal.

Employee's Compensation Claims

The Company is involved in various proceedings initiated before the Labour Officer and Workmen's Compensation Commissioner or civil courts at various locations, in connection with employee's compensation claims under the Employee's Compensation Act, 1923, as follows:

Sr. No.	Claim amount (in ₹ millions)	Number of Proceedings Involving the Death of a Person	Number of Proceedings Involving Injury or Loss of Property	Total Number of Proceedings	Approximate Aggregate Claim Amount (₹ in millions)
1.	0 to 1	30	50	80	42.97
2.	1 to 10	14	6	20	35.44
Aggregate of Claims					**78.41**

Material litigations pertaining to employees compensation cases

1. Hanumanthappa & Ors. filed a petition dated November 22, 2011 (EC No.: 19/2011) before Commissioner for Employees' Compensation and the Labour Officer, Koppal against the Company and ICICI Lombard Insurance Company Limited, Hubli branch. The Petitioners claim that Mr. Tirupateppa Mandalgeri was employed by the Company as a driver. On July 27, 2011, Mr. Tirupateppa Mandalgeri was on duty driving the truck of the Company when an accident occurred resulting in his death. The Petitioners who are the parents of the deceased claimed to be dependent on the deceased and accordingly have prayed for compensation aggregating to ₹2,600,000 under the Employment Compensation Act along with interest @ 18% p.a. on the compensation amount and costs. The matter is pending adjudication.

2. Basavaraj Godachi filed a petition (EC No.: 59/2014) before the Commissioner for Workmen's Compensation & Labour Officer Court, Hubballi against the Company and New India Assurance Co. Ltd. Hubli branch. The petitioner claims that he was driving a lorry belonging to the Company in course of his employment when an accident occurred involving one of the trucks of the Company resulting in grievous injury to the petitioner. The Company has claimed that while the accident occurred, the insurance policy pertaining to the vehicle was in effect and therefore the claim should lie against the insurance company. The petitioner has claimed a compensation amounting to ₹ 4,000,000 along with interest at the rate of 18%. The matter is pending adjudication.

3. Yamanappa Araladinni and Ors. filed a petition (E.C.A.S.R. No. /2014) before the Employees Compensation Commissioner and CJM, Bijapur against the Company and United India Insurance Co. Ltd. Bijapur branch. The petitioner claimed that the deceased Shivanand was driving a bus of the Company when an accident occurred resulting into the death of the deceased employee of the Company. The petitioner has claimed a total compensation of ₹ 2,500,000 with interest at the rate of 18% p.a. The matter is pending adjudication.

Outstanding litigation and proceedings initiated by our Company

Criminal

1. A complaint (PC: 130/P/2007/A) has been filed by the Company before the Judicial Magistrate First Class, Margao against Sandeep Kholkar and Peedikayil Agri Agencies, a partnership firm, seeking a police investigation as the consignment sent by the accused under the declaration of agricultural pesticides turned out to consist of contraband goods when intercepted at a check post. Peedikayil Agri Agencies filed a criminal revision petition before the district and Sessions Judge, Goa stating that there are not involved in the aforesaid transaction. Accordingly, the District and Sessions Court, Goa quashed the proceedings against Peedikayil Agri Agenices by order dated June 22, 2009. The matter is pending hearing and final disposal.

2. A criminal complaint (CC: 2617/2006) has been filed by the Company before the Judicial Magistrate First Class, Hubli in connection with a theft which took place at the Radhakrishnagalli Branch of the Company in Hubli and the recovery of ₹ 5,270 which has been retrieved and is now in the possession of the Court.

3. A complaint (P.C. R. No. 28/2009) has been filed by the Company in the court of the Judicial Magistrate First Class, Nelamangala, for directions to the police to register a complaint against Thushar Kishan Thumhani. Thushar Kishan Thumhani, a driver of a lorry MH-04/CU-6675 which was to deliver certain goods from Mumbai to Bangalore and Chennai. When the lorry reached the transhipment hub it was found that some of the goods, worth ₹ 295,763 were missing. The matter is pending hearing and final disposal.

4. A criminal complaint (CC: 209/2010) was filed before the Judicial Magistrate First Class-Kottayam by the Company against Mr. K Satheesan an agent of the Company at Kottayam in Kerala for misappropriation of funds. The matter is pending hearing and final disposal.

5. A criminal complaint (RC: 155/2009) has been filed before the Judicial Magistrate First Class – Ratnagiri against Mr. Shashank Khot, ex-agent at Ratnagiri for misappropriation of funds. The matter is pending for disposal.

6. A criminal complaint (CC No: 975/2011) before Judicial Magistrate First Class, Kannur was filed by the Company against Mr. Manoj Katan, ex-agent of Kannur for cheating and fraud during his tenure as an agent at Kannur. The matter is pending for disposal.

7. A criminal petition (CP No. 3176/2011) has been filed before the High Court of Karnataka against the Director General of Police CID (H & B) Bangalore for falsely implicating Company's lorry KA-25/7228 under section 279 & 304(A) of the Indian Penal Code read with section 134 (A)(B) of Motor Vehicle Act 1988.

8. A criminal complaint (CC No. 15/2013) was filed before the Judicial Magistrate II- Vellore against Mr. Prabhagaran, an ex-agent of the Company at Vaniyambadi. The Company has terminated the agency with the accused and the accused was required to deliver the pending consignments to the Company, however the same was not delivered and the accused misappropriated funds amounting to ₹ 50,000.

9. A case bearing number 35/1 & R/2013 was filed against M/s. Paras Commercial Centre before 27th Metropolitan Magistrate Court, Mulund for criminal breach of trust. The Company had taken some premises from M/s. Paras Commercial Centre in Mumbai on lease and after vacating the said premises, M/s. Paras Commercial Centre did not refund security deposit paid by the Company after certain adjustment against the license fees amounting to ₹ 3,464,024.

10. Company filed a private complaint (PC: 25/2012) before Judicial Magistrate First Class, Indi for directing the Station officer of Zalaki Police Station to register a complaint for lost of goods amounting to ₹ 252,555 from the vehicle of the Company and making necessary investigations. The matter is pending disposal.

11. Company filed a private complaint (PC: 123/2012) before Judicial Magistrate First Class, Bijapur for directing the Golgumbaz Police Station, Bijapur to register a complaint for lost of goods amounting to ₹ 42,210 from the vehicle of the Company and making necessary investigations. The matter is pending disposal.

12. Company filed a private complaint (PC: 123/2012) before Judicial Magistrate First Class, Indi for directing the Station officer of Zalaki Police Station to register a complaint for lost of goods amounting to ₹ 227,270 from the vehicle of the Company and making necessary investigations. The matter is pending disposal.

13. The Company had initiated proceedings before the Judicial Magistrate First Class, Hubli (Cr. Petn. No.: 844/02) (CC: 1184/2000) against Mr. N. G. Narayan Swami for the recovery of ₹ 4,000,000, in connection with dishonoured cheques issued to the Company and section 420 of the Indian Penal Code for cheating and fraud. These proceedings were dismissed on certain technical grounds and the Company filed an appeal in the High Court of Karnataka. The matter has now been remanded to the trial court where it is pending hearing and final disposal.

14. The following criminal proceedings have been initiated by us under the Negotiable Instruments Act, 1881, in connection with dishonoured cheques which were issued to us. In light of the judgement of Supreme Court of India in Dashrath Rupsingh Rathod v. State of Maharashtra, certain criminal porceedings have been re-filed in the courts having jurisdiction where the cheques were dishonoured. All of these proceedings are pending hearing and final disposal:

Sr. No.	Name and Address of Forum	Reference Number of Case	Filed Against	Approximate Aggregate Claim Amount (₹ in millions)
1.	The Judicial Magistrate First Class, Hubli	CC: 1412/07 PC:1159/06	Shweta Industries	0.07
2.	The Judicial Magistrate First Class, Ahmedabad	CC: 2776/12 PC:628/09	Mr. Naresh Banka, director, M/s Shree Hari Graphics Pvt. Ltd.	0.26
3.	Metropiltan Magistrate 63rd Court, Andheri	PC:1081/09 CC: 416/12 SS: 985/2015	Mr. Deepak Kate, director, Sony Express Service Pvt. Ltd.	0.04
4.	The Judicial Magistrate First Class, Panvel	PC: 1143/09 CC: 970/2011 SS: 5814/14	Mr. Baljeetsingh Rathi, proprietor, Robeen Roadlines	0.082
5.	The Judicial Magistrate First Class, Delhi	CC:2837/12 PC: 1206/09)	Mr. Nirmal Kumar Gupta, proprietor, Rishab Electricals	0.157
6.	The Judicial Magistrate First Class, Vishakhapatnam	PC: 504/10 CC: 920/2012	SRB Chem (India) Pvt. Ltd. Sri.P.J.D. Naidu, -- Anakapalle	0.013
7.	14th Assistant Chief Metropolitan Magistrate, Bengaluru	PC: 198/13 CC: 1173/13 CC: 55854/2014	Mr. Partha Chaterjee, managing director, Harbour News Clothing	0.055
8.	The Judicial Magistrate First Class, Hubli	PC: 1136/08 CC: 527/09	S. Sudhakar, Ex employee at Secunderabad	0.047
9.	14th Assistant Chief Metropolitan Magistrate, Bengaluru	PC: 272/12 CC: 1537/2014 CC: 55816/14	Mr. Rajendra Goanka, M/s. Shakambari Fashions Pvt Ltd.- Bangalore	0.11
10.	The Judicial Magistrate First Class, Hyderabad	CC:536/12 PC: 388/11	Mr. Y V S Raju M/s. Endoven Pharmaceuticals Pvt Ltd	0.01
11.	The Judicial Magistrate First Class ,Secunderabad	CC:531/12 PC: 389/11	Mr. V Ashok Kumar, M/s. TLC Marketing Services - Secunderabad	0.01
12.	The Judicial Magistrate First Class – II, Hubli	PC: 609/11	Mr. K Unnikrishnan, Proprietor, M/s. Hari Krishna Enterprises, Ernakulam	0.03 Company has received ₹ 0.037 million from the respondent and therefore did not pursue the complaint further.
13.	The Judicial Magistrate First Class – II, Hubli	CC: 997/12 PC: 730/11	Mr. M. Meghanathan S/o. Muniswamy, Hosur Godown Owner	0.50
14.	The Judicial Magistrate First Class , Indore	CC: 941/12 CC: 43306/14	Mr. D Tamotia, M/s. Tam Bran Pharmaceuticals Ltd	0.05
15.	The Judicial Magistrate First Class, Indore	CC: 942/12 CC: 43307/14	Mr. D Tamotia, M/s. Tam Bran Pharmaceuticals Ltd	0.05
16.	The Judicial Magistrate	CC: 1536/13	Mr. D Tamotia, M/s. Tam Bran	0.05

Sr. No.	Name and Address of Forum	Reference Number of Case	Filed Against	Approximate Aggregate Claim Amount (₹ in millions)
	First Class , Indore	CC: 34170/14	Pharmaceuticals Ltd	
17.	The Judicial Magistrate First Class – II, Hubli	CC: 1538/13	Mr. D Tamotia, M/s. Tam Bran Pharmaceuticals Ltd	0.20
18.	Principal Civil Judge & JMFC – Ernakulam	CC: 530/12 PC: 81/12	Mr. Rijo Joseph, M/s. Chakkanat's Engineering Solutions	0.01
19.	JMFC, Bhiwandi	CC: 912/12 PC: 451/12 OMA: 533/15	Mr. Bijendrakumar Sharma, Proprietor, M/s. Sani Singnapur Logistics and M/s. Sani Singnapur Logistics.	0.04
20.	Principal Civil Judge & JMFC –Ghaziabad	CC: 1188/12 PC: 594/12	Mr. Surendra Kumar Jalhautra, Proprietor, M/s. Harish Goods Transport Company	0.02
21.	Principal Civil Judge & JMFC –Tirupur	CC: 766/12 PC: 241/12	M/s. Sree Vari Fabrics, Tirupur	0.01
22.	25th Assistant Chief Metropolitan Magistrate, Bengaluru	CC: 1019/12 PC: 308/12 CC: 1353/15	Mr. M Kishorekumar, Proprietor, M/s. Unity Enteprises – Bangalore	0.01
23.	Principal Civil Judge & JMFC – Hubli	CC: 817/12 PC: 642/12	Mr. Mohan Das, Proprietor, M/s. Hi-Tech Equipments & Spares, Ernakulam	0.008
24.	Principal Civil Judge & JMFC – Bengaluru	CC: 871/13 PC: 642/12	Mr. Kishore, Director, M/s. Real Zippers Pvt Ltd	0.01
25.	Principal Civil Judge & JMFC – Coimbatore	CC: 878/13 PC: 643/12 CC: 27/15	Mr. Santosh S Kumar, Partner, M/s. RHFM Traders	0.16
26.	Principal Civil Judge & JMFC – Kalaburagi	CC: 994/13 PC: 124/12	Mr. Jagadish Vittalrao Hunagund, Managing Director M/s. SGS Life Sciences Pvt Ltd	0.03
27.	Principal Civil Judge & JMFC – Hubli	PC: 189/13	Mr. R L Singh, Proprietor, M/s. Debonair Industries – Bhubaneshwar	0.02 Company has received ₹ 0.03 million from the respondent and therefore did not pursue the complaint further.
28.	Principal Civil Judge & JMFC – Hubli	PC: 416/13	Mr. S G Srinivasan, Proprietor, M/s. Welcon Industries - Chennai	0.005 Company has received ₹ 0.005 million from the respondent and therefore did not pursue the

Sr. No.	Name and Address of Forum	Reference Number of Case	Filed Against	Approximate Aggregate Claim Amount (₹ in millions)
				complaint further.
29.	Principal Civil Judge & JMFC – Hubli	PC: 415/13	Mr. Dharam Gupta, Proprietor, M/s. MAPIAD – Chennai	0.006 Company has received ₹ 0.006 million from the respondent and therefore did not pursue the complaint further.
30.	Principal Civil Judge & JMFC, Vishakhapatnam	PC: 590/13	Mr. Dinesh Patel, Proprietor, M/s. Rhythm Estate	0.05
31.	Principal Civil Judge & JMFC – Rajapalayam	PC: 885/13	Mr./ Ms. Esakkiammal M/s. Sri Malaiarasi Textiles	0.07
32.	Principal Civil Judge & JMFC –Faridabad	PC: 1102 /13 CC: 2212/13	Mr. R S Murthy, M/s. New Techno Machine Tools, Faridabad	0.09
33.	Principal Civil Judge & JMFC – Ludhiana	PC: 1518 / 13 CC: 2620/13	Mr. Hari Dev, Ludhiana	0.02
34.	Principal Civil Judge & JMFC – Hubli	PC: / 13	Mr. K C Agarwal, authorised signatory M/s. Saflow Products Pvt Ltd	0.01 Company has received ₹ 0.01 million from the respondent and therefore did not pursue the complaint further.
35.	Principal Civil Judge & JMFC –Indore	CC: 2923 / 13 CC: 358/15	Mr. Manoj Taneja, M/s. Taneja Iron and Steel Company	0.06
36.	Principal Civil Judge & JMFC – Bengaluru	PC: 11/ 13 CC: 401/ 14 CC: 17884/14	Sri K. Manju proprietor of M/s. Multimex Industries - Bangalore	0.08
37.	Principal Civil Judge & JMFC – Bengaluru	PC: 14/14 CC: 399/14 CC: 17885/14	Mr. Suresh, M/s. Servotech Industries – Bangalore	0.05
38.	Principal Civil Judge & JMFC – Raipur	PC: 12/ 14 CC: 399/14	Mr. Rakesh Kumar & Mr. Rajesh Kumar of , M/s. Dev Cycle Industries – Raipur	0.01
39.	Principal Civil Judge & JMFC – Chennai	PC: 447/2014	Mr. Satish Patnaik, Director, M/s. Spearhead Busducts Pvt Ltd	0.01
40.	Principal Civil Judge & JMFC – Rajkot	PC: / 14	Mr. Dinesh Patel, M/s. Cast & Blower Co (Guj) Pvt Ltd - Rajkot	0.66
41.	Principal Civil Judge & JMFC –Ludhiana	PC: 309 / 14 CC: 980/ 14	Mr. Joginder Singh M/s. New Tech Engineers – Ludhiana	0.01
42.	Judicial Magistrate, Dehradun	PC: /14	M/s Technica Lab and Pharma Pvt. Ltd. – Dehradun, Rajneesh	0.17

Sr. No.	Name and Address of Forum	Reference Number of Case	Filed Against	Approximate Aggregate Claim Amount (₹ in millions)
			Goyal, Director	
43.	Judicial Magistrate First Class, Hubli	PC: 355/10 CC: 2460/12	Captain G.K. Suresh	2.00
44.	Judicial Magistrate, - Madurai	PC: /14	M/S. Sun Apparels Mr. Arun, Partner	0.017

Writ

1. A writ petition (WP: 21884/05) has been filed by the Company before the High Court of Karnataka, Dharwad Bench against State of Karnataka and Ors.challenging the constitutionality of the levy of infrastructure cess on vehicles by the Hubli Dharwad Municipal Corporation. The matter is pending hearing and final disposal.

2. A writ petition (WP No: 1477/12) has been filed before High Court of Judicature, Andhra Pradesh against Municipal Corporation of Vijaywada and Ors. challenging the directions issued by Vijayawada Municipal Council to all the transporters to vacate the godown premises from the city premises in accordance with the provisions of Hyderabad Municipal Corporation Act 1955. The matter is pending hearing and final disposal.

3. A writ petition (WP No: 48787- 792/11) has been filed before the High Court of Karnataka, Dharwad bench against the State of Karnataka & Ors. challenging the provisions of the article 1 (ii) of the Schedule of Karnataka Stamp Act 1957 for levy of stamp duty payable by the Company for acknowledgement of delivery of a letter, article, document, parcel, package or consignment to the sender of such letter, article, document etc. The High Court passed an interim order directing the respondents to not take co-ercive steps against the Company subject to the Company depositing ₹ 2,500,000. The matter is pending hearing and final disposal.

4. A writ petition (WP:28833/14) has been filed before High Court of Andhra Pradesh, Hyderabad against State of Telangana, and Ors. The Company contended that State of Telangana is demanding tax in respect of transport vehicles of State of Andhra Pradesh entering into the State of Telangana. Due to such a provision, Company will have to pay tax twice and therefore a writ petition is filed for refund of the collection of tax or to adjust the same in upcoming quarter.

5. A special leave petition (SLP: 25787 – 956/2012) before the Supreme Court of India is filed by State Road Transport Corporation Vs. SRS Travels & Ors. challenging the provisions of Section 3 of Karnataka Motor Vehicle Taxation and Certain other laws (Amendment) Act, 2003. The Company filed an impleading application before Supreme Court of India as Company is a holder of contract carriage permits issued by Karnataka State Transport Authority and as any decision in the special leave petition may adversely affect the interest of the Company.

6. A writ petition (WP: 60829/2009) has been filed before High Court of Karnataka against Senior Sub-Registrar, Hubli and Ors. challenging the order of the District Registrar, Dharwad stating that the Company had paid insufficient stamp duty on certain property in Hubli NCM, and ordering the Company to pay a sum of ₹ 223,856 towards stamp duty. The petition is pending hearing and final disposal.

7. A writ petition (WP: 64669/10) has been filed by the Company before High Court of Karnataka against State of Karnataka and Ors. challenging the order of the Regional Transport Office ("**RTO**") directing that vehicle documents from the RTO can be dispatched only via speed post. The matter is pending hearing and final disposal.

8. A writ petition was filed by the Company in the High Court of Karnataka challenging the order of the Regional Transport Officer & Taxation Authority demanding the difference in road tax between the date

when the vehicles were produced for registration and the date on which the body builder of the vehicle had certified the vehicle to ply on the road without giving an opportunity to be heard to the Company. The High Court disposed of the writ by directing the Company to pay the difference in tax after providing an opportunity to be heard and the matter was remanded to the Regional Transport Officer & Taxation Authority. Regional Transport Officer & Taxation Authority passed orders rejecting the contentions of the Company and therefore Company has filed appeals before the Deputy Commissioner of Transport, Belgaum. The matter is pending disposal.

9. A writ appeal no. 169/2015 has been filed by the Company in the High Court of Hyderabad, challenging the order of passed in writ petition no. 15486 of 2007. The writ appeal no. 169/2015 came to be disposed of setting aside the confiscation order dated June 16, 2006 pertaining to Company's vehicle subject to deposit of a sum of ₹ 0.5 million with the Deputy Commissioner of Prohibition Excise by the Company. As on the date of this Red Herring Prospectus, the Company was yet to deposit the aforesaid amount of ₹ 0.5 million.

10. A writ petition (W.P. No. 103404-05/ 2015) has been filed before the High Court of Karnataka against Commissioner of Commercial Taxes and Ors. seeking payment of interest amounting to ₹ 0.94 million on the entry tax collected by the Commissioner of Commercial Taxes. The aforesaid writ petition is filed in connection with the order dated November 4, 2011 issued by the High Court of Karnataka directing refund of entry taxes paid by the Company. The writ petition is pending hearing and final disposal.

Civil

1. Suits Filed for the Recovery of Money

The following proceedings have been initiated by us for the recovery of money, all of which are pending hearing and final disposal:

Sr. No.	***Reference Number of Case***	***Name and Address of Forum***	***Filed Against***	***Brief Particulars of Case***	***Approximate Aggregate Claim Amount (₹ in millions)***
1.	RFA: 348/2006 SLP 14908/2011	High Court of Karnataka Supreme Court of India	Geoffrey Manners	RFA 348/2006 against the judgment and decree dated November 08, 2005 in O.S: 896/2001 in the Court of XXXI Additional City Civil Judge, Bangalore. The Company sought for recovery of ₹ 466,550.50 with an interest at the rate of 24% p.a. The matter was decreed for a sum of ₹ 165,735.50 with an interest at the rate of 9% p.a and was dismissed in so far as ₹ 120,175 on the ground that the suit claim for the period from December 1997 to July 1998 as on the date of the claim had become time barred and the Company has appealed against this decision in the High Court of Karnataka.	0.32
2.	EP: 08/2014	High Court of	Fincon	Recovery of advance paid	1.5

Sr. No.	Reference Number of Case	Name and Address of Forum	Filed Against	Brief Particulars of Case	Approximate Aggregate Claim Amount (₹ in millions)
	OS: 358/06 MFA: 23291/2013 EX Case: 314/09, HBL EXE: 708/2010-MMB	Bombay. High Court of Karnataka Dharwad Bench	Management Services Ltd. Gauatam Dhume v. VRL	towards charges for receiving financial assistance, as the required services were not provided. Gautum Dhume one of the partners of M/s. Fincon Management Services Limited filed Misc. Case No: 21/2011 against the orders passed in OS: 358/2006 which was dismissed on June 22, 2013. MFA: 23291/2013 filed for setting aside the orders passed in Misc. Case No: 21/2011. The suit has been decreed in favour of the Company and execution proceedings have been initiated at the High Court of Bombay.	
3.	EXE: 09/13 OS: 179/09 - HBL,	Before CBD Vashi Court The Civil Judge (Junior Division), Thane	Himachal Golden Transports	Execution proceedings in connection with a claim for the recovery of money which was decreed in favour of the Company.	0.17
4.	EXE: 30/07 OS: 211/09	Principal Civil Judge (Junior Division), Sinnar	Jyothi Polymers, (a Proprietary concern)	Execution proceedings in connection with a claim for the recovery of money which was decreed in favour of the Company.	0.044
5.	EP.NO: 132/10 OS:269/03,	CCH 18 XIX Additional City Civil & Sessions Judge - Bangalore The Additional Civil Judge (Senior Division), Hubli and City Civil Judge, Bangalore.	Rekha Rajendra, Mysore Godown Owner	Claim for the recovery of money paid as a refundable security deposit for the use of a godown, which deposit was not refunded after the possession of the godown was returned. The matter was disposed off by the trial court, after which the High Court of Karnataka remanded the matter back to the trial court for fresh evidence. Suit Decreed in favour of the Company. Execution Petition filed at Bangalore.	0.53
6.	EXE: 286/11 OS: 335/03	II Additional Senior Civil	Ashok B. Hipparagi, ex	The defendant is a former in charge of the Delhi office of	0.11

Sr. No.	*Reference Number of Case*	*Name and Address of Forum*	*Filed Against*	*Brief Particulars of Case*	*Approximate Aggregate Claim Amount (₹ in millions)*
		Judge - Dharwad The Additional Civil Judge (Senior Division), Hubli	employee	the Company who had misappropriated the money claimed in this matter during his tenure of employment with the Company. Suit decreed in our favour. Execution Petition filed, but whereabouts of Ashok B. Hipparagi not known.	
7.	EXE NO: 46/12 HANGAL SC:24/07 - HBL	Senior Civil Judge – Hangal The Principal Civil Judge (Senior Division), Hubli	Umesh Talwar, Ex agent	The defendant was an agent of the Company who failed to credit certain consignment related money to our account, along with godown rentals and electricity bills payable by him to us. Ex-parte judgment and decree has been passed in our favour Execution Petition filed at Hangal and the Company has recovered an amount of ₹ 14,000 by way of demand draft dated November 5, 2014.	0.04
8.	EXE NO: OS: 429/07	The II Additional Civil judge (Jr. Dn.), Hubli	Wizard Biotech Pvt Ltd	Claim for the recovery of freight charges. Suit decreed in favour of the Company. Execution Petition filed.	0.04
9.	SUIT NO: 4727/09 Suit LD No. 195; OS: 566/07	The High Court of Bombay	Indoco Remedies Limited - Mumbai	Claim for the recovery of freight charges.	0.37
10.	CIVIL SUIT NO: 4B/2009	Principal Civil Judge (Junior Division) - Indore	Nataraj Cold Storage & Foods Pvt. Ltd.	Claim for the recovery of freight charges.	0.038
11.	EP NO: OS: 5073/10	XIV Assistant Civil Judge, Chennai	Gemini Communications Ltd.	Claim for the recovery of freight charges. Suit decreed in favour of the Company. Execution Petition to be filed.	0.119
12.	EP NO: OS: 784/08	Additional Civil Judge (Junior Division), Hubli	M. Saravana Kumar & M. Tamil Ozhi, ex-agent at Perundurai	Suit filed against ex-agent at Perundurai for the recovery of dues to be settled by them after their agency was taken over by the Company. Suit Decreed in our favour. Execution Petition filed at	0.309

Sr. No.	Reference Number of Case	Name and Address of Forum	Filed Against	Brief Particulars of Case	Approximate Aggregate Claim Amount (₹ in millions)
				Tirupur.	
13.	OS: 257/09 EP: 48/15	Principal Civil Judge (Junior Division), Hubli	Chandrakant Khilare & Ramesh Pardeshi, Ex Agents at Pune	Suit filed against ex-agents at Pune for the recovery of dues to be settled by them after their agency was taken over by the Company. Suit Decreed in favour of the Company and the Execution Petition has been filed at Pune.	0.056
14.	SC No. 28/09	Principal Civil Judge (Senior Division), Hubli	C. Balakrishnan & P. Kuppuswamy, Ex Agents at Tirupattur	Suit filed against ex-agents at Tirupattur for the recovery of dues to be settled by them after their agency was taken over by the Company.	0.011
15.	EP NO: OS: 439/09	Principal Civil Judge (Junior Division), Hubli	C. Balakrishnan & P.V. Chennakrishnan Ex Agents at Uthangarai	Suit filed against ex-agents at Uthangarai for the recovery of dues to be settled by them after their agency was taken over by the Company. Suit decreed in our favour. Execution Petition filed at Krishnagiri.	0.066
16.	EP: OS: 352/09	Additional Civil Judge (Junior Division), Hubli	Sachin K. Tupe & Krishnaji Tupe, Ex Agents at Uruli Kanchan	Suit filed against ex-agents at Uruli Kanchan for the recovery of dues to be settled by them after their agency was taken over by the Company. Suit Decreed. Execution Petition filed at Pune.	0.067
17.	OS: 706/09	Additional Civil Judge (Junior Division), Hubli	Shashank Khot & Sharad Hingmire, Ex Agents at Ratnagiri	Suit filed against ex-agents at Ratnagiri for the recovery of dues to be settled by them after their agency was taken over by the Company.	0.232
18.	EXE: 4377/13 OS: 6100/09	Assistant City Civil Judge, Chennai	Shripet Industries, Chennai - Chennai	Claim for the recovery of freight charges. Suit Decreed in our favour. Execution Petition to be filed at Chennai for ₹ 92,557 but whereabouts of the judgment debtor not known.	0.05
19.	OS: 6260/09	City Civil Judge, Bangalore	K. Gopala Krishna, Vizag Godown Owner	Claim for refund of amount paid by the Company to the defendant as security deposit in respect of certain Vizag premises.	0.314
20.	EP:	Principal Civil	Subhash Devi &	Suit filed against ex-agent at	0.029

Sr. No.	Reference Number of Case	Name and Address of Forum	Filed Against	Brief Particulars of Case	Approximate Aggregate Claim Amount (₹ in millions)
	OS: 328/2010	Judge (Junior Division), Hubli	Vijay Kumar, Ex Agent at Satara	Satara and his guarantor for the recovery of dues to be settled by him after his agency was taken over by the Company. Suit Decreed. Execution Petition filed at Satara.	
21.	OS:548/2010	Subordinate Court, Kottayam	K. Satheesan, Ex Agent - Kottayam	Suit filed against ex-agent at Kottayam and his guarantor for the recovery of dues to be settled by them after their agency was taken over by the Company.	0.984
22.	SUIT NO: 3934/10 OS.NO: 1666/10 OS: 519/2010	High Court of Bombay	Mr. Shaikh Nizamuddin, Cargo Agent at Mumbai	The defendant was appointed by the Company as its cargo agent for Mumbai South. Subsequent to delivery of consignments the defendant did not settle the amounts with the Company and hence the Company has filed a suit to recover amounts payable by the defendant.	1.694
23.	RCS: 204/10	Civil Court (Senior Division), Kolhapur	Mahalaxmi Goods Transport Company, Kolhapur	The Company had hired a vehicle from the defendant to transport certain consignments. The vehicle was damaged in an accident and the Company settled the claims of the customers. The Company has now filed a suit to recover the amount paid to the customers from the defendant.	0.08
24.	Summary Suit NO: 116/12 (OLD NO:88/2009)	Civil Judge (Senior Division), Thane	Evinix Accessories Ltd.- Mumbai	Claim for recovery of freight charges.	0.433
25.	Summary Suit 18/2009	Civil Judge (Junior Division), Vashi	Domech Fabricators - Mumbai	Claim for recovery of freight charges.	0.043
26.	OS:8037/10	City Civil Court - Bangalore	E. Padmavathamma – Bangalore Sudhamnagar Godown Owner	After vacating the godown at Sudhamnagar at Bangalore, Godown owner has not refunded the Security Deposit. Hence, the case has been filed to recover the same.	0.307
27.	EP NO:81/10 –	Civil Judge	Sudarshan S/o.	After terminating the agency	0.026

Sr. No.	Reference Number of Case	Name and Address of Forum	Filed Against	Brief Particulars of Case	Approximate Aggregate Claim Amount (₹ in millions)
	AKLUJ SC.NO:16/09	(Jr.Dn.) AKLUJ	Subhas Desai, Agent at Akluj	and after settling the accounts, the Agent, Mr.Sudarashan Desai was to pay a sum of ₹ 22,558 to the Company. However, the Agent did not make the requisite paymement. Hence, case has been filed for recovery and Suit Decreed in our favour. Execution Petition filed at Akluj.	
28.	Suit No: 412/10	City Civil Court - Kolkata	King Fisher Nirman Pvt Ltd - Kolkata	After availing our transportation service, M/s. King Fisher Nirman Pvt Ltd – Kolkata failed to pay our freight charges. Hence, case filed for recovery of the same.	0.048
29.	Suit No: 413/10	City Civil Court - Kolkata	Lanshree Product Services – Kolkata	After availing our transportation service, M/s. Lanshree Product Services - Kolkata failed to pay our freight charges. Hence, case filed for recovery of the same.	0.078
30.	SC:122/11	Principal Civil Judge - Hubli	Rajgopal D Somani, Ex Agent of Malegaon	The agency held by Mr. Rajgopal Somani at Malegaon had to be terminated for violating the agreed conditions of the agency i.e. not crediting the freight charges, mis-appropriating the company funds for self. Hence, the case has been filed by our Company.	0.058
31.	EP:953/12, SC:28/11	City Civil Judge - Bangalore	Girnar Roadlines - Bangalore	That after availing our transportation services Defendant failed to pay the Lorry Hire Charges. Hence, the case was filed by our Company. Suit Decreed in our favour. Execution Petition filed but whereabouts of the judgment debtor are not known.	0.078
32.	EP: Gudivada OS:872/11	1st Additional Civil Judge - Hubli	Mr. P. Raghu, Ex Agent, Machalipatnam	For gross violations of the Agency Agreemental conditions, agency held by Defendant at Machalipatnam was terminated. As per Final Statement of Accounts, the Defendant was to pay ₹	0.312

Sr. No.	*Reference Number of Case*	*Name and Address of Forum*	*Filed Against*	*Brief Particulars of Case*	*Approximate Aggregate Claim Amount (₹ in millions)*
				248,208 to our Company. Suit decreed in our favour. Execution Petition filed for ₹ 312,838 at Gudivada.	
33.	EP: SC:1558/11	XII Additional Small Causes Court, Bangalore	Jai Bharat Roadlines - Bangalore	After availing the credit facilities of hiring the Company vehicles the defendant did not make payment of the said hire/freight charges. Hence, the case was filed by our Company for recovery of the same. Suit Decreed in favour of the Company. Execution Petition has been filed, but the whereabouts of the judgment debtor are not known.	0.034
34.	OS:7974/11	City Civil Judge - Bangalore	Comat Technologies Pvt Ltd - Bangalore	The case has been filed to recover ₹ 25,0472 towards non payment of freight bills as per the terms of the agreement after availing the transportation services of the Company.	0.25
35.	OS:252/12	III Civil Judge - Hubli	P.J. Manoj Mallya Ex Agent at Kodungaloor	Due to severe recession of the market the agency at Kodungaloor was closed, duly intimating the defendant who was the agent of the Company. After final statement of accounts, a sum of ₹ 48,213 was to be paid by the agent to our Company. Hence, the case has been filed for recovery of the same.	0.048
36.	OS:456/13	Ghaziabad	SGS Pharmaceuticals, Ghaziabad	Even after repeated requests, defendants have failed to settle our freight bills, after availing our transportation services. Hence, the case has been filed to recover the same.	1.143
37.	OS:156/12 Regular Appeal No: 33 / 15	Additional Senior Civil Judge – Hubli High Court of Karnataka – Dharwad	The Special Land Acquisition Officer, KIADB – Dharwad Regular Appeal: 33/15 filed by the	The Company entered into a registered lease agreement dated July 7, 1999 (“**Agreement**”) with Karnataka Industrial Area Development Board (“**KIADB**”) and paid ₹	0.989

Sr. No.	Reference Number of Case	Name and Address of Forum	Filed Against	Brief Particulars of Case	Approximate Aggregate Claim Amount (₹ in millions)
		Bench	Company against the Special Land Acquisition Officer, KIADB, Dharwad	9,89,085 to the KIADB as consideration. The Agreement provided for a payment of yearly rent of ₹ 7000. Under the Agreement if the lessee performs all obligations without any breach then KIADB would execute a sale deed on receipt of a statutory notice from the lessee. However the land was acquired by the Airports Authority of India and the sale deed in favour of the Company was not executed by KIADB. Hence a suit has been filed claiming a compensation of ₹ 9,89,085 as the sale deed was not executed. Suit decreed partly by the Additional Senior Civil Judge, Hubballi on January 27, 2015 wherein KIADB was ordered to pay only the earnest money along with interest at 18% per annum. Hence, an appeal has been filed by the Company before the High Court of Karnataka, Dharwad bench for full compensation.	
38.	OS:75/2013	Civil Judge, Patiala House Court – New Delhi	Veekay Surgicals Pvt Ltd – New Delhi	After availing our services in transportation of consignments, defendant did not pay our freight bills. Hence, the case has been filed to recover the same.	0.102
39.	OS:367/2013	Civil Judge (Sr.Dn.) Gautam Budh Nagar	Helix Garments Pvt Ltd - Noida	Towards the consignment booked from Noida to Mulund, we have paid octroi charges of ₹ 29,500 and got the consignment released. But defendant failed to pay the same to us. Hence, the case has been filed to recover these charges.	0.029
40.	EP: OS:1721/2013	City Civil Judge - Mumbai	Paras Commercial Centre Pvt Ltd - Mumbai	The defendant failed to refund the security deposit paid by us after vacating the	3.464

Sr. No.	Reference Number of Case	Name and Address of Forum	Filed Against	Brief Particulars of Case	Approximate Aggregate Claim Amount (₹ in millions)
				godown premises. Hence, the case has been filed by our Company. Suit decreed in favour of the Company. Execution Petition filed at Mumbai.	
41.	OS:1229/2013	Civil Judge (Sr.Dn.) – Gautam Budh Nagar	Hawk Industries Pvt Ltd - Delhi	After availing our transportation services, defendant failed to pay our freight charges. Hence, the case has been filed to recover the same.	0.116
42.	OS:5927/2012	Civil Judge (Sr.Dn.)- Pune	Elofic Industries Ltd - Pune	After availing our services, the defendant failed to pay the freight charges. Hence the case has been filed to recover the same.	0.100
43.	OS:268/2013	Civil Judge (Sr.Dn.) - Tirupur	Stallion Fashions India Pvt Ltd - Tirupur	After availing our services, defendant instead of paying our freight charges, raised debit note towards delivery of the consignment alleging damage and wet condition. Hence, suit filed for recovery of our freight charges.	0.038
44.	OS:71/2013	Principal District Judge - Srivilliputhur	K P Agencies - Sivakasi	The defendant has failed to pay the freight bill, hence the case has been filed to recover our freight charges.	0.834
45.	OMA: 913/2013	Judicial Magistrate First Class Panvel	Dhanaji Rajaram Phalke, Suresh Gopal Beonal, Delivery Staff at Panvel	The Company staff at Panvel Mr. Dhanaji Phalke and Suresh Gopal Beonal delivered the consignment without collecting the original consignee's copy of the way bill. Hence, consignor has deducted the consignment value from our freight bills. Hence, the case has been filed against these employees to recover the same.	0.282
46.	OS:1890/2014	Additional Chief Judge City Civil Courts - Hyderabad	Indo Bio-Care Pvt Ltd - Hyderabad	While transporting the defendant's consignment, the lorry driver noticed some smoke from the consignment. Some other consignments which were kept adjacent to the defendant's consignment also got burnt and the Company suffered a loss in	0.600

Sr. No.	Reference Number of Case	Name and Address of Forum	Filed Against	Brief Particulars of Case	Approximate Aggregate Claim Amount (₹ in millions)
				settling the claims of other parties. Hence, the case has been filed to recover the loss incurred.	
47.	OS: /2014	City Civil Judge - Nelamangala	Ganesh, Owner, Bangalore TPT Hamali Quarters	Company paid a sum of ₹ 250,000 to the defendant to construct 20 rooms for our loading and unloading staff. The defendant has not started the construction work and refused to return the amount. Hence, the case has been filed to recover the same.	0.250
48.	OS:319/13	City Civil Court - Bombay	Shravankumar Laltaprasad Panday- Mumbai MH-04/FU-7691- Kanpur	At the time of unloading the vehicle (MH-04/FU-7691) owned by the defendant, hired by us, it was found that the articles worth ₹ 302,724 were found missing which were entrusted to the defendant for the purpose of transportation. Hence, the case has been filed to recover the said amount.	0.302
49.	OS: 141 /14	Civil Judge and JMFC - Chickballapur	SLN Traders - Chickballapur	Due to a delay in delivering the consignment which was transported from Chickballapur to Ahmedabad, defendant did not pay our freight charges. Hence, the case has been filed to recover the same.	0.034
50.	OS:1889/14	District Judge, R R District L B Nagar - Hyderabad	M/s. Sunrise Enterprises – Hyderabad, C&F Agents for Dabur India Limited	After availing our transportation services, the defendants have not paid the freight bill. Hence, the case has been filed to recover the same.	0.174
51.	OS:593/14	District Judge - Kanpur	1. Arun Kumar Gupta - Kanpur 2. Shri Laxmi Freight Carriers - Lucknow	A vehicle numbered UP-78/AT-3249 owned by the defendant was hired by the Company for transporting a consignment from Tarapur to Lucknow. At the time of unloading the consignment at Lucknow the contents of the consignment were found short. Hence, the suit has been filed for recovery of the loss for the same.	0.154

Sr. No.	Reference Number of Case	Name and Address of Forum	Filed Against	Brief Particulars of Case	Approximate Aggregate Claim Amount (₹ in millions)
52.	OS: /2014	Civil Judge – II – Sagar in Mandhya Pradesh	Sumat Kumar Jain	A vehicle numbered MP-16/H-1669 owned by the defendant was hired by the Company for transporting the consignment from Nagpur to Kanpur. However at the time of unloading some consignments were found opened and short. Hence, case filed for recovery of loss for the same.	0.509
53.	OS: 802/2014	Principal Civil Judge, Hubballi	Turbo Aviation Private Limited	M/s. Turbo Aviation Private Limited - Hyderabad hired an aircraft of the Company on July 6, 2014. The Company raised an invoice bearing No. VRL/INV/JUL/52/14-15 dated July 7, 2014 for a total sum of ₹ 4,00,000 for the aircraft chartered. Turbo Aviation Private Limited failed to make the above payment despite repeated made by the Company. Hence a case has been filed for recovery of the dues pending.	0.4
54.	OS: 361/2014	First Additional Senior Civil Judge, Hubballi	B.S Mahesh and M/s. Ashwini Pharma, Mysore	Consignment booked by Geoffrey Manners & Company Limited on a self basis was delivered to Mr. B S Mahesh of M/s. Patel Agencies - Mysore against the driver's copy of the way bills. After taking delivery of the consignment Mr. B S Mahesh failed to make payment of the consignment to Geoffrey Manners & Company Limited and hence a suit was filed against the Company by Geoffrey Manners & Company Limited claiming the value of the consignment. The suit was decreed in favour of Geoffrey Manners & Company Limited. The Company challenged the decree by filing a Regular Appeal	3.4

Sr. No.	Reference Number of Case	Name and Address of Forum	Filed Against	Brief Particulars of Case	Approximate Aggregate Claim Amount (₹ in millions)
				before the High Court of Karnataka which was dismissed with directions to recover the amount paid by the Company to Geoffrey Manners & Company Limited from Mr. B.S Mahesh and M/s. Ashwini Pharma. The suit is filed for recovery of the same.	
55.	Civil Suit No. 12 of 2015	Civil Judge Junior Division, District Thane	Rudrapratap Tripathi and Ors.	Company has an application for ad-interim injunction against the defendants from restraining the entry of vehicles of the Company into the gowdown property situated at Bhiwandi and owned by the Company pursuant to a sale deed.	Nil
56.	OS: 192/15	Assistant City Civil Judge - Chennai	Sri Venkateswara Traders - Chennai	While transporting the consignment belonging to the defendant our vehicle got intercepted by the Forest Authorities at Nippani Checkpost in Karnataka the consignment along with our vehicle was seized for want of Forest Permit for transporting the consignment consisting of 4076 kgs of Saptarangi plant stems, the transportation of which requires a forest permit which had to be obtained by the defendant. Our vehicle was released on the issuance of a bank guarantee. Hence, a case has been filed for recovery of loss and expenses incurred by the Company for detention and release of our vehicle.	0.96
57.	OS: /15	Civil Judge, Senior Division, Gautam Budh Nagar	CPP Thermo Devices (P) Ltd., Noida	After availing our services in transporting the consignments from Noida/Delhi to various places in the country, the defendant failed to make the payent of freight charges. Hence, case has been filed to recover our freight charges.	0.17

Consumer complaints

Consumer Complaint No: 24/12 before Hon'ble State Commission – Bangalore is filed by the Company against M/s. ICICI Lombard General Insurance Company for recovery of ₹ 2,246,750 with compensation amounting to ₹ 2,500,000 for illegal rejection of insurance claim, along with interest @18%. p.a. Vehicle bearing Reg. No: KA-25/C-9007 met with a fire accident on August 26, 2011 near Gulabpur, District, Bhilwara in Rajasthan. Thereafter, a final survey of the burnt vehicle was conducted which estimated damages suffered by the Company amounting to ₹ 2,246,750 and the amount was intimated to ICICI Lombard General Insurance Company to make good of the loss. However the insurance company did not settle Company's claim, and hence a complaint before the State Commission was filed by the Company.

Appeals – Recovery cases

1. The Company has filed a suit in the High Court of Bombay on June 8, 2010 (Logging No. 1751/2010, OS: 358/12) against Parekh Integrated Service Private Limited for recovery of a sum of ₹ 3,134,237.82, in respect of the loss caused to the Company when a lorry carrying the defendant's consignment burned down. The defendant had wrongly stated that the goods comprised detergents and food products, and had not revealed that the goods were of an inflammable nature. The matter is pending hearing and final disposal.

2. The Company has entered into a power purchase agreement with the Hubli Electricity Supply Company Limited ("**HESCOM**") under which it sells energy to HESCOM. According to the terms of this agreement, HESCOM is liable to pay interest on any delayed payments to the Company. HESCOM did not pay interest on delayed payments for the period from September 2006 to January 2009 and the Company therefore filed a petition before the Karnataka Electricity Regulatory Commission (OP: 11/2009) claiming an amount of ₹ 9,168,198 which was disposed of in favour of HESCOM. An appeal had been filed before the Electricity Appellate Tribunal – New Delhi on March 21, 2013 which was dismissed and Company has filed a Special Leave Petition in the Supreme Court in May 2014. The Company has also on February 20, 2015 filed a petition before the Karnataka Electricity Regulatory Commission (OP: 9/2015) claiming an amount of ₹ 54,16,974 towards interest on delayed payments for the period April 2011 to December 2014.

Appeals Pursuant to Proceedings filed against the Company in Consumer Courts

Eleven appeals have been filed by the Company before various State Commissions against decisions of the District Consumer Forums, in connection with alleged deficiency of services provided by the Company. In Consumer Case No. 269/2011 filed by Mr. Tojosh Ghuman in the District Consumer Forum, Chandigarh, a Special Leave Petition (SLP: 37272/2013) has been filed in the Supreme Court of India by the Complainant/consumer pursuant to dismissal of the appeals before the State Commission and the National Commisssion. The aggregate amount involved in these appeals which are pending hearing and final disposal is ₹ 1,225,133.36.

Appeals Pursuant to Proceedings filed against the Company in Motor Vehicle Accident Claims Tribunal

1. Smt. Geeta Ingalahalli filed a MVC Case No. 194/2002 against the Company and The Oriental Insurance Company Limited before the Motor Vehicle Accident Claims Tribunal at Koppal claiming an amount of ₹ 44,55,000 as compensation for the death of her husband Mr. Sunil Ingalahalli who was travelling on a bus bearing registration number KA 25 A 1854 operated by the Company which met with an accident on May 6, 2002 near Adivaal village in Hiryur Taluka. An appeal bearing no. MFA 22150/2009 was filed by The Oriental Insurance Company Limited before the High Court of Karnataka at Dharwad challenging the award dated September 11, 2008 passed by the Additional MACT and Fast Track Court – I, Koppal which directed it to pay an amount of ₹ 9,95,000 with an interest at 6% per annum. Aggrieved by the award passed by the Additional MACT and Fast Track Court – I, Koppal on September 11, 2008 Smt. Geeta Ingalahalli has filed Cross Objection No. 865/2012 in the High Court of Karnataka claiming that the award passed for compensation of ₹ 9,95,000 is very meager and liable to be enhanced as original compensation claimed was for an amount of ₹ 44,55,000. Accordingly, Smt. Geeta Ingalahalli

has valued the cross objection for ₹ 34,60,000 after deducting the amount of ₹ 9,95,000. The matter is pending adjudication.

2. Smt. Vijaylaxmi Ingalahalli filed a MVC Case No. 195/2002 against the Company and The Oriental Insurance Company Limited before the Motor Vehicle Accident Claims Tribunal at Koppal claiming an amount of ₹ 44,55,000 as compensation for the death of her husband Mr. Anil Ingalahalli who was travelling on a bus bearing registration number KA 25 A 1854 operated by the Company which met with an accident on May 6, 2002 near Adivaal village in Hiryur Taluka. An appeal bearing no. MFA 22149/2009 was filed by The Oriental Insurance Company Limited before the High Court of Karnataka at Dharwad challenging the award dated September 11, 2008 passed by the Additional MACT and Fast Track Court – I, Koppal which directed it to pay an amount of ₹ 9,95,000 with an interest at 6% per annum. Aggrieved by the award passed by the Additional MACT and Fast Track Court – I, Koppal on September 11, 2008 Smt. Vijaylaxmi Ingalahalli has filed Cross Objection No. 861/2012 in the High Court of Karnataka claiming that the award passed for compensation of ₹ 9,95,000 is very meager and liable to be enhanced as original compensation claimed was for an amount of ₹ 44,55,000. Accordingly, Smt. Vijaylaxmi Ingalahalli has valued the cross objection for ₹ 34,60,000 after deducting the amount of ₹ 9,95,000. The matter is pending adjudication.

3. Mr. Mallikarjun Halakatti filed MVC Case No. 1851/2010 against the Company and ICICI Lombard General Insurance Company Limited claiming compensation of ₹ 35,00,000 with regard to injuries sustained while travelling on a bus bearing registration number KA-25/B-5618 operated by the Company near Yallapur. Aggrieved by the judgment and award dated August 8, 2011 passed by the MACT No. XII Bijapur in MVC No. 1851/2010 directing ICICI Lombard General Insurance Company Limited to pay a sum of ₹ 19,01,500 with interest at 6% per annum Mr. Mallikarjun Halakatti has filed MFA No. 32044/2014 claiming that the award passed for compensation of ₹ 19,01,500 is very meager and liable to be enhanced as original compensation claimed was for an amount of ₹ 35,00,000. The matter is pending adjudication.

4. Mr. Subith Kumar filed MVC Case No. 45/2010 against the Company and United India Insurance Company Limited claiming compensation of ₹ 44,01,625 with regard to injuries sustained while travelling on a bus bearing registration number KA-25A-7392 operated by the Company while on its from Ankola to Kumta on March 13, 2009. Aggrieved by the judgment and award dated April 5, 2012 passed by the Senior Civil Judge and Additional MACT Udupi dismissing the petition, Mr. Subith Kumar has filed MFA No. 7807/2013 challenging the dismissal of the petition and restricting his claim to ₹ 14,50,000. The matter is pending adjudication.

5. Smt. Ashwini Vijay filed MVC Case No. 257/2011 against the Company and ICICI Lombard General Insurance Company Limited claiming compensation of ₹ 27,00,000 with regard to injuries sustained while travelling from Ramagiri to Bangalore when a lorry bearing registration number KA-25/B-5084 owned by the Company collided with the car in which Smt. Ashwini Vijay was travelling. Aggrieved by the judgment and award dated August 5, 2013 passed by the Principal District and Sessions Judge and MACT – I, Chittradurga in MVC No. 257/2011 directing ICICI Lombard General Insurance Company Limited to pay a sum of ₹ 2,83,000 with interest at 6% per annum Smt. Ashwini Vijay has filed MFA No. 1683/2014 claiming that the award passed for compensation of ₹ 2,83,000 is very meager and liable to be enhanced as original compensation claimed was for an amount of ₹ 27,00,000. Accordingly, Smt. Ashwini Vijay has valued the appeal for ₹ 24,17,000 after deducting the amount of ₹ 2,83,000. The matter is pending adjudication.

6. Lalithamma Vasappa filed MVC Case No. 156/2009 against the Company and New India Assurance Company Limited before the MACT, Holalkere claiming an amount of ₹ 40,00,000 as compensation for the death of her son Mr. Rangaswammy who was travelling on a motorcycle when a lorry owned by the Company bearing registration number KA 25/A 4509 collided with the motorcycle at Hosadurga. Aggrieved by the judgment and award dated Macrh 17, 2010 passed by the Civil Judge (Senior Division) and MACT, Holalkere in MVC No. 156/2009 directing New India Assurance Company Limited to pay a sum of ₹ 3,74,000, Lalithamma Vasappa has filed MFA No. 7265/2011 in the High Court of Karnataka, claiming that the award passed for compensation is very meager and liable to be enhanced as original

compensation claimed was for an amount of ₹ 40,00,000. Accordingly, Lalithamma Vasappa has valued the appeal for ₹ 36,26,000 after deducting the amount of ₹ 3,74,000. The matter is pending adjudication.

7. Komal Motwani filed MACP 1144/06 against the Company and New India Assurance Company Limited before the District Court and MACT, Rajkot claiming an amount of ₹ 25,00,000 as compensation for the death of her father Amitkumar Motwani who was travelling on a motorcycle when a bus owned by the Company bearing registration number KA 25/B 505 collided with the motorcycle on National Highway 13 near Chatradurga. Aggrieved by the judgment and award dated March 6, 2014 passed by the District Court and MACT, Rajkot in MVC No. 1144/06 directing New India Assurance Company Limited to pay a sum of ₹ 20,85,000 along with interest at 8% per annum as compensation, New India Assurance Company Limited has filed MFA No. 1858/14 in the High Court of Gujarat, challenging the award. The matter is pending adjudication.

8. Smt. Pushpa Shinde filed MVC 99/12 against the Company and ICICI Lombard General Insurance Company Limited before the Principal Senior Civil Judge & AMACT, Dharwad claiming an amount of ₹ 28,00,000 as compensation for the death of her husband Manoj Shinde, who was travelling from Mangalore to Pune on a bus owned by the Company bearing registration number KA 25/C 8868 which met with an accident on October 14, 2011 at National Highway 63 near Ankola. Aggrieved by the judgment and award dated March 28, 2013 passed by the Principal Senior Civil Judge & AMACT, Dharwad in MVC 99/12 directing ICICI Lombard General Insurance Company Limited to pay a sum of ₹ 28,77,000 along with interest at 6% per annum as compensation, ICICI Lombard General Insurance Company Limited has filed MFA No. 2480/13 in the High Court of Karnataka, Dharwad bench, challenging the award. The matter is pending adjudication.

9. Smt. Jayamma filed MVC 879/12 against the Company and ICICI Lombard General Insurance Company Limited before the Court of the III Additional Senior Civil Judge and MACT, Bangalore claiming an amount of ₹ 75,00,000 as compensation for the death of her son Ranganath, who was travelling on a motorcycle when a bus owned by the Company bearing registration number KA 25/C 5583 collided with the motorcycle near Kamakshipyala in Bangalore on November 25, 2011. Aggrieved by the judgment and award dated August 5, 2013 passed by the Court of the III Additional Senior Civil Judge and MACT, Bangalore in MVC 879/12 directing ICICI Lombard General Insurance Company Limited to pay a sum of ₹ 29,94,640 along with interest at 8% per annum as compensation, ICICI Lombard General Insurance Company Limited has filed MFA No. 9774/13 in the High Court of Karnataka challenging the award. The matter is pending adjudication.

10. Santosh Raj filed MVC Case No. 292/2008 against the Company and New India Insurance Company Limited before the MACT, Chittorgarh claiming an amount of ₹ 75,55,000 as compensation for the death of her husband Mr. Khem Raj who was travelling on a bus to Udaipur when a truck owned by the Company bearing registration number KA 25/B 8028 met with an accident with the bus resulting in Mr. Khem Raj's death. Aggrieved by the judgment and award dated April 8, 2011 passed by the MACT, Chittorgarh in MVC No. 292/2008 directing New India Assurance Company Limited to pay a sum of ₹ 4,54,000 along with interest at 7% per annum, Santosh Raj has filed MFA No. 1860/2011 in the High Court of Rajasthan, claiming that the award passed for compensation is very meager and liable to be enhanced as original compensation claimed was for an amount of ₹ 75,55,000. Accordingly, Santosh Raj has valued the appeal for ₹ 71,01,000 after deducting the amount of ₹ 4,54,000. The matter is pending adjudication.

11. Smt. Sarojani Masali filed MVC No. 561/12 against the Company and ICICI Lombard General Insurance Company Limited before the Court of the I Additional Senior Civil Judge and MACT VI, Bijapur claiming an amount of ₹ 90,00,000 as compensation for the death of her son Prashant Masali, who was travelling from Hyderabad to Bijapur on a bus owned by the Company bearing registration number KA 25/C 5934 met with an accident near Devar, Bijapur on March 22, 2012. Aggrieved by the judgment and award dated March 5, 2013 passed by the Court of the I Additional Senior Civil Judge and MACT VI, Bijapur in MVC 561/12 directing ICICI Lombard General Insurance Company Limited to pay a sum of ₹ 44,25,700 along with interest at 7% per annum as compensation, ICICI Lombard General Insurance Company Limited has filed MFA No. 31378/13 in the High Court of Karnataka challenging the award.

The matter is pending adjudication.

12. Hansraj filed MVC Case No. 525/2010 against the Company and ICICI Lombard General Insurance Company Limited before the MACT, Shahapur (Rajasthan) claiming an amount of ₹ 76,30,000 as compensation for the death of his father Mr. Sawairam who was travelling from Jaipur to Bangalore on a bus owned by the Company bearing registration number KA 25/B 8362 which met with an accident near Amlikanla village, Shahapur. Aggrieved by the judgment and award dated April 9, 2012 passed by the MACT, Shahapur (Rajasthan) partly allowing the petition in MVC No. 525/2010 Hansraj and others have filed MFA No. 1634/2012 in the High Court of Rajasthan, claiming that the award passed for compensation is very meager and liable to be enhanced to the original compensation claimed has hence valued the appeal for ₹ 76,30,000. The matter is pending adjudication.

13. Mr. Ravindranath Ravindramurthy filed MVC Case No. 312/2004 against the Company and United Insurance Company Limited claiming compensation of ₹ 28,03,400 with regard to injuries sustained while travelling on a motorbike from Hubballi to Tarihal when a bus bearing registration number KA-25/A-8745 owned by the Company collided with his motorbike. Aggrieved by the judgment and award dated April 21, 2004 passed by MACT – I, Dharwad in MVC No. 312/2004 awarding a compensation of ₹ 5,83,200 with interest at 6% per annum Mr. Ravindranath Ravindramurthy has filed MFA No. 20924/2012 claiming that the award passed for compensation of ₹ 5,83,200 is very meager and liable to be enhanced as original compensation claimed was for an amount of ₹ 28,03,400. Accordingly, Mr. Ravindranath Ravindramurthy has valued the appeal for ₹ 22,20,200 after deducting the amount of ₹ 5,83,200. The matter is pending adjudication.

14. Mr. Zakir Patel filed MVC Case No. 1262/2008 against the Company and ICICI Lombard General Insurance Company Limited claiming compensation of ₹ 59,00,000 with regard to injuries sustained while travelling on a bus from Bellary to Gulbarga when a bus bearing registration number KA-25/A7025 owned by the Company collided with the bus in which he was travelling. Aggrieved by the judgment and award dated December 26, 2009 passed by the Presiding Officer, Fast Track Court – II and MACT - X, Bellary in MVC No. 1262/2008 awarding a compensation of ₹ 1,22,300 Mr. Zakir Patel has filed MFA No. 22681/2010 claiming that the award passed for compensation of ₹ 1,22,300 is very meager and liable to be enhanced to the original amount of compensation claimed i.e. ₹ 59,00,000. The matter is pending adjudication.

15. Ms. Lakshmi Goudar filed MVC Case No. 512/2008 against the Company and Oriental Insurance Company Limited claiming compensation of ₹ 75,00,000 with regard to injuries sustained while travelling on a bus bearing registration number KA-25/B-1916 owned by the Company met with an accident on September 23, 2007. Aggrieved by the judgment and award dated February 11, 2010 passed by MACT, Bangalore in MVC No. 512/2008 awarding a compensation of ₹ 1,01,400 Ms. Lakshmi Goudar has filed MFA No. 5610/2010 claiming that the award passed for compensation of ₹ 1,01,400 along with interest at 8% per annum is very meager and liable to be enhanced as original compensation claimed was for an amount of ₹ 75,00,000. Accordingly, Mr. Ravindranath Ravindramurthy has valued the appeal for ₹ 73,98,600 after deducting the amount of ₹ 1,01,400. The matter is pending adjudication.

16. Alakananda Sonar filed MVC Case No. 188/2012 against the Company and ICICI General Insurance Company Limited before the MACT, Mangalore claiming an amount of ₹ 40,00,000 as compensation for the death of her husband Mr. Khem Bahadur Sonar who while walking on the street in Kulai, Mangalore, was hit by a bus owned by the Company bearing registration number KA 20/L 4651, resulting in his death on the spot. Aggrieved by the judgment and award dated July 29, 2013 passed by the MACT, Mangalore in MVC No. 188/2012 directing the Company and ICICI General Insurance Company Limited to pay a sum of ₹ 12,72,000, Alakananda Sonar has filed MFA No. 6225/2014 in the High Court of Karnataka, claiming that the award passed for compensation is very meager and liable to be enhanced as original compensation claimed was for an amount of ₹ 40,00,000. Accordingly, Alakananda Sonar has valued the appeal for ₹ 27,28,000 after deducting the amount of ₹ 12,72,000. The matter is pending adjudication.

17. Somappa Gowda filed MVC Case No. 1404/2012 against the Company and ICICI General Insurance Company Limited before the MACT, Puttur claiming an amount of ₹ 25,00,000 as compensation for the injuries suffered by him while travelling in a vehicle when the vehicle in which he was travelling was hit by a lorry owned by the Company bearing registration number KA 25/A 7996, resulting in him suffering grievous injuries. Aggrieved by the judgment and award dated October 22, 2013 passed by the Principle Senior Civil Judge and ACJM and MACT, Puttur in MVC No. 1404/2012 directing the Company and ICICI General Insurance Company Limited to pay a sum of ₹ 5,60,000, Somappa Gowda has filed MFA No. 4583/2014 in the High Court of Karnataka, claiming that the award passed for compensation is very meager and liable to be enhanced as original compensation claimed was for an amount of ₹ 25,00,000. Accordingly, Somappa Gowda has valued the appeal for ₹ 19,40,000 after deducting the amount of ₹ 5,60,000. The matter is pending adjudication.

Other Appeals

1. The North West Karnataka Road Transport Corporation ("**NWKRTC**") had filed proceedings against the Company and other private tour operators by way of OS: 71/2006, in the Court of the Civil Judge, Haliyal, wherein they had sought to restrain such tour operators from parking private tourist vehicles within 500 metres radius from the Central Bus Stand. This suit was dismissed. NWRTC filed Regular Appeal No. 21/2007 before the Senior Civil Judge, Haliyal which was also dismissed. NWKRTC has filed a RSA No. 5460/2011 before the High Court of Karnataka, Dharward bench.

2. An appeal (Appeal No: 177/2012) was filed in the State Commission Chennai in relation to a consumer case (Consumer Case No: 102/2010) filed by M/s. Menaka Textiles. The Appeal was dismissed and the Company has deposited the decreed amount in the court. The statutory deposit of ₹ 23,990 deposited by the Company towards yet to be refunded by the State Commission Chennai.

Appeal filed by the Company (Receivable)

The Company filed an application (ESI Application No. 22/2007) under the Employees State Insurance Act, 1948 (the "**ESI Act**") before the Employees State Insurance Court at Hubli, challenging the order of the Assistant Director, Employees State Insurance Corporation, who had demanded a contribution of ₹ 1.29 million in respect of drivers headquartered in Varur. The Company's application stated that since Varur is not a notified area under the ESI Act, the Company need not make contributions in respect of the drivers. The application filed by the Company was dismissed, and the Company has filed an appeal (MFA: 20858/10) before the High Court of Karnataka, Dharwad Bench. The matter has been stayed.

II. PROCEEDINGS INITIATED AGAINST DIRECTORS OF THE COMPANY

Criminal Proceedings against Dr. Vijay Sankeshwar

Criminal Defamation Proceedings against our director Dr. Vijay Sankeshwar in his capacity as erstwhile printer and publisher of the Kannada daily 'Vijay Karnataka'

Sr. No.	***Parties***	***Reference Number of Suit***	***Name and Address of Forum***	***Brief Particulars of Proceedings***	***Current Status***
1.	C. Chennigappa vs. Vijay Sankeshwar	CC: 2630/06	Additional Chief Metropolitan Magistrate, Bangalore	These proceedings have been initiated in connection with a news item regarding the suspension of the complainant while in service.	Pending hearing and final disposal.
2.	Fakirappa Baligar vs. Vijay Sankeshwar	CC: 463/06	Judicial Magistrate First Class, Dharwad	These proceedings have been initiated in connection with a news item regarding the alleged mis-appropriation of agricultural labourers insurance money.	Pending hearing and final disposal.

Sr. No.	Parties	Reference Number of Suit	Name and Address of Forum	Brief Particulars of Proceedings	Current Status
3.	Vishwanath Avanti V/s. Vijay Sankeshwar	OS:102/02 Regular First Appeal No: 6067/2013	Senior Civil Judge – Yadgiri High Court of Karnataka, Gulbarga Bench – Gulbarga	The plaintiff has claimed defamatory damages for the news item published in Vijay Karnataka. Suit decreed / Dismissed on merits on October 21, 2011 Plaintiff filed Regular First Appeal.	Pending admission at High Court
4.	E. Krishnappa Vs. Vijay Sankeshwar & Ors.	CC: 716 of 2014	Judicial Magistrate First Class, Nelamangala	These proceedings have been initiated in connection with a news item regarding the alleged mis-appropriation in land dealing in Bangalore	Pending hearing
5.	E. Krishnappa Vs. Vijay Sankeshwar & Ors.	CC: 717 of 2014	Judicial Magistrate First Class, Nelamangala	These proceedings have been initiated in connection with a news item regarding the alleged mis-appropriation in land dealing in Bangalore	Pending hearing

Civil Proceedings against Dr. Vijay Sankeshwar, Anand Sankeshwar and Mr. Chantam K. Shetty

In 2009, the Commissioner of Customs, Ahmedabad (the "**CoC**") issued a notice to the Company demanding customs duty (including interest) amounting to ₹ 68.81 million on the basis that the aircraft owned by the Company and imported under the Non-scheduled Operators Permit Scheme was being used other than as permitted under notification 21/02-Cus. The Company had previously relied on this notification to claim exemption from payment of duty. Following the CoC's notice, the Company deposited the amount demanded together with interest. The CoC then passed an order against the Company demanding adjustment of the deposit towards the unpaid duty and imposing a penalty equivalent to the tax demand and additional amount of ₹ 25 million on the Company and also a penalty on Mr. Vijay Sankeshwar to the tune of ₹ 10 million and a penalty on Mr. Anand Sankeshwar to the tune of ₹ 0.05 million and penalty on Mr. Chantam K. Shetty to the tune of ₹ 0.05 million.. The Company along with Dr. Vijay Sankeshwar has filed an appeal before the CESTAT, Ahmedabad and the CESTAT has by way of an order dated August 12, 2010 and by further orders, stayed the recovery of the duty from the Company. The matter is pending hearing and final disposal. The outstanding demand as on December 31,2014 is ₹ 69.49 million.

Tax proceedings against Mr. Anand Sankeshwar

An assessment order dated March 10, 2015 was issued by the Income Tax Authorities against Mr. Anand Sankeshwar pertaining to assessment year 2012-13 for payment of sum of ₹ 0.06 million and written representation dated March 23, 2015 was filed with the Income Tax Department for rectification of error in the assessment order. Mr. Anand Sankeshwar has not received any response from the Income Tax Authorities in this regard.

Details of the past cases in which penalties were imposed against Dr. Vijay Sankeshwar and Mr. Anand Sankeshwar

(i) Penalty for an amount of ₹ 2,500 for compounding of offence under section 621A of the Companies Act, 1956 for violating of Rule 3(1)(c) Companies (Acceptance of Deposits) Rules 1975 (ii) Penalty for an amount of ₹ 12,500 for compounding of offence under section 621A of the Companies Act , 1956 for violations under section 292A (1) & (4), 372A, 211 and 297 of the Companies Act 1956

III. PROCEEDINGS INITIATED BY THE PROMOTERS OF OUR COMPANY

Criminal Proceedings initiated by Mr. Vijay Sankeshwar

1. A Criminal Special Leave Petition ("**SLP**") was filed by (i) the Editor of *Vijay Karnataka*, (ii) a *Vijay Karnataka* reporter, and, (iii) Dr. Vijay Sankeshwar as the printer and publisher of *Vijay Karnataka*, against the Registrar General of the High Court of Karnataka, (SLP CRL 1205 of 2003). This SLP was filed against the common order dated March 17, 2003 of the full bench in the contempt of court proceedings initiated *suo motu* by the High Court of Karnataka wherein it was held that certain news items published in *Vijay Karnataka* about three High Court Judges were prima facie contemptuous, and, that the petitioners and others should be charged with commission of an offence punishable under Section 12 of the Contempt of Courts Act, 1971. The SLP seeking leave to appeal the order of March 17, 2003 is pending final disposal. Our Promoter Dr. Vijay Sankeshwar had declared himself as printer and publisher of *Vijay Karnataka*, however the entire shareholding of Vijayanand Printers Limited was sold to the Times Group on August 25, 2006.

2. Defamation proceedings have been initiated by our Promoter Dr. Vijay Sankeshwar against B. S. Shivaprasad in the court of the Judicial Magistrate First Class-II, Hubli (CC: 546/07 and CC: 689/06), in light of a publication in the Karavali Ale criticizing Mr. Sankeshwar as the printer and publisher of Vijay Karnataka. The proceedings are pending hearing and final disposal.. The accused has been convicted, howver he has filed criminal appeals bearing no. 11 & 12 of 2015 before the 1st Additional District Sessions Judge, Hubli. The cases are pending hearing and final disposal.

3. Defamation proceedings have been initiated by our Promoter Dr. Vijay Sankeshwar against Mr. Basanagouda Patil Yatnal, the then Union Minister of State for Railways, in the court of the Judicial Magistrate First Class-II, Hubli (CC: 1081/04;) in light of criticism of Dr. Vijay Sankeshwar by Mr. Basanagouda Patil Yatnal for failure to form a political party. The proceedings are pending hearing and final disposal.

4. *Criminal Appeal*

   Criminal Appeal No. 433/03 and Special Leave Petition (Criminal) No. 1205/03 have been initiated in the Supreme Court at Delhi by Dr. Vijay Sankeshwar in his capacity as the erstwhile printer and publisher of Vijay Karnataka, challenging the suo moto contempt of court proceedings initiated by the High Court of Karnataka against Vijay Karnataka and Dr. Vijay Sankeshwar for publishing an article in connection with certain High Court Judges. This appeal and Special Leave Petition are pending hearing and final disposal. The Supreme Court has stayed the High Court proceedings.

IV. PROCEEDINGS INITIATED AGAINST THE PROMOTERS OF OUR COMPANY

Civil Proceedings against the Promoters

In 2009, the Commissioner of Customs, Ahmedabad (the "**CoC**") issued a notice to the Company demanding customs duty (including interest) amounting to ₹ 68.81 million on the basis that the aircraft owned by the Company and imported under the Non-scheduled Operators Permit Scheme was being used other than as permitted under notification 21/02-Cus. The Company had previously relied on this notification to claim exemption from payment of duty. Following the CoC's notice, the Company deposited the amount demanded together with interest. The CoC then passed an order against the Company demanding adjustment of the deposit towards the unpaid duty and imposing a penalty equivalent to the tax demand and additional amount of ₹ 25 million on the Company and also a penalty on Mr. Vijay Sankeshwar to the tune of ₹ 10 million and a penalty on Mr. Anand Sankeshwar to the tune of ₹ 0.05 million and penalty on Mr. Chantam K. Shetty to the tune of ₹ 0.05 million.. The Company along with Dr. Vijay Sankeshwar has filed an appeal before the CESTAT, Ahmedabad and the CESTAT has by way of an order dated August 12, 2010 and by further orders, stayed the recovery of the duty from the Company. The matter is pending hearing and final disposal. The outstanding demand as on December 31 , 2014 is ₹ 69.49 million.

Tax proceedings against Mr. Anand Sankeshwar

An assessment order dated March 10, 2015 was issued by the Income Tax Authorities against Mr. Anand Sankeshwar pertaining to assessment year 2012-13 for payment of sum of ₹ 0.06 million and written representation dated March 23, 2015 was filed with the Income Tax Department for rectification of error in the assessment order. Mr. Anand Sankeshwar has not received any response from the Income Tax Authorities in this regard.

Miscellaneous Proceedings

Nil

Details of the past cases in which penalties were imposed on the Promoters

(i) Penalty for an amount of ₹ 2500 for compounding of offence under section 621A of the Companies Act , 1956 for violating of Rule 3(1)(c) Companies (Acceptance of Deposits) Rules 1975.

(ii) Penalty for an amount of ₹ 12,500 for compounding of offence under section 621A of the Companies Act, 1956 for violations under section 292A (1) & (4), 372A, 211 and 297 of the Companies Act 1956

V. PROCEEDINGS INITIATED BY OR AGAINST COMPANIES PROMOTED BY OUR PROMOTERS

(i) VRL MEDIA LIMITED

Criminal Cases filed by VRL Media Limited

Sr. No.	***Case No***	***Court***	***Name Of The Parties***	***Legal Provisions and brief particulars***
1.	Criminal Revision Petition: 198 /14 (against dismissal of PC 82/14)	Before District & Sessions Court Mangalore	Yashodhara V Bangera Reporter Vijayavani Moodbidri Versus Shri Abhaychandra Jain	U/S. 397 & 399 of Criminal Procedure Code 1973 Private complaint (PC: 82 / 2014) was dismissed and challenging the same criminal revision petitions have been filed before the district and sessions judge, Mangalore
2.	Criminal Revision Petition 252/2014 (against dismissal of PC 111/2014)	Before District & Sessions Court Mangalore	Thimmappa Bhat, Editor, Vijayavani Versus Abhayachandra Jain	U/S. 397 & 399 of Criminal Procedure Code 1973 Private complaint (PC: 111 / 2014) was dismissed and challenging the same criminal revision petitions have been filed before the district and sessions judge, Mangalore

CIVIL CASES FILED AGAINST VRL MEDIA LIMITED IN RELATION TO VIJAYAVANI, KANNADA DAILY NEWSPAPER -

a) All these cases are civil suits filed against VRL Media in relation to the respective plaintiffs seeking injunctive relief against publishing of certain news items in VIJAYAVANI, Kannada Daily in respect of the Plaintiffs

Sr. No.	***Case No***	***Court Place***	***Name of the Plaintiff***	***Claim Amount (million)***

Sr. No.	*Case No*	*Court Place*	*Name of the Plaintiff*	*Claim Amount (million)*
1.	OS: 23 / 2013	Before Hon'ble Senior Civil Judge Madikeri	M P Appachu (Ranjan)	1.01
2.	OS: 87 / 2013	Before Hon'ble Principal Civil Judge (Jr.Dn.) - Sagar	Haratalu Halappa	No Monetary Claim
3.	OS: 2964 / 2013	Before Hon'ble Principal City Civil Judge, Bangalore	Katta Subramanya Naidu	No Monetary Claim
4.	OS: 3434 / 2013	Hon'ble District & Sessions Judge City Civil Court At Bangalore	Munirathna	No Monetary Claim
5.	OS: 9396 / 2013	Before City Civil Judge Bangalore	M. Muniramaiah	0.1
6.	OS: 6098 / 2013	Before VIII Additional City Civil & Sessions Judge, Bangalore	D N Jeevaraj Bangalore	No Monetary Claim
7.	OS: 8960 / 2013	Before Principal City Civil And Sessions Judge Bangalore	K C Ramamurthy Bangalore	No Monetary Claim
8.	OS: 9170 / 2013	Before City Civil Judge Bangalore	T N Chikkarayappa Bangalore	No Monetary Claim
9.	OS: 1554 / 2014	Before City Civil Judge Bangalore	Dr. Mangala Sridhar Bangalore	No Monetary Claim
10.	OS: 1665 / 2014	Before City Civil Judge Bangalore	Pramod D. T. Bangalore	No Monetary Claim
11.	OS: 1346 / 2014	Before City Civil Judge Bangalore	S A Ramdas Bangalore	No Monetary Claim
12.	OS: 389/ 2014	Before III Addnl. Civil Judge & JMFC - Mysore	TTL Educational Trust Mysore	No Monetary Claim
13.	OS: 3674 / 2014	Before 44th Additional City Civil Judge Bangalore	C G Parivar Bangalore	No Monetary Claim
14.	OS: 4808 / 2014	Before City Civil & Sessions Judge, Bangalore	M H Anand Kumar Bangalore	No Monetary Claim
15.	OS: 4648 / 2014	Before 44th Addl. City Civil Judge, Bangalore	Smt. Anasuya B N Bangalore	No Monetary Claim
16.	OS: 4637 / 2014	Before 44th Addl. City Civil Judge, Bangalore	Smt. Shruthi Bangalore	No Monetary Claim
17.	OS: 4420 / 2014	Before 44th Addl. City Civil Judge, Bangalore	KNS Overseas Pvt Ltd Bangalore	No Monetary Claim
18.	OS: 86 / 2014	Before Civil Judge Honnavar	Shree Ramachandrapura Math	No Monetary Claim
19.	OS: 6256/2014	Before City Civil Court, Bangalore	SRI SRI SRI Barakooru Maha Samsthanam	No Monetary Claim
20.	OS: 2974/2014	Before City Civil Court, Bangalore	Bhartiya Janata Party	No Monetary Claim
21.	OS: 9312/2014	Before City Civil Court, Bangalore	Smt. Latha Rajanikanth	No Monetary Claim

Sr. No.	Case No	Court Place	Name of the Plaintiff	Claim Amount (million)
22.	OS: 9431/2014	Before City Civil Court, Bangalore	TV9 Karnataka Private Limited, Bengaluru	No Monetary Claim
23.	OS: 8995/2014	Before City Civil Court, Bangalore	Shri. Munirathna	No Monetary Claim
24.	OS: 8976/2014	Before City Civil Court, Bangalore	D Devaraj	No Monetary Claim
25.	OS: 8225/2014	Before City Civil Court, Bangalore	The Art of Living Foundation Vyakthi Vikas Kendra, Bangalore	No Monetary Claim

b) Ramakrishna has filed a suit bearing number OS: 8695/14 against VRL Media before the 17th Additional City Civil Judge (Cch-16) - Bengaluru Complainant alleging that he had paid a sum of ₹ 4,00,000 to Mr. MJ Rajanna for allotment of VIJAYAVANI, Newspaper agency. But however, since Mr. M J Rajanna of N R News Agency has paid the security deposit of ₹ 4,00,000 and accordingly a receipt has also been raised in the name of N R News Agency and newspaper agency has been allotted to Mr. M J Rajanna of N R News Agency. Now complainant filed the case for refund of said security deposit of ₹ 400,000.

Other miscellaneous cases filed by VRL Media

Sr. No.	Case No	Court Place	Name of the Parties	Brief Particulars of the case
1.	CC: 7821 / 2012	1st ACMM - Bangalore City Bangalore	State by Central Police Station V/S. Ramesh Perla Namma Media Blog	During Nov 2011 some miscreants with all kinds of ill-will have been giving false / misleading propagations through the blogs on internet about bringing out of a new Kannada Daily, Vijayavani. Hence, case filed by the Editor of VRL Media.
2.	OS: 120 / 2012	Before Hon'ble Principal District Judge Shimoga	G C Rajshekar (G C Parvathamma Premises)	It is a partition suit in respect of the premises taken by VRL Media on lease at Shimoga
3.	CP: 256 / 2014	District Consumer Disputes Redressal Forum Bangalore	K. Pankaja	Complainant after seeing the advertisement in Vijayavani, placed an order for some machine and paid sum amount as per the advertisement. However, the complainant did not get the machine, hence, case filed claiming ₹ 75,000.
4.	17745/14 (CC	Chief Metropolitan	A4 Access	Case under the

Sr. No.	*Case No*	*Court Place*	*Name of the Parties*	*Brief Particulars of the case*
	32938/14)	Magistrate Court, Bangalore	Advertising – Bangalore	provisions of Negotiable Instruments Act 1881 for cheque bouncing. Claim Amount is ₹ 1,19,000
5.	32942/14	Chief Metropolitan Magistrate Court, Bangalore	Suraj Advertisers India Pvt Ltd., Bangalore	Case under the provisions of Negotiable Instruments Act 1881 for cheque bouncing. Claim Amount is ₹ 94, 273
6.	34291/14	JMFC Hubballi under transfer to CMM Bangalore	Vijai Ads, Bangalore CNS Complete Fmly Show room Bangalore	Case under the provisions of Negotiable Instruments Act 1881 for cheque bouncing. Claim Amount is 1,15,000
7.	Case Number Awaited as case has been transferred	Civil Court Siraguppa Ballary dist	C.H. Sridhar – Siruguppa	Recovery case pertaining to advertisement dues. Case filed at Siruguppa on 9.12.2014. Claim Amount is 63, 460
8.	CC3192/2015	JMFC Mysore	Mallesh – Mysore	Case under the provisions of Negotiable Instruments Act 1881 for cheque bouncing. Claim Amount id ₹ 50,002
9.	Case Number awaited as case been transferred	JMFC Huvin hadagali	Jagadeesh Gouda Patil / Huvin Hadagalli	Case under the provisions of Negotiable Instruments Act 1881 for cheque bouncing. Claim Amount is ₹ 55,000
10.	Case Number awaited as case been transferred	JMFC Mangalore	Kalika Creation	Case under the provisions of Negotiable Instruments Act 1881 for cheque bouncing. Claim Amount is ₹ 31,011
11.	PC 428/14	JMFC Mangalore	Victor Advertisers	Case under the provisions of Negotiable Instruments Act 1881 for cheque bouncing. Claim Amount is ₹ 38165
12.	PC 429/14	JMFC Mangalore	Rebello Advertising	Case under the provisions of Negotiable Instruments Act 1881 for cheque bouncing., Claim Amount is ₹ 53120
13.	1/2015	JMFC Mangalore	Magnum Intergrafiks Pvt Ltd	Case under the provisions of Negotiable Instruments Act 1881 for cheque bouncing., Claim Amount is ₹ 3,895,974
14.	Transferred to Mysore	JMFC Mysore	K. Ninganna - Mysore	Case under the provisions of Negotiable

Sr. No.	Case No	Court Place	Name of the Parties	Brief Particulars of the case
				Instruments Act 1881 for cheque bouncing. Claim Amount is ₹ 95979
15.	32924/14	CMM Bangalore	Sindagi Creation Pvt Ltd Bangalore	Case under the provisions of Negotiable Instruments Act 1881 for cheque bouncing. Claim Amount is ₹ 42075
16.	33230/14	CMM Bangalore	Harish Advertisers	Case under the provisions of Negotiable Instruments Act 1881 for cheque bouncing. Claim Amount is ₹ 23366
17.	Company Petition: 26/2015	High Court of Karnataka - Bengaluru	Magnum Intragrafiks (P) Ltd - Mangaluru	For recovery of advertisement dues of ₹ 11,139,187/-
18.	Case number awaited	JMFC Mangalore	Comfort Design	Case under the provisions of Negotiable Instruments Act 1881 for cheque bouncing. Claim Amount is ₹ 10,000
19.	Case number awaited	JMFC Mysore	Mark Media Solutions, Madikeri	Case under the provisions of Negotiable Instruments Act 1881 for cheque bouncing. Claim Amount is ₹ 63,013
20.	1326/15	JMFC Mysore	A4 Technologies, Mysore	Case under the provisions of Negotiable Instruments Act 1881 for cheque bouncing. Claim Amount is ₹ 40,000

VRL Media has also issued a legal notice to M/s Grace Designs, Pune for recovery dues amounting to approximately ₹ 107,100. Pursuant to the said notice, the said entity has remitted a sum of ₹ 53,000 and the balance is yet to be received.

Defamation Cases (Criminal) - Filed Against Vijayavani, Kannada Daily, Newspaper

All these are criminal cases arising out of the news items published in Vijayavnai, Kannada Daily in respect of the complainants.

Sl. No.	Case No	Court	Name of the Complainant	Section under which case filed
1.	CC: 57 / 2013	Before Hon'ble 3rd Addnl. Senior Civil Judge & Chief Judicial Magistrate - Dharwad	Krishna Laxmanrao Kulkarni	U/S. 500 of Indian Penal Code
2.	CC: 412 / 2014	Principal Civil Judge And JMFC Court - Madikeri.	Unni Krishnan	U/S. 499 & 500 of Indian Penal

Sl. No.	*Case No*	*Court*	*Name of the Complainant*	*Section under which case filed*
				Code
3.	CC: 413 / 2014	Principal Civil Judge and JMFC Court - Madikeri	P D Ponnappa	U/S. 499 & 500 of Indian Penal Code
4.	CC: 526 / 2014	Principal Civil Judge And JMFC Court - Madikeri	Asharf	U/S. 499 & 500 of Indian Penal Code
5.	CC: 716/2014 CC: 717/2014	Additional Civil Judge and JMFC – Nelamangala	E. Krishnappa	U/S. 499 & 500 of Indian Penal Code.
6.	CC: 732/2014	Additional Senior Civil Judge and JMFC – Chikkamagaluru	A M Prasanna- Chikkamagaluru	U/s 200 of CRPC
7.	CC: 1147/2014	Civil Judge and JMFC Ponnampet	S P Mahadevappa	U/s. 200 of Criminal Procedure Code for the offence punishable U/s. 500 of Indian Penal Code

(i) **Economic offences**

NIL

(ii) **Securities laws offences**

NIL

(iii) **Tax proceedings**

NIL

(iv) **Miscellaneous Proceedings**

NIL

VI. PROCEEDINGS INITIATED BY OR AGAINST FIRMS WHERE ANY PROMOTER IS A PARTNER, HUFs WHERE ANY PROMOTER IS A KARTA, TRUSTS WHERE ANY PROMOTER IS A TRUSTEE

1. **SHIVA AGENCIES, PROPRIETORSHIP FIRM OF MR. ANAND SANKESHWAR**

(i) **Criminal Proceedings**

NIL

(ii) **Civil Proceedings**

An original suit (OS: 133/2013) was filed by Adarsha Enterprises, Bidar against Shiva Agencies, Hubballi in the Court of Principal Civil Judge, Bidar. Mr. Jaipal Sambappa Raoth and Mr. Dhondi Ram

Chandiwale of Bidar commenced Partnership firm in the name of Adarsha Enterprises for all types of Ayurvedic and Patanjali Products for Bidar District. The Plaintiff alleged that Mr. Dhondi Ram started another firm Divya Agencies for Patanjali products violating the conditions of the Partnership and also alleged that Shiva Agencies without his consent appointed another Distributor thus violating the Minutes of the Meeting held in the month of October 2012 and prayed not to supply any Patanjali products to Mr. Dhondiram of Divya Agencies.

(iii) **Economic offences**

NIL

(iv) **Securities laws offences**

NIL

(v) **Tax proceedings**

NIL

(vi) **Miscellaneous Proceedings**

NIL

2. **SHRI AYYAPPA BHAKTA VRUNDA TRUST (a registered religious public trust where our Promoter is the president)**

(vii) **Criminal Proceedings**

NIL

(viii) **Civil Proceedings**

NIL

(ix) **Economic offences**

NIL

(x) **Securities laws offences**

NIL

(xi) **Tax proceedings**

NIL

(xii) **Miscellaneous Proceedings**

NIL

3. **ARADHANA TRUST (a private trust where our Promoter is a trustee)**

(i) **Criminal Proceedings**

NIL

(ii) **Civil Proceedings**

NIL

(iii) **Economic offences**

NIL

(iv) **Securities laws offences**

NIL

(v) **Tax proceedings**

NIL

(vi) **Miscellaneous Proceedings**

NIL

VII. DETAILS OF PAST CASES WHERE PENALTIES WERE IMPOSED ON THE COMPANY, PROMOTERS, DIRECTORS, ANY FIRM WHERE ANY PROMOTER IS A PARTNER, ANY HUF WHERE ANY PROMOTER IS A KARTA, AND ANY TRUST WHERE ANY PROMOTER IS A TRUSTEE, AND DETAILS OF PAST DEFAULTS OF THE COMPANY

(i) **Compounding of Offences under the Companies Act, 1956**

(a) The Company and the Promoters, applied to the Company Law Board at Chennai for the compounding of various offences in connection with the following provisions of the Companies Act, 1956: (i) Section 292(A) (Audit Committee), (ii) Section 372(A) (inter-corporate loans and investments), (iii) Section 211(1) 3A & 3C (form and content of balance sheet and profit and loss account), (iv) Section 297(1) (Board's sanction in contracts where directors are interested) and (v) Section 141(2) (rectification of register of charges). These offences were duly compounded. Aggregate compounding fees of ₹ 175,000 have been duly paid by the Company.

(b) The RoC sent the Company a letter dated October 26, 2007, asking us to provide details in connection with (i) alleged non compliance with Rule 3(1)(c) of the Deposit Rules, (ii) alleged violation of Section 297 of the Companies Act, 1956, and, (iii) alleged violation of Schedule XIII and associated Sections (269 and 198), of the Act. We have responded to the said letter, explaining as to why there was no violation of Schedule XIII and associated Sections of the Act. As suggested by the RoC in the said letter, we have compounded the alleged violation of Section 297 of the Companies Act, 1956 and the contravention of the Deposit Rules.

(c) The Registrar of Companies at Karnataka sent our Company a letter dated October 26, 2007 alleging violation of Schedule XIII and the Sections 269 and 198 of the Companies Act. The allegations contained in the letter in this respect are that:

(i) our Company crossed the limit prescribed vis-à-vis its "effective capital" in respect of payment of remuneration to the two managing directors;

(ii) our Company did not have a remuneration committee; and

(iii) our Company having appointed its managing directors for the period of five years instead of maximum permissible period of 3 years.

Our Company responded to this letter on November 5, 2007 stating that our Company did not cross the limits prescribed under Schedule XIII of the Companies Act vis-a-vis "effective capital" in respect of payment of remuneration to the two managing directors since as on the relevant date for calculation of "effective capital" our Company was authorised to pay revised remuneration to its managing directors.

Even though the AGM resolution passed on August 30, 2005 states that the managing director's remuneration would be restricted to ₹ 500,000 per month, the actual remuneration paid for the financial year 2005-2006 was less than ₹ 4.8 million or less than ₹ 400,000 per month, which is within the limits prescribed under Schedule XIII of the Companies Act. Further, as our Company constituted its remuneration committee on May 28, 2007, it did not have the said committee in existence in August 2005 when the members approved the appointment of our managing directors. Our Company regretted this lapse caused by inadvertence.

(d) The Company has received a show cause notice dated August 17, 2010, from the Registrar of Companies, Karnataka, Ministry of Corporate Affairs alleging contravention of Sections 309 and 198 of the Companies Act, as they have paid remuneration to its Directors in excess of 11% of the profit, as per the Balance Sheet as at March 31, 2006. The Company has replied to the show cause notice vide letters dated August 27, 2010, and has subsequently rectified the non-compliances in respect of Sections 309 and 198 of the Companies Act.

As on December 31, 2014, there was no amount due to any entities covered under Micro, Small and Medium Enterprises as defined in the Micro, Small and Medium Enterprises Development Act, 2006.

VIII. MATERIAL DEVELOPMENTS

i. The Company issued a notice dated November 5, 2014 to Mr. Rudrapratap Tripathi, proprietor of M/s Indian Corporation alleging that Mr. Rudrapratap has entered into a sale deed with the Company in relation to property situated at Bhiwandi without being duly authorized to do so by the original land owners. Further, Mr. Rudrapratap Tripathi has not disclosed the defects in the title to the property including the fact that land is an agricultural land and has received a sale consideration amounting to ₹ 324,000,000 for the aforesaid land. The Company by way of the said notice has alleged cheating and breach of trust by Mr. Rudrapatap Tripathi and has called upon him to refund ₹ 324,000,000 paid to him as a sale consideration or the Company will initiate criminal proceedings against him.

ii. The Company received a legal notice from M/s Amplus Infrastructure Developers Private Limited ("**AIDPL**") in relation to the business transfer agreement dated March 28, 2013 entered by and between the Company and AIDPL. In the aforesaid notice, AIDPL has terminated the business transfer agreement dated March 28, 2013 and called upon the Company to return ₹ 1,00,00,000 paid as advance money pursuant to the terms of the business transfer agreement along with an additional payment of ₹ 50,00,000 as compensation. The Company has replied to the aforesaid legal notice by a reply dated January 30, 2015 stating that the Company is entitle to forfeit ₹ 1,00,00,000 paid as advance as per the terms of the business agreement due to the failure on part of AIDPL to comply with its obligations under the said business transfer agreement.

Except as stated above no material developments have taken place after December 31, 2014, the date of the last balance sheet that would materially adversely affect the performance or prospects of the Company otherwise than as disclosed under the chapter titled "*Management's Discussion and Analysis Of Financial Condition And Results Of Operations*" on page 223 of this Red Herring Prospectus and section titled "*Financial Information*" on page F-1 of this Red Herring Prospectus.

In accordance with SEBI requirements, the Company and GCBRLM will ensure that investors in India are informed of material developments until such time as the grant of listing and trading permission of the stock exchanges.

GOVERNMENT AND OTHER APPROVALS

In view of the approvals listed below, our Company can undertake the Issue and our current business activities, and no further major approvals from any governmental or regulatory authority are required to undertake the Issue or continue our business activities. It must be distinctly understood that, in granting these approvals, the Government of India does not take any responsibility for our financial soundness or for the correctness of any of the statements made or opinions expressed in this behalf. For further details in connection with the regulatory and legal framework within which we operate, see the section titled "*Regulations and Policies*" beginning on page 170 of this Red Herrring Prospectus. Unless otherwise stated, these approvals are valid as of the date of this Red Herring Prospectus. For details in connection with the regulatory and legal framework within which we operate, see the section titled "*Regulations and Policies*" at page 170 of this Red Herring Prospectus.

A. Approvals relating to the Fresh Issue

1. The Board, pursuant to its resolution dated October 10, 2014 authorised the Fresh Issue subject to the approval of the shareholders of our Company under Section 62(1)(c) of the Companies Act and approvals by such other authorities as may be necessary;

2. The shareholders of our Company have, pursuant to their resolution dated October 16, 2014 under Section 62(1)(c) of the Companies Act, authorised the Fresh Issue;

3. In-principle approval from the NSE dated January 13, 2015;and

4. In-principle approval from the BSE dated February 5, 2015.

B. Approvals relating to Offer for Sale

1. NSR has confirmed that the offer through the Offer for Sale of up to 14,550,000 Equity Shares held by it has been authorised pursuant to a resolution passed by its board of directors on November 25, 2014.

2. Further, NSR has consented to the Offer for Sale of up to 14,550,000 Equity Shares through their letter dated December 2, 2014.

3. Further, Dr. Vijay Sankeshwar and Mr. Anand Sankeshwar have each consented to participate in the Offer for Sale and to offer up to 1,283,000 Equity Shares by way of the Offer for Sale through their letters dated December 12, 2014 and December 12, 2014, respectively.

4. Further, the IPO Committee has taken on record the approval of the Offer for Sale by the Selling Shareholders and has approved this Red Herring Prospectus pursuant to its resolutions dated December 12, 2014 and April 3, 2015, respectively.

C. Approvals relating to our business and operations

I. General Approvals

1. The initial certificate of incorporation was granted by Registrar of Companies on March 31, 1983. The Company became a deemed public limited Company in 1994 and an endorsement to this effect was made by the Registrar of Companies, Bangalore, Karnataka on July 1, 1994 on its original certificate of incorporation.

2. Pursuant to a special resolution passed by the shareholders in the Extraordinary General Meeting held on February 14, 1997 the status of the Company was changed from a deemed public limited company to a public limited company. The name of the Company was changed to "VRL Logistics Limited" and a fresh certificate of incorporation, consequent on change of name, was issued by the Registrar of Companies, Karnataka on August 25, 2006.

3. Corporate Identity Number: U60210KA1983PLC005247

Approvals for our Business

We require various approvals to carry on our business. These include:

S. No.	Description of Licenses/ Approvals Obtained	Issued By	License/ Approval No.	Date of Issue	Date of Expiry/ Comments
Tax					
1.	Registration certificate as a dealer for value added tax under Section 22 of the Karnataka Value Added Tax Act, 2003.	Assistant Commissioner of Commercial Taxes, Local VAT office, 320, Hubballi.	TIN No. 29610372690.	March 11, 2008 and is valid from April 1, 2005.	Valid until cancelled.
2.	Permanent Account Number.	Income Tax Department.	No.AABCV3609C.	-	Valid until cancelled.
3.	Tax Deduction Account Number.	Income Tax Department.	BLRV02701G.	-	Valid until cancelled.
4.	Registration certificate under the Central Sales Tax Registration and Sales Rules, 1957.	Assistant Commissioner of Commercial Taxes.	29610372690.	March 11, 2008.	Valid until cancelled.
5.	Certificate of registration with the Central Excise Department under Section 69 of the Finance Act, 1994.	Office of the Superintendent of Central Excise and Customs, Range 'A', Hubli.	AABCV3609CST002.	May 14, 2010.	Valid until cancelled.
6.	Certificate of Registration as an employer under the Andhra Pradesh State Tax on Professions, Trades, Callings and Employments Act, 1987	Government of Andhra Pradesh, Commercial Taxes Department.	CHM/07/PT/R/21/96-97.	February 18, 1997	-
7.	Certificate of Registration as an employer under the Karnataka Tax on Professions, Trades, Callings and Employment Act, 1987.	Government of Karnataka, Assistant Professional Tax Officer	59010666.	September 19, 1884	-
8.	Certificate of Registration as an employer under the Maharashtra State Tax on Professions, Trades, Callings and Employment Act, 1985.	Government of Maharashtra, Sales Tax Officer	1/1/22/18663.	March 25, 1997	-
9.	Certificate of Registration as an employer under the West Bengal State Tax on Professions, Trades, Callings and Employment Act, 1985.	Government of West Bengal, Professional Sales Tax Officer	RCW003/879.	October 12, 2009	
Labour					

S. No.	Description of Licenses/ Approvals Obtained	Issued By	License/ Approval No.	Date of Issue	Date of Expiry/ Comments
10.	Registration under the Employees' Provident Funds and Miscellaneous Provisions Act, 1952.	Regional Provident Fund Commissioner, Bangalore.	No. KN/10179.	February 18, 1985.	Valid until cancelled.
11.	Registration under the Employees' State Insurance Act, 1948.	Regional Director of the Regional Office of the Employees' State Insurance Corporation, Karnataka.	Original No. 53-6002-106. Changed to 58/00/002062/000/1006 with effect from June 25, 2010.	May 28, 1986.	Valid until cancelled.
12.	License under Factories Act, 1948 for the unit situated in Bangalore.	Chief Examiner of Industries, Industries and Boilers Division, Karnataka	MYS – 11398.	January 1, 2003.	December 31, 2015
13.	License under Factories Act, 1948 for the unit situated at Varur.	Chief Examiner of Industries, Industries and Boilers Division, Karnataka.	MY/DWR-1589.	January 1, 2004	December 31, 2015.
14.	Certificate of registration to work a motor transport undertaking.	Assistant Labour Commissioner and Inspector under Motor Transport Workers' Act, 1961 Dharwad Division, Hubli.	28/MTW/DWR/ 86-87.	October 4, 2007	December 31, 2015
			Industrial		
15.	Authorisation for handling hazardous waste under Rule 5(4) of the Hazardous Waste (Management, Handling and Transboundary Movement) Rules, 2008.	Senior Environmental Officer, Karnataka State Pollution Board.	KPSCB/HWM/889.	March 30, 2013.	February 28, 2018.
16.	License for storage of 60 KL Petroleum Class B at Chitradurga.	Deputy Chief Controller of Explosives, Mangalore Sub Circle Office, Petroleum and Explosives Safety Organisation, Ministry of Commerce & Industry.	P/SC/KA/14/2153(P58695).	November 3, 2004	December 31, 2017.
17.	License to store 100 KL petroleum in connection with a pump for fuelling motors at Hubli.	Deputy Chief Controller of Explosives, Mangalore Sub Circle Office, Mangalore, Petroleum and Explosives Safety Organisation, Ministry of Commerce and	P/SC/KA/14/4986(P254480).	December 11, 2013.	December 31, 2015.

S. No.	Description of Licenses/ Approvals Obtained	Issued By	License/ Approval No.	Date of Issue	Date of Expiry/ Comments
		Industry.			
18.	License to transport 20KL of Class A/B petroleum by the vehicle under the Petroleum Act, 1934, under the Petroleum Rules, 2002 granted for vehicle No.KA-25/A-9022.	Deputy Chief Controller of Explosives, Mangalore Sub Circle Office, Petroleum and Explosives Safety Organisation, Ministry of Commerce & Industry.	P/SM/KA/11/4034(P190503).	November 22, 2012.	December 30, 2015.
19.	License to transport 20KL of Class A/B petroleum by the vehicle under the Petroleum Act, 1934, the Petroleum Rules, 2002 granted for vehicle No.KA-25/A-9929.	Deputy Chief Controller of Explosives, Mangalore Sub Circle Office, Petroleum and Explosives Safety Organisation, Ministry of Commerce & Industry.	P/SM/KA/11/4260(P199459).	November 22, 2012.	December 30, 2015.
20.	License to transport 20KL of Class A/B petroleum under the provision of the Petroleum Act, 1934 and the Petroleum Rules, 2002 granted for vehicle No. KA-25/B-0393.	Deputy Chief Controller of Explosives, Mangalore Sub Circle Office, Petroleum and Explosives Safety Organisation, Ministry of Commerce & Industry.	P/SM/KA/11/4362(P204262).	November 22, 2012.	December 30, 2015.
21.	License to transport 20KL of Class A/B petroleum under the provision of the Petroleum Act, 1934 and the Petroleum Rules, 2002 granted for vehicle No. KA-25/B-0394.	Deputy Chief Controller of Explosives, Mangalore Sub Circle Office, Petroleum and Explosives Safety Organisation, Ministry of Commerce & Industry.	P/SM/KA/11/4354(P204095).	November 22, 2012.	December 30, 2015.
22.	License to transport food items under the provisions of Food Safety and Standards Act 2006.	Designated Office, Central Licensing Authority Food Safety and Standards Authority of India, Chennai.	10013043000644.	September 12, 2013.	September 11, 2018.
		Miscellaneous			
23.	Certificate of Verification under the Weights and Measures (Enforcement) Act, 1985 for weighing machine.	Department of Legal Metrology , Karnataka	Serial No. 260338.	November 25, 2014.	November 24, 2015.
24.	Sanction letter for power supply of 1000 KVA (33KV) to the H.T. Installations.	Chief Engineer (Electricity), Hubli Zone, Hubli Electricity Supply Company Limited.	CEH/EE (O)/E-2/8539-43.	January 19, 2005.	Valid until cancelled.
25.	Approval under Rule 63 of Indian Electricity Rules, 1956 for commissioning 2 x 1000 KVA transformers.	Chief Electrical Inspector to Government, Government of	CEIG/DCEI/EI (T)/DEI-1/9585-89.	August 5, 2005.	Valid until cancelled.

S. No.	Description of Licenses/ Approvals Obtained	Issued By	License/ Approval No.	Date of Issue	Date of Expiry/ Comments
		Karnataka.			
26.	Approval for 50 KVA power supply to the transhipment hub situated at Gangavati.	Executive Engineer (Electricity), Gulbarga Electricity Supply Company Limited.	KNA/SKNA(K)/ Co./2006-07/10573-74.	February 27, 2007.	Valid until cancelled.
27.	Approval under Rule 63 of Indian Electricity Rules, 1956 for the installation of 1x250 KVA transformers at the transhipment hub situated at Gangavati.	Electrical Inspector, Raichur, Government of Karnataka.	EI/RCR/06-07/712-16.	February 23, 2007.	Valid until cancelled.
28.	Power sanction letter for the H.T. Installations.	Deputy General Manager (Electricity), Commercial, Operation and Maintenance Division, Bangalore Electricity Supply Company Limited, Chitradurga.	DGM/AGM(O)/ M(T)/539-40.	July 19, 2004.	Valid until cancelled.
29.	Approval for the installation of 500 KVA transformers at the checkpoint and diesel supply unit situated at Chitradurga.	Executive Engineer (Electricity), Commercial, Operation and Maintenance Division, Bangalore Electricity Supply Company Limited, Chitradurga.	EEE/AEE(O)/ AE(T)/ CTA/ 2005-06 10/6.	May 7, 2005.	Valid until cancelled.
30.	Approval under Rule 63 of Indian Electricity Rules, 1956 for the commissioning of a 1x500 KVA transformers and high tension connection.	Deputy Chief Electrical Inspector, Tumkur, Government of Karnataka (Electrical Inspectorate).	DCEI/TMK/94-97.	April 8, 2005.	Valid until cancelled.
31.	Sanction for a 700 KVA power supply.	Executive Engineer (Electricity), Mangalore Electricity Supply Company Limited, Operations & Management Division, Mangalore.	EEE/MNG/AEE (O)/AET-1/ 2004-2005/HT-/16373-77.	January 10, 2005.	Valid until cancelled.
32.	Certificate for Importer-Exporter Code (IEC).	Foreign Trade Development Officer, Joint Director General of Foreign Trade, Ministry of Commerce, Government of India.	0706016645.	November 1, 2006.	Valid until cancelled.
33.	Certificate of Registration under the Carriage Roads Act	Registering Authority, Dharwad	01/DWD/2011-12.	May 20, 2011	May 19, 2021
34.	Certificate of verification for 50000 kg capacity.	Legal Metrology Department, Karnataka	08/C-17 No. 697060.	November 22, 2013	November 21, 2015

S. No.	Description of Licenses/ Approvals Obtained	Issued By	License/ Approval No.	Date of Issue	Date of Expiry/ Comments
35.	Consent of discharge of effluents under the Water (Prevention and Control of Pollution) Act, 1974 and Emissions under the Air (Prevention and Control of Pollution) Act, 1981.	Karnataka State Pollution Control Board	Consent Order No. 37 WPC & APC/KSPCB/SEO(DWD)/LO/2014-15/367-368.	October 30, 2014	September 30, 2016
36.	Approval from FIPB for investment by NSR.	Government of India, Department of Economic Affair	FC.II 72(2008)/68(2008).	March 26, 2012	-
37.	Certificate of Registration for a branch office in Nepal.	Government of Nepal, Ministry of Industry, Office of the Company Registrar	Registration No. 129888/071/072.	December 21, 2014	-
38.	Certificate of verification for HSD pumps bearing nos. 201307000480 and 20137000481 of 99999.9 litres each.	Legal Metrology Department, Karnataka	Serial No. 260428.	December 16, 2014	December 15, 2015
39.	Certificate of verification for HSD pumps bearing nos. 4288, 4289, 4290 and 4291 of 99999.9 litres each.	Legal Metrology Department, Karnataka	Serial No. 319081.	September 28, 2014	September 27, 2015
40.	Certificate of verification for HSD pump bearing no. 201307000482. of 99999.9 litres.	Legal Metrology Department, Karnataka	Serial No. 260365.	November 27,, 2014	November 26, 2015
	Approvals in relation to the wind power business				
41.	Approval for transfer of 8.75 MW wind power in favour of M/s. VRL Logistics Limited (Phase 1) from out of sanctioned 100.00 MW wind power capacity (wind mill project) at Keluru village of Mundaragi Taluk, Gadag District of Suzlon Energy Limited.	By the order and in name of the Governor of Karnataka through the Under Secretary to the Government of Karnataka, Energy Department.	G.O. No. EN 453 NCE 2006.	November 30, 2006.	Valid until cancelled
42.	Approval for transfer of 3.75 MW wind power capacity in favour of M/s. VRL Logistics Limited(Phase 5) from out of sanctioned 100.00 MW wind power capacity (wind mill project) at Bagewadi village of Mundaragi Taluk, Gadag District of Suzlon Energy Limited.	By the order and in name of the Governor of Karnataka through the Joint Secretary to the Government of Karnataka, Energy Department.	G.O. No. EN 445 NCE 2006.	November 28, 2006.	Valid until cancelled.
43.	Approval for transfer of 15.00 MW wind power capacity in favour of M/s. VRL Logistics	By the order and in name of the Governor of Karnataka through the	G.O. No. EN 404 NCE 2006.	October 12, 2006.	Valid until cancelled

S. No.	Description of Licenses/ Approvals Obtained	Issued By	License/ Approval No.	Date of Issue	Date of Expiry/ Comments
	Limited (Phase 4) from out of sanctioned 100.00 MW wind power capacity (wind mill project) at Hirevadatti, Keluru and Chikkavaddati villages of Mundaragi Taluk, Gadag District of Suzlon Energy Limited.	Under Secretary to the Government of Karnataka, Energy Department.			.
44.	Approval for transfer of 5.00 MW wind power capacity in favour of M/s. VRL Logistics Limited (Phase 3) from out of sanctioned 100.00 MW wind power capacity (wind mill project) at Harugeri village of Mundaragi Taluk, Gadag District of Suzlon Energy Limited.	By the order and in name of the Governor of Karnataka through the Under Secretary to the Government of Karnataka, Energy Department.	G.O. No. EN 405 NCE 2006.	October 12, 2006.	Valid until cancelled.
45.	Approval for transfer of 2.50 MW wind power capacity in favour of M/s. Vijayanand Roadlines Limited (Phase 2) from out of sanctioned 100.00 MW wind power capacity (wind mill project) at Harugeri village of Mundaragi Taluk, Gadag District of Energy of Suzlon Energy Limited.	By the order and in name of the Governor of Karnataka through the Under Secretary to the Government of Karnataka, Energy Department.	G.O. No. EN 358 NCE 2006.	August 14, 2006.	Valid until cancelled.
46.	Approval for transfer of 10.00 MW wind power capacity in favour of M/s. Vijayanand Roadlines Limited (Phase 1) from out of sanctioned 100.00 MW wind power capacity (wind mill project) at Hirevadatti village of Mundaragi Taluk, Gadag District of Suzlon Energy Limited.	By the order and in name of the Governor of Karnataka through the Under Secretary to the Government of Karnataka, Energy Department.	G.O. No. EN 357 NCE 2006.	August 14, 2006.	Valid until cancelled.
47.	Commissioning Certificate for 02 Nos (Loc. No. 227 & 228) 2x 1.25 MW (2.5MW).	Karnataka Power Transmission Corporation Limited.	No. GDG/EEE/TL & SS/AE (O)/F 1130-41.	September 25, 2006.	Not Applicable
48.	Commissioning Certificate for 01 No (Loc. No.K-267) 1x 1.25 MW.	Karnataka Power Transmission Corporation Limited.	No. GDG/EEE/TL & SS/AE (O)/F 109-120.	April 5, 2007.	Not Applicable
49.	Commissioning Certificate for 11 Nos (Loc. No. K-268, K-269, K-270, K-271, K-273, K-274, K-275, K-276, K-277, K-	Karnataka Power Transmission Corporation Limited.	No. GDG/EEE/TL & SS/AE (O)/F 193-204.	April 5, 2007.	Not Applicable

S. No.	Description of Licenses/ Approvals Obtained	Issued By	License/ Approval No.	Date of Issue	Date of Expiry/ Comments
	278 and K-279) (11x1.25MW)				
50.	Commissioning Certificate for 01 No (Loc. No.K-261) 1x 1.25 MW (2.5MW)	Karnataka Power Transmission Corporation Limited.	No. GDG/EEE/TL & SS/AE (O)/F 97-108.	April 5, 2007.	Not Applicable
51.	Commissioning Certificate for 03 Nos (Loc. No. K-264, K-265, K-266). (3x1.25MW)	Karnataka Power Transmission Corporation Limited.	No. GDG/EEE/TL & SS/AE (O)/F 181-192.	April 5, 2007.	Not Applicable
52.	Commissioning Certificate for 02 Nos (Loc. No. K-262, K-263). (2x1.25MW)	Karnataka Power Transmission Corporation Limited.	No. GDG/EEE/TL & SS/AE (O)/F 169-180.	April 5, 2007.	Not Applicable
53.	Commissioning Certificate for 04 Nos (Loc. No. K-301, K302, K-305, K-307) (4x1.25MW).	Karnataka Power Transmission Corporation Limited.	No. GDG/EEE/TL & SS/AE (O)/F 205-216.	April 5, 2007.	Not Applicable
54.	Commissioning Certificate for 08 Nos (Loc No. K-280, K-201, K-202, K-203, K-204, K-205, K-206 & K-207)(8 x 1.25 MW.)	Karnataka Power Transmission Corporation Limited.	No. GDG/EEE/TL & SS/AE (O)/F 1166-77.	September 25, 2006	Not Applicable
55.	Commissioning Certificate for 01 No (Loc No. K-306) (1x 1.25 MW.)	Karnataka Power Transmission Corporation Limited.	No. GDG/EEE/TL & SS/AE (O)/F 133-144.	April 5, 2007.	Not Applicable
56.	Host Country Approval to 42.5MW Wind Power Project for participation in CDM project activity.	Government of India, Ministry of Environment & Forests.	No.4/18/2007-CCC.	January 16, 2008.	
57.	Registration of Project 2265: 42.5 MW Wind Power Project of the Company	Clean Development Mechanism Registry	Project 2265.	March 22, 2009	March 21, 2019
	Approvals in relation to our aircraft business				
58.	Non-Scheduled Operator Permit.	Director General of Civil Aviation, Government of India	08/2008.	March 11, 2013.	April 3, 2015
59.	Certificate of Registration of Hawker Beechcraft Corporation, Wichita, Kansas, USA – Premier 1A (Model 390) and marking of "VT-VRL.	Directorate General of Civil Aviation, Government of India.	Certificate No. 3694; Category A.	January 14, 2008.	Not Applicable
60.	Certificate of airworthiness for Hawker Beechcraft Corporation, Wichita, Kansas, USA – Premier 1A (Model 390).	Directorate General of Civil Aviation, Government of India.	No. 4003.	January 14, 2008.	December 30, 2017
61.	Noise certificate for Hawker Beechcraft Corporation, Wichita, Kansas, USA –	Office of Director General of Civil Aviation, Government of	4003 (NC).	January 14, 2008.	Not Applicable.

S. No.	Description of Licenses/ Approvals Obtained	Issued By	License/ Approval No.	Date of Issue	Date of Expiry/ Comments
	Premier 1A (Model 390).	India.			
62.	Noise certificate for Raytheon Aircraft Premier I (390).	Office of Director General of Civil Aviation, Government of India.	DAW/MUM/105 /NC.	December 12, 2010.	Not Applicable.
63.	Certificate of Registration of Raytheon Aircraft Co. Wichita Kansas, USA- Premier I Aircraft and marking of "VT-ANF".	Directorate General of Civil Aviation, Government of India.	Certificate No. 3325/2; Category A	June 27, 2013.	Not Applicable
64.	Certificate of airworthiness for Raytheon Aircraft Co. Wichita Kansas, USA- Premier I.	Directorate General of Civil Aviation, Government of India.	No. 2734.	January 24, 2008	May 31, 2015
65.	Approval Certificate from Continuing Airworthiness Management Organisation.	Directorate General of Civil Aviation, Government of India.	Ref: RAO/BLR/MG/005.	July 31, 2010.	July 30, 2015.
Approvals in relation to the hotel business					
66.	License to establish Hotel under Water (Prevention and Control of Pollution) Act 1974 and Air (Prevention and Control of Pollution) Act 1981.	Environment Officer Karnataka State Pollution Control Board Tumkur.	No.KSPCB/RO-TMK/REG No.59482/DEO/ 213-14/763.	October 10, 2013.	December 31, 2022.
67.	License under Food Safety and Standards Act, 2006 authorising to manufacture, re-pack and re-label food products as specified.	Food Safety and Standards Authority of India	License No. 11214327000117	October 15, 2014	October 15, 2015
Intellectual Property					
68.	Registration of the logo "VRL" in class 12 under the Trade and Merchandise Marks Act, 1958.	Registrar of Trade Marks	359033B.	February 29, 1983.	2018.
69.	Registration of the monogram "VRL" as an artistic work under the Copyright Act, 1957.	Copyright Office.	A28042/80.	May 30, 1980.	-
70.	Registration of domain name-, vrllogistics.com,	Registered with PDR Ltd. - PublicDomainRegistry.com	-	May 30, 2005	May 30, 2016
71.	Registration of domain name- vrlgroup.in	Registered with India Links Web Hosting Pvt. Ltd.	-	December 31, 2005	December 31, 2015
72.	Registration of domain name- vrllogistics.in	Registered with India Links Web Hosting Pvt. Ltd	-	July 14, 2006	July 14, 2016
73.	Registration of domain name- vrltravels.in	Registered with India Links Web Hosting Pvt. Ltd	-	June 29, 2006	June 29, 2016

Application made for which approvals have not yet been received

Application to Register of Trade Marks for registration of trademark VRL in class 39 on March 20, 2015.

Application to Register of Trade Marks for registration of trademark “VRL” in class 39 on March 20, 2015.

Approvals expired and for which application for renewal have not been made

The certificate of registration from BSI for quality management system for ISO 9001: 2008 has expired on January 19, 2015. The Company is yet to apply for renewal of this license.

OTHER REGULATORY AND STATUTORY DISCLOSURES

Authority for the Issue

The Board of Directors has, pursuant to a resolution passed at its meeting held on October 10, 2014, authorized the Fresh Issue. The shareholders of the Company have, pursuant to a resolution dated October 16, 2014, under Section 62(1)(c) of the Companies Act authorized the Fresh Issue.

NSR has confirmed that the offer through the Offer for Sale of up to 14,550,000 Equity Shares held by it has been authorised pursuant to a resolution passed by its board of directors on November 25, 2014.

Further, NSR has consented to the Offer for Sale of up to 14,550,000 Equity Shares through their letter dated December 2, 2014.

Further, Dr. Vijay Sankeshwar and Mr. Anand Sankeshwar have each consented to participate in the Offer for Sale and to offer up to 1,283,000 Equity Shares and 1,283,0000 Equity Shares, respectively, by way of the Offer for Sale through their respective letters both dated December 12, 2014.

Further, the IPO Committee has taken on record the approval of the Offer for Sale by the Selling Shareholders and has approved this Red Herring Prospectus pursuant to its resolutions dated December 12, 2014 and April 3, 2015, respectively.

The Company has received in-principle approvals from the BSE and the NSE for the listing of the Equity Shares pursuant to letters dated February 5, 2015 and January 13, 2015, respectively.

Each of the Selling Shareholders have confirmed that they their respective Equity Shares being offered for sale by way of the Offer for Sale, or the compulsorily convertible preference shares which were converted into such Equity Shares, as the case may be, being offered for sale by way of the Offer for Sale, for more than one year prior to the date of filing of the Draft Red Herring Prospectus and that each of the Selling Shareholder has not been prohibited from dealings in securities market and the Equity Shares offered and sold are free from any lien, encumbrance or third party rights (other than such rights as set out under the shareholder's agreements dated December 15, 2011, further details of which are set out in "*History and Certain Corporate Matters*" on page 189 of this Red Herring Prospectus.

We have also obtained all necessary approvals for this Issue. For further details see "*Government and Other Approvals*" on page 366 of this Red Herring Prospectus.

Approval for Lock-in

The Promoters through their letters, dated December 12, 2014, have granted approvals for the lock-in of:

(i) such amount of Equity Shares, representing 20% of the post-Offer Equity Capital of our Company, for a period of three years from the date of Allotment; and

(ii) the remaining Equity Shares held by them for one year from the date of Allotment, or such other time as required under the SEBI Regulations.

Prohibition by SEBI, RBI or other governmental authorities

We confirm that neither: (i) the Company, Promoters, persons in control of the Company, Promoter Group, Directors, Group Companies nor (ii) the Selling Shareholder or its directors, nor (iii) companies with which any of the Promoters, Directors or persons in control of the Company are or were associated as a promoter, director or person in control are debarred or prohibited from accessing the capital markets under any order or direction passed by SEBI or any other authority.

Other than Mr. Chantam K. Shetty, who is a director on the board of Bhagawati Stocks and Shares Private Limited, a registered broker, none of the Directors are associated with the securities market. We confirm that SEBI has not initiated any action against Mr. Chantam K. Shetty or any of the entities that he is associated with. We further confirm that SEBI has not initiated any action any of our other Directors or the entities with which they are associated as directors or promoter.

None of the Company, the Promoters, the relatives of Promoters (as defined under Companies Act, 2013), the Directors, the Group Companies nor the Selling Shareholders have been declared as wilful defaulters by the RBI or any other governmental authority. There are no violations of securities laws committed by them in the past or are pending against them or our Company.

Eligibility for the Issue

The Company is eligible to make the Issue in accordance with Regulation 26(1) of the SEBI Regulations as follows:

(a) The Company has net tangible assets of at least ₹ 30 million in each of the preceding three full years (of twelve months each), of which not more than 50% are held in monetary assets;

(b) The Company has a minimum average pre-tax operating profit of ₹ 150.00 million, calculated on a restated and consolidated basis, during the three most profitable years out of the immediately preceding five years;

(c) The Company has a net worth of at least ₹ 10 million in each of the preceding three full years (of twelve months each).

(d) The proposed Issue size does not exceed five times the pre-Issue net worth as per the audited balance sheet for the financial year ended March 31, 2014; and

(e) The Company has not changed its name in the past year.

The net tangible assets, pre-tax operating profit and net worth derived from the Restated Financial Statements included in this Red Herring Prospectus, as at and for the last five years ended Fiscal 2014 are set forth below:

(₹ in millions)

Particulars	Fiscal 2014	Fiscal 2013	Fiscal 2012	Fiscal 2011	Fiscal 2010
Pre-tax operating profit	2,065.76	1,952.22	1,919.09	1,658.69	1,378.25
Net Worth	3,065.48	1,789.32	1,873.15	1,335.50	1,066.19
Net tangible assets	9,769.58	9,649.80	9,319.55	7,333.65	6,175.49
Monetary assets	150.92	154.36	136.00	151.40	174.43
Monetary assets as a percentage of the net tangible assets	1.54%	1.60%	1.46%	2.06%	2.82%

(i) 'Pre-tax operating profit', has been calculated as net profit before the aggregate of tax, extra-ordinary items, exceptional items, depreciation, finance costs and other income.

(ii) Net worth has been defined as the aggregate of equity share capital and reserves, excluding preference share redemption reserve account and miscellaneous expenditure, if any.

(iii) Net tangible assets means the sum of all net assets of the Company excluding intangible assets as defined in Accounting Standard 26 issued by Institute of Chartered Accountants of India.

(iv) Monetary assets comprise of cash and bank balances and public deposits with the Government.

Fiscal 2011, 2012 and 2014 (based on profit for the year) are the three most profitable years out of the immediately preceding five financial years in terms of our restated consolidated financial information.

In accordance with Regulation 26(4) of the SEBI Regulations, the Company shall ensure that the number of prospective allottees to whom the Equity Shares will be allotted in the Issue shall not be less than 1,000, failing which the entire application monies will be refunded forthwith.

This Offer is being made pursuant to Rule 19(2)(b)(i) of the SCRR read with Regulation 41 of the SEBI Regulations. The Company is eligible for the Offer in accordance with Regulation 26(1) of the SEBI Regulations. Further, this Offer is being made through the Book Building Process wherein 50% of the Net Offer shall be Allotted to QIBs on a proportionate basis out of which 5% of the QIB Portion (excluding the Anchor Investor Portion, which shall be allocated on a discretionary basis) shall be available for allocation on a proportionate basis to Mutual Funds only, and the remainder shall be available for allocation on a proportionate basis to all QIBs, including Mutual Funds, subject to valid Bids being received at or above the Issue Price. Further, not less than 15% of the Net Offer will be available for allocation on a proportionate basis to Non-Institutional Bidders and not less than 35% of the Net Offer will be available for allocation, in accordance with the SEBI Regulations, to Retail Individual Bidders, subject to valid Bids being received at or above the Issue Price. Our Company and the Selling Shareholders, in consultation with the GCBRLMs, may allocate up to 60% of the QIB Portion to Anchor Investors on a discretionary basis. One third of the Anchor Investor Portion shall be reserved for allocation to domestic Mutual Funds, subject to valid Bids being received from domestic Mutual Funds at or above the Anchor Investor Allocation Price. For further details, see "*Issue Procedure*" on page 402 of this Red Herring Prospectus.

Our Company is in compliance with the following conditions under Regulation 4(2) of the SEBI Regulations:

(a) Our Company, our Directors, our Promoters, the members of our Promoter Group, the persons in control of our Company and the companies with which our Directors, Promoters or persons in control are or were associated as directors or promoters or persons in control have not been prohibited from accessing or operating in the capital markets under any order or direction passed by SEBI;

(b) Our Company has applied to the NSE and the BSE for obtaining their in-principle listing approval for listing of the Equity Shares under this Issue and has received the in-principle approvals from the NSE and the BSE pursuant to their letters dated January 13, 2015 and February 5, 2015, respectively. For the purposes of this Issue, BSE shall be the Designated Stock Exchange;

(c) Our Company has entered into agreements dated December 18, 2014 and December 8, 2014 with NSDL and CDSL respectively, for dematerialisation of the Equity Shares; and

(d) The Equity Shares are fully paid-up and there are no partly paid-up Equity Shares as on the date of this Red Herring Prospectus.

Disclaimer Clause of SEBI

AS REQUIRED, A COPY OF THE DRAFT RED HERRING PROSPECTUS HAS BEEN SUBMITTED TO SEBI. IT IS TO BE DISTINCTLY UNDERSTOOD THAT SUBMISSION OF THE DRAFT RED HERRING PROSPECTUS TO SEBI SHOULD NOT IN ANY WAY BE DEEMED OR CONSTRUED THAT THE SAME HAS BEEN CLEARED OR APPROVED BY SEBI. SEBI DOES NOT TAKE ANY RESPONSIBILITY EITHER FOR THE FINANCIAL SOUNDNESS OF ANY SCHEME OR THE PROJECT FOR WHICH THE ISSUE IS PROPOSED TO BE MADE OR FOR THE CORRECTNESS OF THE STATEMENTS MADE OR OPINIONS EXPRESSED IN THE DRAFT RED HERRING PROSPECTUS. THE GLOBAL CO-ORDINATORS AND BOOK RUNNING LEAD MANAGERS, HSBC SECURITIES AND CAPITAL MARKETS (INDIA) PRIVATE LIMITED AND ICICI SECURITIES LIMITED, HAVE CERTIFIED THAT THE DISCLOSURES MADE IN THE DRAFT RED HERRING PROSPECTUS ARE GENERALLY ADEQUATE AND ARE IN CONFORMITY WITH THE SEBI (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2009 IN FORCE FOR THE TIME BEING. THIS REQUIREMENT IS TO FACILITATE INVESTORS TO TAKE AN INFORMED DECISION FOR MAKING INVESTMENT IN THE PROPOSED ISSUE.

IT SHOULD ALSO BE CLEARLY UNDERSTOOD THAT WHILE THE COMPANY IS PRIMARILY RESPONSIBLE FOR THE CORRECTNESS, ADEQUACY AND DISCLOSURE OF ALL RELEVANT INFORMATION IN THE DRAFT RED HERRING PROSPECTUS, THE GLOBAL COORDINATORS AND BOOK RUNNING LEAD MANAGERS, HSBC SECURITIES AND CAPITAL MARKETS (INDIA) PRIVATE LIMITED AND ICICI SECURITIES LIMITED, IS EXPECTED TO EXERCISE DUE DILIGENCE TO ENSURE THAT THE COMPANY DISCHARGES ITS RESPONSIBILITY ADEQUATELY IN THIS BEHALF AND TOWARDS THIS PURPOSE, THE GLOBAL CO-ORDINATORS AND BOOK RUNNING LEAD MANAGERS, HSBC SECURITIES AND CAPITAL MARKETS (INDIA) PRIVATE LIMITED AND ICICI SECURITIES LIMITED, HAVE FURNISHED TO SEBI, A DUE DILIGENCE CERTIFICATE DATED DECEMBER 19, 2014 IN ACCORDANCE WITH THE SEBI (MERCHANT BANKERS) REGULATIONS, 1992 WHICH READS AS FOLLOWS:

WE, THE LEAD MERCHANT BANKERS TO THE ABOVE MENTIONED FORTHCOMING ISSUE, STATE AND CONFIRM AS FOLLOWS:

"(1) WE HAVE EXAMINED VARIOUS DOCUMENTS INCLUDING THOSE RELATING TO LITIGATION LIKE COMMERCIAL DISPUTES, PATENT DISPUTES, DISPUTES WITH COLLABORATORS ETC. AND OTHER MATERIALS IN CONNECTION WITH THE FINALIZATION OF THE DRAFT RED HERRING PROSPECTUS PERTAINING TO THE SAID ISSUE;

(2) ON THE BASIS OF SUCH EXAMINATION AND THE DISCUSSIONS WITH THE COMPANY, ITS DIRECTORS AND OTHER OFFICERS, OTHER AGENCIES, AND INDEPENDENT VERIFICATION OF THE STATEMENTS CONCERNING THE OBJECTS OF THE ISSUE, PRICE JUSTIFICATION AND THE CONTENTS OF THE DOCUMENTS AND OTHER PAPERS FURNISHED BY THE COMPANY,

WE CONFIRM THAT:

(A) THE DRAFT RED HERRING PROSPECTUS FILED WITH SEBI IS IN CONFORMITY WITH THE DOCUMENTS, MATERIALS AND PAPERS RELEVANT TO THE ISSUE;

(B) ALL THE LEGAL REQUIREMENTS RELATING TO THE SAID ISSUE, AS ALSO THE REGULATIONS, GUIDELINES, INSTRUCTIONS, ETC. FRAMED OR ISSUED BY SEBI, THE CENTRAL GOVERNMENT AND ANY OTHER COMPETENT AUTHORITY IN THIS BEHALF HAVE BEEN DULY COMPLIED WITH; AND

(C) THE DISCLOSURES MADE IN THE DRAFT RED HERRING PROSPECTUS ARE TRUE, FAIR AND ADEQUATE TO ENABLE THE INVESTORS TO MAKE A WELL INFORMED DECISION AS TO THE INVESTMENT IN THE PROPOSED ISSUE AND SUCH DISCLOSURES ARE IN ACCORDANCE WITH THE REQUIREMENTS OF THE COMPANIES ACT, 1956, COMPANIES ACT, 2013, THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2009 AND OTHER APPLICABLE LEGAL REQUIREMENTS.

(3) WE CONFIRM THAT BESIDE OURSELVES, ALL THE INTERMEDIARIES NAMED IN THE DRAFT RED HERRING PROSPECTUS ARE REGISTERED WITH SEBI AND TILL DATE SUCH REGISTRATION IS VALID. – NOTED FOR COMPLIANCE

(4) WHEN UNDERWRITTEN, WE SHALL SATISFY OURSELVES ABOUT THE CAPABILITY OF THE UNDERWRITERS TO FULFIL THEIR UNDERWRITING COMMITMENTS. – <u>NOTED FOR COMPLIANCE</u>

(5) WE CERTIFY THAT WRITTEN CONSENT FROM THE PROMOTERS HAS BEEN OBTAINED FOR INCLUSION OF THEIR EQUITY SHARES AS PART OF THE PROMOTERS' CONTRIBUTION SUBJECT TO LOCK-IN AND THE EQUITY SHARES PROPOSED TO FORM PART OF THE PROMOTERS' CONTRIBUTION SUBJECT TO LOCK-IN SHALL NOT BE DISPOSED OR SOLD OR TRANSFERRED BY THE PROMOTERS DURING THE PERIOD STARTING FROM THE DATE OF FILING THE DRAFT RED HERRING PROSPECTUS WITH SEBI UNTIL THE DATE OF COMMENCEMENT OF THE LOCK-IN PERIOD AS STATED IN THE DRAFT RED HERRING PROSPECTUS.

(6) WE CERTIFY THAT REGULATION 33 OF THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2009, WHICH RELATES TO SPECIFIED SECURITIES INELIGIBLE FOR COMPUTATION OF PROMOTERS' CONTRIBUTION, HAS BEEN DULY COMPLIED WITH AND APPROPRIATE DISCLOSURES AS TO COMPLIANCE WITH THE SAID REGULATION HAVE BEEN MADE IN THE DRAFT RED HERRING PROSPECTUS.

(7) WE UNDERTAKE THAT SUB-REGULATION (4) OF REGULATION 32 AND CLAUSE (C) AND (D) OF SUB-REGULATION (2) OF REGULATION 8 OF THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2009, SHALL BE COMPLIED WITH. WE CONFIRM THAT ARRANGEMENTS HAVE BEEN MADE TO ENSURE THAT PROMOTERS' CONTRIBUTION SHALL BE RECEIVED AT LEAST ONE DAY BEFORE THE OPENING OF THE ISSUE. WE UNDERTAKE THAT AUDITORS' CERTIFICATE TO THIS EFFECT SHALL BE DULY SUBMITTED TO SEBI. WE FURTHER CONFIRM THAT ARRANGEMENTS HAVE BEEN MADE TO ENSURE THAT PROMOTERS' CONTRIBUTION SHALL BE KEPT IN AN ESCROW ACCOUNT WITH A SCHEDULED COMMERCIAL BANK AND SHALL BE RELEASED TO THE COMPANY ALONG WITH THE PROCEEDS OF THE PUBLIC ISSUE. – <u>NOT APPLICABLE</u>

(8) WE CERTIFY THAT THE PROPOSED ACTIVITIES OF THE ISSUER FOR WHICH THE FUNDS ARE BEING RAISED IN THE PRESENT ISSUE FALL WITHIN THE 'MAIN OBJECTS' LISTED IN THE OBJECT CLAUSE OF THE MEMORANDUM OF ASSOCIATION OR OTHER CHARTER OF THE ISSUER AND THAT THE ACTIVITIES WHICH HAVE BEEN CARRIED OUT UNTIL NOW ARE VALID IN TERMS OF THE OBJECT CLAUSE OF ITS MEMORANDUM OF ASSOCIATION. – COMPLIED WITH

(9) WE CONFIRM THAT NECESSARY ARRANGEMENTS HAVE BEEN MADE TO ENSURE THAT THE MONEYS RECEIVED PURSUANT TO THE ISSUE ARE KEPT IN A SEPARATE BANK ACCOUNT AS PER THE PROVISIONS OF SECTION 73(3) OF THE COMPANIES ACT, 1956* AND THAT SUCH MONEYS SHALL BE RELEASED BY THE SAID BANK ONLY AFTER PERMISSION IS OBTAINED FROM ALL THE STOCK EXCHANGES MENTIONED IN THE PROSPECTUS. WE FURTHER CONFIRM THAT THE AGREEMENT ENTERED INTO BETWEEN THE BANKERS TO THE ISSUE AND THE ISSUER SPECIFICALLY CONTAINS THIS CONDITION. – <u>NOTED FOR COMPLIANCE.</u>

(10) WE CERTIFY THAT A DISCLOSURE HAS BEEN MADE IN THE DRAFT RED HERRING PROSPECTUS THAT THE INVESTORS SHALL BE GIVEN AN OPTION TO GET THE SHARES IN DEMAT OR PHYSICAL MODE. – <u>NOT APPLICABLE.</u>**

(11) WE CERTIFY THAT ALL THE APPLICABLE DISCLOSURES MANDATED IN THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2009 HAVE BEEN MADE IN ADDITION TO DISCLOSURES WHICH, IN OUR VIEW, ARE FAIR AND ADEQUATE TO ENABLE THE INVESTOR TO MAKE A WELL INFORMED DECISION.

(12) WE CERTIFY THAT THE FOLLOWING DISCLOSURES HAVE BEEN MADE IN THE DRAFT RED HERRING PROSPECTUS:

(A) AN UNDERTAKING FROM THE ISSUER THAT AT ANY GIVEN TIME THERE SHALL BE ONLY ONE DENOMINATION FOR THE SHARES OF THE COMPANY; AND

(B) AN UNDERTAKING FROM THE ISSUER THAT IT SHALL COMPLY WITH SUCH DISCLOSURE AND ACCOUNTING NORMS SPECIFIED BY THE BOARD FROM TIME TO TIME.

(13) WE UNDERTAKE TO COMPLY WITH THE REGULATIONS PERTAINING TO ADVERTISEMENT IN TERMS OF THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2009, WHILE MAKING THE ISSUE. – COMPLIED WITH AND NOTED FOR COMPLIANCE.

(14) WE ENCLOSE A NOTE EXPLAINING HOW THE PROCESS OF DUE DILIGENCE HAS BEEN EXERCISED BY US IN VIEW OF THE NATURE OF CURRENT BUSINESS BACKGROUND OR THE ISSUER, SITUATION AT WHICH THE PROPOSED BUSINESS STANDS, THE RISK FACTORS, PROMOTERS EXPERIENCE, ETC.

(15) WE ENCLOSE A CHECKLIST CONFIRMING REGULATION-WISE COMPLIANCE WITH THE APPLICABLE PROVISIONS OF THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2009, CONTAINING DETAILS SUCH AS THE REGULATION NUMBER, ITS TEXT, THE STATUS OF COMPLIANCE, PAGE NUMBER OF THE DRAFT RED HERRING PROSPECTUS WHERE THE REGULATION HAS BEEN COMPLIED WITH AND OUR COMMENTS, IF ANY.

(16) WE ENCLOSE STATEMENT ON 'PRICE INFORMATION OF PAST ISSUES HANDLED BY MERCHANT BANKERS (WHO ARE RESPONSIBLE FOR PRICING THE ISSUE)', AS PER FORMAT SPECIFIED BY THE SECURITIES AND EXCHANGE BOARD OF INDIA THROUGH CIRCULAR.

(17) WE CERTIFY THAT PROFITS FROM RELATED PARTY TRANSACTIONS HAVE ARISEN FROM LEGITIMATE BUSINESS TRANSACTIONS. – COMPLIED WITH TO THE EXTENT OF THE RELATED PARTY TRANSACTION REPORTED, IN ACCORDANCE WITH AS-18 IN THE FINANCIAL STATEMENTS AND DISCLOSURES INCLUDING IN THE DRAFT RED HERRING PROSPECTUS.

* *Section 40(3) of the Companies Act, 2013 has been notified by the Ministry of Corporate Affairs, Government of India.*

** *Section 29 of the Companies Act, 2013, provides, inter alia, that every company making public offers shall issue securities only in dematerialised form by complying with the provisions of the Depositories Act, 1996 and the regulations made thereunder.*

THE FILING OF THE DRAFT RED HERRING PROSPECTUS DOES NOT, HOWEVER, ABSOLVE THE COMPANY FROM ANY LIABILITIES UNDER SECTION 34 OR SECTION 36 OF THE COMPANIES ACT, 2013 OR FROM THE REQUIREMENT OF OBTAINING SUCH STATUTORY AND OTHER CLEARANCES AS MAY BE REQUIRED FOR THE PURPOSE OF THE PROPOSED ISSUE. SEBI, FURTHER RESERVES THE RIGHT TO TAKE UP, AT ANY POINT OF TIME, WITH THE BOOK RUNNING LEAD MANAGERS ANY IRREGULARITIES OR LAPSES IN THE DRAFT RED HERRING PROSPECTUS.

All legal requirements pertaining to the Issue will be complied with at the time of registration of the Prospectus with the RoC in terms of Section 56, Section 60 and Section 60B of the Companies Act, 1956 and Section 32 of the Companies Act, 2013.

Caution - Disclaimer from the Company, the Selling Shareholders and the GCBRLMs

The Company, Directors, Selling Shareholders and the GCBRLMs accept no responsibility for statements made otherwise than in this Red Herring Prospectus or in the advertisements or any other material issued by or at the Company's instance and anyone placing reliance on any other source of information, including the Company's website, www.vrlgroup.in, or the website of any Promoters or Promoter Group company, or the website of any affiliate or associate of the Company, would be doing so at his or her own risk.

Notwithstanding anything stated in this Red Herring Prospectus, NSR does not express any opinion with respect to nor do they assume any responsibility for the statements and disclosures made by the Company or any other person, including any other Selling Shareholder, whether or not relating to the Company, their respective businesses, the Promoters, the financial information or any other disclosures and statements and the directors and officers of NSR shall not be liable in any situation whatsoever for any such statements, undertakings or disclosures by any other person. NSR shall however be responsible to the extent of all statements and undertakings made by NSR in this Red Herring Prospectus about or in relation solely to itself and the Equity Shares of the Company sold by it in the Offer for Sale.

The GCBRLMs accept no responsibility, save to the limited extent as provided in the Issue Agreement entered into between the GCBRLMs, the Company and the Selling Shareholders on December 18, 2014 and the Underwriting Agreement to be entered into between the Underwriters, the Selling Shareholders and the Company.

All information shall be made available by the Company, the Selling Shareholders (to the extent applicable) and the GCBRLMs 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.

Neither the GCBRLMs, nor the Selling Shareholders, or the Company, or their respective Directors and officers, nor any member of the Syndicate, is liable to the Bidders for any failure in downloading the Bids due to faults in any software/hardware system or otherwise.

Bidders will be required to confirm and will be deemed to have represented to the Company, the Selling Shareholders and the Underwriters and their respective directors, officers, agents, affiliates and representatives that they are eligible under all applicable laws, rules, regulations, guidelines and approvals to acquire the Equity Shares and will not offer, sell, pledge or transfer the Equity Shares to any person who is not eligible under applicable laws, rules, regulations, guidelines and approvals to acquire the Equity Shares. The Company, Selling Shareholders, Underwriters and their respective directors, officers, agents, affiliates and representatives accept no responsibility or liability for advising any investor on whether such investor is eligible to acquire Equity Shares.

The GCBRLMs and their respective affiliates may engage in transactions with, and perform services for, the Company, the Selling Shareholders, their respective subsidiaries, group companies, affiliates or associates or third parties in the ordinary course of business and have engaged, or may in the future engage, in commercial banking and investment banking transactions with the Company, the Selling Shareholders, their respective subsidiaries, group companies, affiliates or associates or third parties, for which they have received, and may in the future receive, compensation.

Disclaimer in respect of jurisdiction

The Issue is being made in India to persons resident in India (including Indian nationals resident in India who are majors), HUFs, companies, corporate bodies and societies registered under 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 under applicable trust law and who are authorized under their constitution to hold and invest in shares, permitted insurance companies and pension funds, insurance funds set up and managed by the Department of Posts, India and to FPIs, Eligible NRIs and other eligible foreign investors (viz. FVCIs, multilateral and bilateral development financial institutions). This Red Herring Prospectus does not, however, constitute an invitation to subscribe to Equity Shares offered hereby in any jurisdiction other than India to any person to whom it is unlawful to make an offer or invitation in such jurisdiction. Any person into whose possession this Red Herring Prospectus comes is required to inform himself or herself about, and to observe, any such restrictions.

Any dispute arising out of the Issue will be subject to the exclusive jurisdiction of competent court(s) in Hubballi, India only.

No action has been, or will be, taken to permit a public offering in any jurisdiction where action would be required for that purpose, except that this Red Herring Prospectus has been filed with SEBI for its observations and SEBI shall give its observations in due course. Accordingly, the Equity Shares represented hereby may not be offered or sold, directly or indirectly, and this Red Herring Prospectus may not be distributed in any jurisdiction, except in accordance with the legal requirements applicable in such jurisdiction. Neither the delivery of this Red Herring Prospectus nor any invitation, offer or sale hereunder shall, under any circumstances, create any implication that there has been no change in the affairs of the Company from the date hereof or that the information contained herein is correct as of any time subsequent to this date.

The Equity Shares have not been, and will not be, registered under the U.S. Securities Act 1933, as amended (the "Securities Act") or any state securities laws in the United States and may not be offered or sold within the United States except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act. Accordingly, the Equity Shares will be offered and sold only outside the United States in compliance with Regulation S of the Securities Act and the applicable laws of the jurisdiction where those offers and sales occur.

The Equity Shares have not been, and will not be, registered, listed or otherwise qualified in any other jurisdiction outside India and may not be offered or sold, and Bids may not be made by persons in any such jurisdiction, except in compliance with the applicable laws of such jurisdiction.

Further, each Bidder where required agrees that such Bidder will not sell or transfer any Equity Shares or create any economic interest therein, including any off-shore derivative instruments, such as participatory notes, issued against the Equity Shares or any similar security, other than pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act and in compliance with applicable laws and legislations in each jurisdiction, including India.

Disclaimer clause of the BSE

BSE Limited ("**the Exchange**") has given vide its letter dated February 5, 2015 permission to this Company to use the Exchange's name in this offer document as one of the stock exchanges on which this company's securities are proposed to be listed. The Exchange has scrutinized this offer document for its limited internal purpose of deciding on the matter of granting the aforesaid permission to this Company. The Exchange does not in any manner:-

a) warrant, certify or endorse the correctness or completeness of any of the contents of this offer document; or

b) warrant that this Company's securities will be listed or will continue to be listed on the Exchange; or

c) takes 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 that this offer document has been cleared or approved by the Exchange. Every person who desires to apply for or otherwise acquired any securities of this Company may do so pursuant to independent inquiry, investigation and analysis and shall not have any claim against the Exchange whatsoever by reason of any loss which may be suffered by such person consequent to or in connection with such subscription/acquisition whether by reason of anything stated or omitted to be stated herein or for any other reason whatsoever.

Disclaimer clause of 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/10563 dated January 13, 2015 permission to the Issuer to use the Exchange's name in this Offer Document as one of the stock exchanges on which this Issuer's securities are proposed to be listed. The Exchange has scrutinized 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 or completeness of any of the contents of this offer document; nor does it warrant that this Issuer's securities will be listed or will continue to be listed on the Exchange; nor does it take any responsibility for the financial or other soundness of this Issuer, its promoters, its management or any scheme or project of this Issuer.

Every person who desires to apply for or otherwise acquire any securities of this Issuer may do so pursuant to independent inquiry, investigation and analysis and shall not have any claim against the Exchange whatsoever by reason of any loss which may be suffered by such person consequent to or in connection with such subscription /acquisition whether by reason of anything stated or omitted to be stated herein or any other reason whatsoever.

Filing

A copy of the Draft Red Herring Prospectus has been filed with the SEBI at the Securities and Exchange Board of India, SEBI Bhavan, G Block, 3rd Floor, Bandra – Kurla Complex, Bandra (E), Mumbai 400 051, Maharashtra, India.

A copy of this Red Herring Prospectus, along with the other documents required to be filed under Section 32 of the Companies Act, 2013 has been delivered for registration to the RoC and a copy of the Prospectus to be filed under Section 26 of the Companies Act, 2013 will be delivered for registration to the RoC located at

Registrar of Companies, Karnataka

'E' Wing, 2nd Floor
Kendriya Sadana
Kormangala
Banglore 560 034
Telephone: +91 (080) 2563 3105 / 2553 7449 / 2563 3104
Facsimile: +91 (080) 2553 8531
E- Mail: roc.bangalore@mca.gov.

Listing

Applications have been made to the Stock Exchanges for permission for listing of the Equity Shares. BSE will be the Designated Stock Exchange with which the basis of Allotment will be finalized.

If the permissions to deal in, and for an official quotation of, the Equity Shares are not granted by any of the Stock Exchanges mentioned above, the 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 the prescribed time, then the Company, the Selling Shareholders, and every Director who is an officer in default shall be liable to repay the money, with interest, as prescribed under applicable law. Any expense incurred by the Company on behalf of the Selling Shareholders with regard to refunds, interest for delays, etc., for the Equity Shares being offered in the Issue, will be reimbursed by the Selling Shareholders to our Company, in proportion to the number of Equity Shares offered by each Selling Shareholder. Additionally, in the event of delay in refund of monies payable to non-ASBA Bidders, the Company shall be liable to pay interest, including on Equity Shares being offered pursuant to the Offer for Sale by NSR, unless such delay is directly due to the failure or delay of NSR.

The 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 12 Working Days from the Bid/Issue Closing Date. Further, the Selling Shareholders confirm that all steps, as may be reasonably required and necessary, will be taken for the completion of the necessary formalities for listing and commencement of trading at all the Stock Exchanges where the Equity Shares are proposed to be listed within 12 Working Days of the Bid/Issue Closing Date.

Impersonation

Attention of the applicants is specifically drawn to the provisions of sub-section (1) of Section 38 of the Companies Act, 2013, which is reproduced below:

"Any person who:

(a) makes or abets making of an application in a fictitious name to a company for acquiring, or subscribing for, its securities; or

(b) makes or abets making of multiple applications to a company in different names or in different combinations of his name or surname for acquiring or subscribing for its securities; or

(c) otherwise induces directly or indirectly a company to allot, or register any transfer of, securities to him, or to any other person in a fictitious name,

shall be liable for action under section 447."

Price information of past issues handled by the GCBRLMs

The price information of past issues handled by the GCBRLMs is as follows:

HSBC Securities and Capital Markets (India) Private Limited

Past issues handled by HSBC Securities and Capital Markets (India) Private Limited

Sr. No.	Issue name	Issue size (₹ million)	Issue price (₹)	Listing date	Opening price on listing date (₹)	Closing price on listing date (₹)	% Change in price on listing date (closing) vs. issue price	Benchmark index on listing date (closing) [a]	Closing price as on 10th calendar day from listing day (₹)[b]	Benchmark index as on 10th calendar day from listing day (closing) [a]	Closing price as on 20th calendar day from listing day (₹)[b]	Benchmark index as on 20th calendar day from listing day (closing) [a]	Closing price as on 30th calendar day from listing day (₹)[b]	Benchmark index as on 30th calendar day from listing day (closing) [a]
1.	Bharti Infratel Limited	41,727.60	220[1]	28-Dec-12	200	191.65	-12.89%	5,908.35	207.40	5,988.40	204.95	6,039.20	210.30	6,074.80

[1] Discount of ₹10 per equity share offered to retail investors and Premium of ₹10 per equity share to Anchor investors. All calculations are based on Issue Price of ₹220.00 per equity share

Notes:

- *All above data is of NSE (Website www.nseindia.com)*
- *Benchmark Index considered above in all the cases was NIFTY*
- *10th, 20th, 30th trading day from listed day have been taken as listing day plus 10, 20 and 30 calendar days. Wherever 10th, 20th, 30th trading day is a holiday, we have considered the closing data of the next trading date / day*

Summary statement of price information of past issues handled by HSBC Securities and Capital Markets (India) Private Limited

	Total no. of IPOs [1]	Total funds raised (₹ million)	Nos. of IPOs trading at discount on listing date			Nos. of IPOs trading at premium on listing date			Nos. of IPOs trading at discount as on 30th calendar day from listing day			Nos. of IPOs trading at premium as on 30th calendar day from listing day		
			Over 50%	Between 25%-50%	Less than 25%	Over 50%	Between 25%-50%	Less than 25%	Over 50%	Between 25%-50%	Less than 25%	Over 50%	Between 25%-50%	Less than 25%

	Total no. of IPOs [1]	Total funds raised (₹ million)	Nos. of IPOs trading at discount on listing date			Nos. of IPOs trading at premium on listing date			Nos. of IPOs trading at discount as on 30th calendar day from listing day			Nos. of IPOs trading at premium as on 30th calendar day from listing day		
2014-15	0	Nil	0	0	0	0	0	0	0	0	0	0	0	0
2013-14	0	Nil	0	0	0	0	0	0	0	0	0	0	0	0
2012-13	1	41,727.60	0	0	1	0	0	0	0	0	0	0	0	1

Source: All share price data is from www.nseindia.com

Note:

- *All above data is of NSE (Website www.nseindia.com)*
- *Benchmark Index considered above in all the cases was NIFTY*
- *10th, 20th, 30th trading day from listed day have been taken as listing day plus 10, 20 and 30 calendar days. Wherever 10th, 20th, 30th trading day is a holiday, we have considered the closing data of the next trading date / day*

ICICI Securities Limited

Past issues handled by ICICI Securities Limited

Sr. No.	Issue name	Issue size (₹ million)	Issue price (₹)	Listing date	Opening price on listing date (₹)	Closing price on listing date (₹)	% Change in price on listing date (closing) vs. issue price	Benchmark index on listing date (closing) [a]	Closing price as on 10th calendar day from listing day (₹)[b]	Benchmark index as on 10th calendar day from listing day (closing) [a]	Closing price as on 20th calendar day from listing day (₹)[b]	Benchmark index as on 20th calendar day from listing day (closing) [a]	Closing price as on 30th calendar day from listing day (₹)[b]	Benchmark index as on 30th calendar day from listing day (closing) [a]
1.	Shemaroo Entertainment Limited	1,200.00	170[2]	1-Oct-14	180	171.00	0.59%	7945.55	154.00	7,859.95	160.35	7927.75	163.95	8322.20
2.	Wonderla Holidays Limited	1,812.50	125	9-May-14	160	157.80	26.24%	6858.80	166.80	7,263.55	212.60	7235.65	216.15	7654.60
3.	Bharti Infratel Limited	41,727.60	220[1]	28-Dec-12	200	191.65	-12.89%	5,908.35	207.40	5,988.40	204.95	6,039.20	210.30	6,074.80
4.	Credit Analysis and Research Limited	5,399.78	750	26-Dec-12	940	922.55	23.01%	5,905.60	929.25	5,988.40	931.05	6,056.60	924.85	6,074.65
5.	Tara Jewels	1,794.99	230	6-Dec-12	242	229.90	-0.04%	5,930.90	230.25	5,857.90	223.75	5,905.60	234.00	5,988.40

Sr. No.	Issue name	Issue size (₹ million)	Issue price (₹)	Listing date	Opening price on listing date (₹)	Closing price on listing date (₹)	% Change in price on listing date (closing) vs. issue price	Benchmark index on listing date (closing) [a]	Closing price as on 10th calendar day from listing day (₹)[b]	Benchmark index as on 10th calendar day from listing day (closing) [a]	Closing price as on 20th calendar day from listing day (₹)[b]	Benchmark index as on 20th calendar day from listing day (closing) [a]	Closing price as on 30th calendar day from listing day (₹)[b]	Benchmark index as on 30th calendar day from listing day (closing) [a]
	Limited													

[(1)] Discount of ₹10 per equity share offered to retail investors and Premium of ₹10 per equity share to Anchor investors. All calculations are based on Issue Price of ₹220.00 per equity share

[(2)] Discount of ₹17 per equity share offered to retail investors. All calculations are based on Issue Price of ₹170.00 per equity share

Note:

- *All above data is of NSE (Website www.nseindia.com)*
- *Benchmark Index considered above in all the cases was NIFTY*
- *10th, 20th, 30th trading day from listed day have been taken as listing day plus 10, 20 and 30 calendar days. Wherever 10th, 20th, 30th trading day is a holiday, we have considered the closing data of the next trading date / day*

Summary statement of price information of past issues handled by ICICI Securities Limited

	Total no. of IPOs [(1)]	Total funds raised (₹ million)	Nos. of IPOs trading at discount on listing date			Nos. of IPOs trading at premium on listing date			Nos. of IPOs trading at discount as on 30th calendar day from listing day			Nos. of IPOs trading at premium as on 30th calendar day from listing day		
			Over 50%	Between 25%-50%	Less than 25%	Over 50%	Between 25%-50%	Less than 25%	Over 50%	Between 25%-50%	Less than 25%	Over 50%	Between 25%-50%	Less than 25%
2014-15	2	3,012.50	0	0	0	0	1	1	0	0	1	1	0	0
2013-14	0	Nil	0	0	0	0	0	0	0	0	0	0	0	0
2012-13	3	48,922.37	0	0	2	0	0	1	0	0	1	0	0	2

Source: All share price data is from www.nseindia.com

Note:

- *All above data is of NSE (Website www.nseindia.com)*
- *Benchmark Index considered above in all the cases was NIFTY*
- *10th, 20th, 30th trading day from listed day have been taken as listing day plus 10, 20 and 30 calendar days. Wherever 10th, 20th, 30th trading day is a holiday, we have considered the closing data of the next trading date / day*

Track record of past issues handled by the GCBRLMs

For details regarding the track record of the GCBRLMs, as specified in Circular reference CIR/MIRSD/1/2012 dated January 10, 2012 issued by the SEBI, please refer to the websites of the GCBRLMs, as set forth in the table below:

Sr. No	Name of the Manager	Website
1.	HSBC Securities and Capital Markets (India) Private Limited	www.hsbc.co.in/1/2/corporate/equitiesglobalinvestment-banking
2.	ICICI Securities Limited	www.icicisecurities.com

Consents

Consents in writing of: (a) the Directors, the Company Secretary and Compliance Officer, the Book Running Lead Managers, the statutory auditors, the lenders to our Company, the legal advisors, the Bankers to the Company and the Registrar to the Issue; and (b) the Syndicate Members, the Escrow Collection Banks, the Refund Bankers and the Bankers to the Issue to act in their respective capacities, will be obtained and filed along with a copy of the Red Herring Prospectus with the RoC, as required under Sections 26 and 32 of the Companies Act, 2013. Further, such consents will not be withdrawn up to the time of delivery of the Red Herring Prospectus and Prospectus for registration with the RoC.

In accordance with the Companies Act and the SEBI Regulations, H. K. Veerbhaddrappa & Co., Hubli and Walker, Chandiok & Co., LLP, have given their written consent to the inclusion of their audit report dated February 9, 2015 and statement of tax benefits dated March 24, 2015, included in this Red Herring Prospectus and such consents will not be withdrawn up to the date hereof.

Expert Opinion

Except for (i) the written consent received by the Company from the statutory auditors namely, H. K. Veerbhaddrappa & Co., Hubli and Walker, Chandiok & Co., LLP, to include their names as experts under Section 26(1)(a)(v) of the Companies Act in this Red Herring Prospectus in relation to their audit report dated February 9, 2015 and statement of tax benefits dated March 24, 2015; (ii) certificate dated March 24, 2015 from H. K. Veerbhaddrappa & Co., Hubli in relation to the utilisation of amounts drawndown on loans proposed to be repaid out of the proceeds of the Issue, and (iii) certificate dated March 28, 2015 from Mr. R. B. Gadagkar, advocate in relation to the status of legal proceedings involving the Company, included in this Red Herring Prospectus, the Company has not obtained any other expert opinions. The consents of the statutory auditors have not been withdrawn as of the date of this Red Herring Prospectus. However, the term “expert” shall not be construed to mean an “expert” as defined under the U.S. Securities Act 1933.

Issue Related Expenses

The total expenses of the Issue are estimated to be approximately ₹ [●] million. The expenses of this Issue include, among others, underwriting and management fees, selling commission, printing and distribution expenses, legal fees, statutory advertisement expenses and listing fees. Upon the listing and trading of the Equity Shares in the Issue on the Stock Exchanges, all Issue related expenses, other than the listing fee and the expenses for corporate advertisements relating to the Company’s business, which shall be borne by the Company (as detailed below) shall be shared by the Company and the Selling Shareholders in proportion to the number of Equity Shares sold to the public in the Fresh Issue and the Offer for Sale, respectively.

The estimated Issue expenses are as follows:

Activity	Total estimated Amount*	Percentage of Issue Expenses*	Percentage of Issue Size*

Activity	Total estimated Amount*	Percentage of Issue Expenses*	Percentage of Issue Size*
Lead management fees, underwriting commission, brokerage and selling commission (including commissions to SCSBs for ASBA Applications and commissions to Non-Syndicate Registered Brokers)	[●]	[●]	[●]
Fees paid to the Bankers to the Issue, processing fees to the SCSBs for processing Application Forms procured by the Syndicate at Syndicate ASBA Centres or Non-Syndicate Registered Brokers and submitted to the SCSBs#	[●]	[●]	[●]
Registrar fee and other related fees (postage of refunds etc.)	[●]	[●]	[●]
Advertising and marketing expenses, printing, stationery and distribution expenses	[●]	[●]	[●]
Other expenses (SEBI Filing fees, legal and auditor fees, stock exchanges' processing and listing fees, book-building fees, depository's charges etc.)	[●]	[●]	[●]
Total	**[●]**	**[●]**	**[●]**

** To be incorporated after finalization of the Issue Price*
 # The SCSBs would be entitled to a processing fees of ₹ [•] per Bid cum Application Form, for processing the Bid cum Application Forms procured by the members of the Syndicate or the Registered Brokers and submitted to the SCSBs.

Fees payable to the GCBRLMs and the Syndicate Members

The total fees payable to the Syndicate Members (including underwriting commission, selling commission and reimbursement of their out-of-pocket expense) will be as per the Syndicate Agreement.

Fees Payable to the Registrar to the Issue

The fees payable to the Registrar to the Issue for processing of applications, data entry, printing of Allotment Adivce/CANs/refund orders (or revised CANs, if required), preparation of refund data on magnetic tape and printing of bulk mailing register will be as per an agreement dated December 3, 2014 entered into among the Company, the Selling Shareholders and the Registrar to the Issue.

The Registrar to the Issue will be reimbursed for all out of pocket expenses including cost of stationery, postage, stamp duty, and communication expenses. Adequate funds will be provided to the Registrar to the Issue to enable it to make refunds in any of the modes described in the Red Herring Prospectus and the Prospectus or send allotment advice by registered post/speed post/under certificate of posting.

Particulars regarding previous Public or Rights Issues

The Company has not made any previous public issues (including any rights issue) in the five years preceding the date of this Red Herring Prospectus.

Previous issues of Equity Shares otherwise than for cash

Except as stated in "*Capital Structure*" on page 86 of this Red Herring Prospectus, the Company has not made any previous issues of shares for consideration other than cash.

Underwriting commission, brokerage and selling commission on Previous Issues

Since this is the initial public offering of the Company's Equity Shares, no sum has been paid or has been payable as commission or brokerage for subscribing for or procuring or agreeing to procure subscription for any of the Equity Shares since the inception of the Company.

Listed Companies under the Same Management

There are no listed companies under the same management within the meaning of Section 370(1B) of the Companies Act, as of the date of this Red Herring Prospectus, that have made any public or rights issue during the last three years.

Promise v/s Performance – last three issues of the Company

There have been no public or rights issue by our Company in the past.

Performance v/s objects – last one issue of the Group Companies and associate companies

There are no listed Group Companies or associate companies.

Outstanding Debentures or Bond Issues or Preference Shares

The Company has no outstanding debentures or bonds or redeemable preference shares as of the date of this Red Herring Prospectus.

Stock Market Data of the Equity Shares

This being an initial public offering of the securities of the Company, the Equity Shares are not listed on any stock exchange.

Mechanism for Redressal of Investor Grievances

The agreement among the Registrar to the Issue, the Company and the Selling Shareholders will provide for retention of records with the Registrar to the Issue for a period of at least three years from the last date of dispatch of the letters of allotment, or refund orders, demat credit or, where refunds are being made electronically, giving of refund instructions to the clearing system, to enable the investors to approach the Registrar to the Issue for redressal of their grievances.

All grievances relating to the Issue may be addressed to the Registrar to the Issue, giving full details such as name, address of the applicant, application number, number of Equity Shares applied for, amount blocked on application, Depository Participant, and the bank branch or collection centre where the application was submitted.

All grievances relating to the ASBA process may be addressed to the Registrar and the SCSB, giving full details such as name, address of the applicant, number of Equity Shares applied for, amount paid on application and the Designated Branch or the collection centre of the SCSB where the Bid-cum-Application Form was submitted by the ASBA Bidders.

Disposal of Investor Grievances by the Company

The Company estimates that the average time required by the Company or the Registrar to the Issue or the SCSB in case of ASBA Bidders for the redressal of genuine investor grievances shall be seven days from the date of receipt of the complaint. In case of complaints that are not routine or where external agencies are involved, the Company will seek to redress these complaints as expeditiously as possible.

The Company has appointed Mr. Aniruddha A. Phadnavis, Company Secretary, as the Compliance Officer to redress all complaints, if any, of the investors participating in the Issue, and he may be contacted in case of any pre-Issue or post-Issue-related problems. He can be contacted at the following address:

Mr. Aniruddha A. Phadnavis
Giriraj Annexe,
Circuit House Road,
Hubballi 580 029,
Karnataka, India;
Telephone: +91 836 2237 511
Facsimile: +91 836 2256 612
Email: investors@vrllogistics.com
Website: www.vrlgroup.in

Disposal of investor grievances by listed companies under the same management as the Company

There are no listed companies under the same management as the Company.

Change in Auditors

There have been no changes in the Company's statutory auditors in the past three years.

Capitalization of Reserves or Profits

The Company has not capitalized its reserves or profits at any time during the last five years.

Revaluation of Assets

The Company has not revalued its assets in the last five years.

SECTION VII: ISSUE INFORMATION

TERMS OF THE ISSUE

The Equity Shares being issued and transferred in the Issue are subject to the provisions of the Companies Act, the SEBI Regulations, SCRA, SCRR, the Memorandum and Articles of Association, the terms of the Red Herring Prospectus, the Prospectus, the Bid-cum-Application Form, the Revision Form, the CAN, the Allotment Advice, the listing agreements with the Stock Exchanges and other terms and conditions as may be incorporated in the Allotment Advice, CANs and other documents/certificates that may be executed in respect of the Issue. The Equity Shares shall also be subject to applicable laws, guidelines, rules, notifications and regulations relating to the issue of capital and listing and trading of securities issued from time to time by SEBI, the Government of India, the Stock Exchanges, the Registrar of Companies, the RBI, the FIPB and/or other authorities, as in force and to the extent applicable or such other conditions as may be prescribed by SEBI, RBI, the Government of India, the Stock Exchanges, the RoC and/or any other authority while granting approval for the Issue.

Ranking of Equity Shares

The Equity Shares being issued and transferred in the Issue shall be subject to the provisions of the Companies Act and the Memorandum and Articles of Association and shall rank *pari passu* with the existing Equity Shares including in respect of rights to receive dividend. The Allottees of the Equity Shares in the Issue shall be entitled to dividends and other corporate benefits, if any, declared by the Company after the date of Allotment. See also "*Main Provisions of the Articles of Association*" on page 448 of this Red Herring Prospectus.

Mode of Payment of Dividend

The Company shall pay dividends to its shareholders in accordance with the provisions of the Companies Act, the SEBI Regulations and the listing agreements with Stock Exchanges.

In relation to the Offer for Sale, the dividend, if any declared by our Company, after the date of Allotment will be payable to the transferees and subsequent transferees for the entire year. The declaration and payment of dividends will be recommended by our Board of Directors and our shareholders, in their discretion, and will depend on a number of factors, including but not limited to our earnings, capital requirements and overall financial condition. We shall pay dividends in cash.

Face Value and Issue Price

The face value of each Equity Share is ₹ 10. The Issue Price of the Equity Shares is ₹ [●] per Equity Share. The Anchor Investor Issue Price is ₹ [●] per Equity Share. The Issue Price shall be determined by our Company and the Selling Shareholders in consultation with the GCBRLMs.

At any given point of time in the Issue there shall be only one denomination of Equity Shares subject to applicable law.

The Price Band and the minimum Bid Lot size for the Issue will be decided by the Company and the Selling Shareholders, in consultation with the GCBRLMs, and advertised in an English national daily newspaper, a Hindi national daily newspaper and a Kannada daily newspaper (Kannada being the regional language of Karnataka, the state where our Registered Officer is located), each with a wide circulation, at least five Working Days prior to the Bid/Issue Opening Date. The Price Band, along with the relevant financial ratios calculated at the Floor Price and at the Cap Price, shall be pre-filled in the Bid cum Application Forms available at the websites of the Stock Exchanges.

Retail Discount

Our Company and the Selling Shareholders may, in consultation with the GCBRLMs, offer a discount of up to 10% to the Issue Price to Retail Individual Bidders.

Compliance with SEBI Regulations

In connection with the Issue, Allotment and transfer of the Equity Shares in the Issue, the Company and the Selling Shareholders shall comply with applicable disclosure and accounting norms specified by SEBI from time to time.

Rights of the Equity Shareholders

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

- the right to receive dividends, if declared;
- the right to attend general meetings and exercise voting powers, unless prohibited by law;
- the right to vote on a poll either in person or by proxy;
- the right to receive offers for rights shares and be allotted bonus shares, if announced;
- the right to receive any surplus on liquidation subject to any statutory and other preferential claims being satisfied;
- the right to freely transfer their Equity Shares, subject to applicable foreign direct investment policy, foreign exchange regulations and other applicable laws; and
- such other rights, as may be available to a shareholder of a listed public company under the Companies Act, the terms of the listing agreements executed with the Stock Exchanges, and the Memorandum and Articles of Association of the Company.

For a detailed description of the main provisions of the Articles of Association relating to voting rights, dividend, forfeiture and lien, transfer and transmission, and/or consolidation/splitting, see "*Main Provisions of the Articles of Association*" on page 448 of this Red Herring Prospectus.

Market Lot and Trading Lot

In terms of Section 29 of the Companies Act, the Equity Shares shall be allotted only in dematerialized form. As per the SEBI Regulations, the trading of the Equity Shares shall be in dematerialized form only. In this context, two agreements have been signed among our Company, the respective Depositories and the Registrar to the Issue:

- Agreement dated December 8, 2014 among CDSL, our Company and the Registrar to the Issue; and
- Agreement dated December 18, 2014 among NSDL, our Company and the Registrar to the Issue.

Since trading of the Equity Shares is in dematerialized form, the tradable lot is one Equity Share. Allotment in the Issue will be in electronic form in multiples of one Equity Share, subject to a minimum Allotment of [●] Equity Shares.

Jurisdiction

Exclusive jurisdiction for the purpose of the Issue is with the competent courts in Hubballi, India.

Nomination Facility to Investor

In accordance with Section 72 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 the sole Bidder or in case of joint Bidders, the death of all the Bidders, as the case may be, the Equity Shares that are Allotted shall vest. A person, being a nominee entitled to the Equity Shares by reason of the death of the original holder(s), shall be entitled to the same benefits to which such person would be entitled if such person 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 the Equity Share(s) in the event of his or her death during the minority. A nomination shall stand rescinded upon a sale/transfer/alienation of equity share(s) by the person nominating. A buyer will be entitled to make a fresh nomination in the manner prescribed. A fresh nomination can only be made on the prescribed form available on request at the Registered Office or with the Registrar and transfer agents of the Company.

Any person who becomes a nominee by virtue of the provisions of Section 72 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 register himself or herself or to transfer the Equity Shares, and if the notice is not complied with within a period of 90 days, the Board may thereafter withhold payment of all dividends, bonuses or other monies payable in respect of the Equity Shares, until the requirements of the notice have been complied with.

Since the Allotment of Equity Shares in the Issue will be made only in dematerialized form, there is no need to make a separate nomination with the Company. Nominations registered with the respective Depository Participant of the applicant will prevail. If the investors wish to change their nomination, they are requested to inform their respective Depository Participant.

Minimum Subscription

If our Company does not receive (i) the minimum subscription of 90% of the Issue; and (ii) a subscription in the Issue equivalent to the minimum number of securities as specified under Rule 19(2)(b)(i) of the SCRR, including devolvement of Underwriters, if any, within sixty (60) days from the date of Bid/Issue Closing Date, our Company shall forthwith refund the entire subscription amount received. If there is a delay beyond the prescribed time, our Company shall pay interest prescribed under the Companies Act, 2013, the SEBI Regulations and applicable law.

The requirement for minimum subscription is not applicable to the Offer for Sale. In case of under-subscription in the Issue, the Equity Shares in the Fresh Issue will be issued prior to the sale of Equity Shares in the Offer for Sale.

Furthermore, in accordance with Regulation 26(4) of the SEBI Regulations, the Company shall ensure that the number of Allottees in the Issue shall not be less than 1,000.

Application by Eligible NRIs, FIIs and FVCIs

There is no reservation in this Issue for NRIs, FIIs and FVCIs. As per RBI regulations, OCBs cannot participate in the Issue.

Arrangement for disposal of Odd Lots

There are no arrangements for disposal of odd lots.

Restriction on transfer of shares

Other than the Equity Shares Allotted in the Anchor Investor Portion, which shall be locked-in for a period of 30 days from the date of Allotment in the Issue, there are no restrictions on transfers and transmission of Equity Shares in the Issue and on their consolidation/ splitting except as provided in the Articles of Association. See also "*Main Provisions of the Articles of Association*" on page 448 of this Red Herring Prospectus.

Option to Receive Equity Shares in Dematerialized Form

Pursuant to Section 29 of the Companies Act, 2013, the Equity Shares in the Issue shall be allotted only in dematerialised form. Further, as per the SEBI Regulations, the trading of the Equity Shares shall only be in dematerialised form.

Joint Holders

Where two or more persons are registered as the holders of Equity Shares, they shall be deemed to hold the same as joint tenants with benefits of survivorship.

ISSUE STRUCTURE

The Issue of up to [●] Equity Shares for cash at a price of ₹ [●] per Equity Share (including share premium of ₹ [●] per Equity Share) aggregating to ₹ [●]. The Issue consists of a Fresh Issue of [●] Equity Shares aggregating to ₹ 1,170 million and a Offer for Sale of up to 17,116,000 Equity Shares by the Selling Shareholders aggregating up to ₹ [●] million, respectively. The Issue will constitute at least 25% of the post-Issue paid up equity share capital of the Company.

The Issue is being made through the Book Building Process.

	QIB[1]	**Non-Institutional Bidders**	**Retail Individual Bidders**
Number of Equity Shares available for allocation[2]	[●] Equity Shares.	Not less than [●] Equity Shares shall be available for allocation or Issue Size less allocation to QIBs and Retail Individual Bidders.	Not less than [●] Equity Shares shall be available for allocation or Issue Size less allocation to QIBs and Non-Institutional Bidders.
Percentage of Issue size available for Allotment / allocation	50% of the Issue shall be available for allocation to QIB Bidders. However, 5% of the Net QIB Portion (excluding the Anchor Investor Portion) shall be available for allocation proportionately to Mutual Funds. Mutual Funds participating in the 5% reservation in the Net QIB Portion will also be eligible for allocation in the remaining QIB Portion. The unsubscribed portion in the Mutual Fund reservation will be available to QIBs.	Not less than 15% of the Issue or the Issue less allocation to QIB Bidders and Retail Individual Bidders.	Not less than 35% of the Issue or the Issue less allocation to QIBs and Non-Institutional Bidders.
Basis of Allotment / allocation if respective category is oversubscribed	Proportionate as follows: (excluding the Anchor Investor Portion) (a) [●] Equity Shares shall be allocated on a proportionate basis to Mutual Funds only; and (b) [●] Equity Shares shall be allotted on a proportionate basis to all QIBs including Mutual Funds receiving allocation as per (a) above	Proportionate.	The allotment to each Retail Individual Bidder shall not be less than the minimum Bid lot, subject to availability of Equity Shares in the Retail Portion, and the remaining available Equity Shares, if any, shall be allotted on a proportionate basis. For the method of proportionate Basis of Allotment to Retail Individual Bidders, see "Allotment to Retail Individual Investors and Minimum Bid Lots" on page 79 of this Red Herring Prospectus.
Minimum Bid	Such number of Equity Shares so that the Bid Amount exceeds ₹ 200,000 and in multiples of [●] Equity Shares thereafter.	Such number of Equity Shares so that the Bid Amount exceeds ₹ 200,000 and in multiples of [●] Equity Shares thereafter.	[●] Equity Shares and in multiples of [●] Equity Shares thereafter
Maximum Bid	Such number of Equity Shares not exceeding the Issue size, subject to applicable limits.	Such number of Equity Shares not exceeding the Issue size, subject to applicable limits.	Such number of Equity Shares whereby the Bid Amount does not exceed ₹ 200,000 net of Retail Discount.
Mode of Allotment	Compulsorily in dematerialized form.	Compulsorily in dematerialized form.	Compulsorily in dematerialized form.
Bid Lot	[●] Equity Shares and in	[●] Equity Shares and in	[●] Equity Shares and in

	QIB[1]	Non-Institutional Bidders	Retail Individual Bidders
	multiples of [●] Equity Shares thereafter.	multiples of [●] Equity Shares thereafter.	multiples of [●] Equity Shares thereafter.
Allotment Lot	[●] Equity Shares and in multiples of one Equity Share thereafter.	[●] Equity Shares and in multiples of one Equity Share thereafter.	[●] Equity Shares and in multiples of one Equity Share thereafter.
Trading Lot	One Equity Share.	One Equity Share.	One Equity Share.
Who can Apply[2][3]	Public financial institutions as specified in Section 2(72) of the Companies Act, scheduled commercial banks, Mutual Funds, FPIs other than Category III foreign portfolio investors, VCFs, AIFs, FVCIs, multilateral and bilateral development financial institutions, state industrial development corporations, insurance companies registered with IRDA, provident funds with a minimum corpus of ₹ 250 million, pension funds with a minimum corpus of ₹ 250 million in accordance with applicable law and the National Investment Fund set up by the Government of India, insurance funds set up and managed by the army, navy or air force of the Union of India and insurance funds set up and managed by the Department of Posts, India.	Eligible NRIs, Resident Indian individuals, HUFs (in the name of the *Karta*), companies, corporate bodies, scientific institutions, societies and trusts and Category III foreign portfolio investors..	Resident Indian individuals, Eligible NRIs and HUFs (in the name of the *karta*).
Terms of Payment	The entire Bid Amount shall be payable at the time of submission of the Bid-cum-Application Form (including for Anchor Investors)[4] [5]	The entire Bid Amount shall be payable at the time of submission of the Bid-cum-Application Form.[4] [5]	The entire Bid Amount shall be payable at the time of submission of the Bid-cum-Application Form.[4] [5]

(1) The Company and the Selling Shareholders may in consultation with the GCBRLMs, allocate up to 60% of the QIB Portion to Anchor Investors on a discretionary basis. In addition, one third of the Anchor Investor Portion shall be reserved for the domestic Mutual Funds, subject to valid Bids being received from domestic Mutual Funds at or above the price at which allocation is being done to Anchor Investors. For details, see "*Issue Procedure*" on page 402 of this Red Herring Prospectus.

(2) Subject to valid Bids being received at or above the Issue Price. The Issue is being made through the Book Building Process wherein 50% of the Issue shall be available for allocation on a proportionate basis to QIBs. 5% of the Net QIB Portion shall be available for allocation on a proportionate basis to Mutual Funds only. The unsubscribed portion in the Mutual Fund reservation will be available to QIBs. Further, not less than 15% of the Issue shall be available for allocation on a proportionate basis to Non-Institutional Bidders and not less than 35% of the Issue shall be available for allocation on a proportionate basis to Retail Individual Bidders, subject to valid bids being received at or above the Issue Price.

Under-subscription in any category, if any, except the QIB Portion, would be allowed to be met with spill-over from any other category or combination of categories at the discretion of the Company and the Selling Shareholders, in consultation with the GCBRLMs and the Designated Stock Exchange. See also "*Issue Procedure*" on page 402 of this Red Herring Prospectus.

(3) The Anchor Investors shall pay the entire Bid Amount at the time of submission of the application forms. The balance, if any, shall be paid within two Working Days of the Bid/Issue Closing Date.

(4) In case of ASBA Bidders, the SCSBs shall be authorized to block such funds in the bank account of the ASBA Bidders that are specified in the ASBA Bid-cum-Application Forms.

(5) The Company and the Selling Shareholders, may in consultation with the GCBRLMs, offer a discount of up to 10% on the Issue Price to Retail Individual Bidders.

Under subscription, if any, in any category, except in the QIB Portion, would be met with spill-over from other categories at the discretion of our Company and the Selling Shareholders in consultation with GCBRLMs and the Designated Stock Exchange.

Withdrawal of the Issue

The Company and the Selling Shareholders, in consultation with the GCBRLMs, reserves the right not to proceed with the Issue at any time after the Bid/Issue Opening Date but before Allotment. If the Company and the Selling Shareholders withdraw the Issue, the Company shall issue a public notice that shall include reasons for such withdrawal, within two days of the closure of the Issue. The notice of withdrawal shall be issued in the same newspapers where the pre-Issue advertisements have appeared and the Company shall also promptly inform the Stock Exchanges. The GCBRLMs, through the Registrar to the Issue, will instruct the SCSBs to unblock the bank accounts of the ASBA Bidders within one Working Day from the receipt of such instruction.

If the Company and the Selling Shareholders withdraw the Issue after the Bid/Issue Closing Date and thereafter determine that they will proceed with an initial public offering of the Company's Equity Shares, the Company shall file a fresh draft red herring prospectus with SEBI.

Notwithstanding the foregoing, the Issue is also subject to obtaining (i) the final listing and trading approvals of the Stock Exchanges, which the Company shall apply for after Allotment, and (ii) the final RoC approval of the Prospectus after it is filed with the RoC.

Letters of Allotment or Refund Orders or Instructions to SCSBs

The Company shall give credit of any equity shares allotted to the successful Bidders' beneficiary account with its Depository Participant within two (2) Working Days from the date of Allotment of the Equity Shares and in any case, within the prescribed time under the applicable law. Applicants will receive refunds through NECS only (subject to availability of all information for crediting the refund through NECS) except where the applicant is eligible to receive refunds through Direct Credit, NEFT or RTGS. In the case of other applicants, the Company shall ensure the dispatch of refund orders, if any, of value up to ₹ 1,500 by "Under Certificate of Posting", and shall dispatch refund orders above ₹ 1,500, if any, by registered post or speed post at the sole or First Bidder's sole risk within two (2) Working Days from the date of Allotment of the Equity Shares and in any case, within the prescribed time under the applicable law.

In case of ASBA Bidder, the Registrar to the Issue shall instruct the SCSBs to unblock the funds in the relevant ASBA Account to the extent of the Bid Amount specified in the ASBA for withdrawn, rejected or unsuccessful or partially successful ASBAs within 12 (twelve) working days (as defined in the relevant SEBI circular) of the Bid/Issue Closing Date.

Interest in case of delay in dispatch of Allotment Letters or Refund Orders/instruction to SCSB by the Registrar to the Issue

Allotment of Equity Shares in the Issue, including the credit of Allotted Equity Shares to the beneficiary accounts of the Depository Participants, shall be made not later than 12 Working Days of the Bid/Issue Closing Date. Our Company further agrees that it shall pay interest at the rate of 15% per annum if the allotment letters or refund orders have not been dispatched to the Bidders or if, in a case where the refund or portion thereof is made in electronic manner, the refund instructions have not been given in the disclosed manner within eight days from the day our Company becomes liable to repay. If such money is not repaid within eight days from the day our Company becomes liable to repay, our Company and every Director of our Company who is an officer in default shall, on and from expiry of eight days, be jointly and severally liable to repay the money with interest as prescribed under sub-Section (2) and (2A) of Section 73 of the Companies Act. Refunds will be made by cheques, pay-orders or demand drafts drawn on a bank appointed by our Company as a Refund Bank and payable at par at places where Bids are received. Bank charges, if any, for encashing such cheques, pay orders or demand drafts at other centres will be payable by the Bidders.

Bid/Issue Program

BID/ISSUE OPENS ON	April 15, 2015[1]	BID/ISSUE CLOSES ON	April 17, 2015

(1) The Company and the Selling Shareholders may, in consultation with the GCBRLMs, consider participation by Anchor Investors. The Anchor Investor Bid/Issue Period shall be one Working Day prior to the Bid/Issue Opening Date in accordance with SEBI Regulations.

An indicative timetable in respect of the Issue is set out below:

Event	Indicative Date
Bid/Issue Closing Date	April 17, 2015
Finalisation of Basis of Allotment with the Designated Stock Exchange	April 27, 2015
Initiation of refunds	April 28, 2015
Credit of Equity Shares to demat account of the Allottees	April 29, 2015
Commencement of trading of the Equity Shares on the Stock Exchanges	April 30, 2015

The above timetable is indicative and does not constitute any obligation on the Company or the Selling Shareholders or the GCBRLMs. Whilst the Company shall ensure that all steps for the completion of the necessary formalities for the listing and the commencement of trading of the Equity Shares on the Stock Exchanges are taken within 12 Working Days of the Bid/Issue Closing Date, the timetable may change due to various factors, such as extension of the Bid/Issue Period by the Company and the Selling Shareholders, revision of the Price Band or any delay in receiving the final listing and trading approval from the Stock Exchanges. The commencement of trading of the Equity Shares will be entirely at the discretion of the Stock Exchanges and in accordance with the applicable laws.

Except in relation to the received from Anchor Investors, Bids and any revision in Bids will be accepted **only between 10.00 a.m. and 5.00 p.m.** (Indian Standard Time) during the Bidding Period at the Bidding centers mentioned in the Bid-cum-Application Form or, in case of Bids submitted through ASBA, at the Designated Branches (a list of such branches is available at the website of the SEBI at http://www.sebi.gov.in/sebiweb/home/list/5/33/0/0/Recognised-Intermediaries) or with the members of the Syndicate at the Specified Locations or with the Registered Brokers at the Broker Centers (a list of such Broker Centers is available at the websites of the Stock Exchanges), as the case may be. **On the Bid/Issue Closing Date (which for QIBs will be a day prior to the Bid/Issue Closing Date for other non-QIB Bidders), Bids shall be accepted only between 10.00 a.m. and 3.00 p.m.** (Indian Standard Time) and uploaded until (i) 4.00 p.m. in case of Bids by QIB Bidders and Non-Institutional Bidders; and until (ii) 5.00 p.m. or such extended time as may be permitted by the Stock Exchanges, in case of Bids by Retail Individual Bidders, after taking into account the total number of applications received up to the closure of timings and reported by GCBRLMs to the Stock Exchanges. It is clarified that Bids not uploaded on the electronic bidding system would be rejected.

Due to limitation of time available for uploading the Bids on the Bid/Issue Closing Date, the Bidders other than QIB Bidders are advised to submit their Bids one day prior to the Bid/Issue Closing Date and, in any case, no later than 3.00 p.m. (Indian Standard Time) on the Bid/Issue Closing Date. Any time mentioned in this Red Herring Prospectus, unless specifically mentioned otherwise, is in Indian Standard Time. Bidders other than QIB Bidders are cautioned that in the event a large number of Bids are received on the Bid/Issue Closing Date, as is typically experienced in public offerings, which may lead to some Bids not being uploaded due to lack of sufficient time to upload, such Bids that cannot be uploaded will not be considered for allocation in the Issue. If such Bids are not uploaded, our Company and the Syndicate shall not be responsible. Bids will be accepted only on working days, i.e., Monday to Friday (excluding any public holiday). None among our Company, the Selling Shareholders or any member of the Syndicate is liable for any failure in uploading the Bids due to faults in any software / hardware system or otherwise.

On the Bid/Issue Closing Date, extension of time will be granted by the Stock Exchanges only for uploading the Bids received by Retail Individual Bidders, after taking into account the total number of Bids received and reported by the GCBRLMs to the Stock Exchanges within half an hour of such closure.

The Company and the Selling Shareholders, in consultation with the GCBRLMs, reserve the right to revise the Price Band during the Bidding Period in accordance with the SEBI Regulations. Under the SEBI Regulations, the Cap Price should not be more than 20% of the Floor Price i.e., the Cap Price shall be less than or equal to 120% of the Floor Price. Subject to compliance with the immediately preceding sentence, the revised Floor Price Band can move up or down to the extent of 20% of the Floor Price disclosed in the Red Herring Prospectus or the issue advertisement, as the case may be.

In case of revision in the Price Band, the Bidding Period will be extended for at least three additional Working Days subject to the Bidding Period not exceeding 10 Working Days. Any revision in the Price Band and the revised Bidding Period, if applicable, will be widely disseminated by notification to the Stock Exchanges, by issuing a press release, and also by indicating the change on the website of the GCBRLMs and the terminals of the other members of the Syndicate.

ISSUE PROCEDURE

*All Bidders should review the General Information Document for Investing in Public Issues prepared and issued in accordance with the circular (CIR/CFD/DIL/12/2013) dated October 23, 2013 notified by SEBI (the "General Information Document") included below under section "- **Part B – General Information Document**", which highlights the key rules, processes and procedures applicable to public issues in general in accordance with the provisions of the Companies Act, 2013 (to the extent notified), the Companies Act, 1956 (to the extent not repealed by the Companies Act, 2013), the Securities Contracts (Regulation) Act, 1956, the Securities Contracts (Regulation) Rules, 1957 and the SEBI Regulations. The General Information Document has been updated to include reference to the Securities and Exchange Board of India (Foreign Portfolio Investors) Regulations, 2014 and the notified provisions of the Companies Act, 2013, to the extent applicable to a public issue. The General Information Document is also available on the websites of the Stock Exchanges and the GCBRLMs. Please refer to the relevant provisions of the General Information Document which are applicable to the Issue.*

Our Company, the Selling Shareholders and the GCBRLMs do not accept any responsibility for the completeness and accuracy of the information stated in this section, and are not liable for any amendment, modification or change in the applicable law which may occur after the date of this Red Herring Prospectus. Bidders are advised to make their independent investigations and ensure that their Bids are submitted in accordance with applicable laws and do not exceed the investment limits or maximum number of the Equity Shares that can be held by them under applicable law or as specified in this Red Herring Prospectus.

PART A

Book Building Procedure

In terms of Rule 19(2)(b) of the SCRR, this Issue is for at least 25% of the post Issue capital of the Company. The Issue is being made through the Book Building Process wherein 50% of the Issue shall be available for allocation on a proportionate basis to QIBs, provided that the Company and the Selling Shareholders, in consultation with the GCBRLMs, may allocate up to 60% of the QIB category to Anchor Investors on a discretionary basis. 5% of the Net QIB Portion shall be available for allocation on a proportionate basis to Mutual Funds only. The unsubscribed portion in the Mutual Fund reservation will be available to QIBs. Further, not less than 15% of the Issue shall be available for allocation on a proportionate basis to Non-Institutional Bidders and not less than 35% of the Issue shall be available for allocation on a proportionate basis to Retail Individual Bidders, subject to valid bids being received at or above the Issue Price. Allocation to Anchor Investors shall be on a discretionary basis and not on a proportionate basis.

Under-subscription, if any, in any category, except in the QIB Portion, would be allowed to be met with spill over from any other category or combination of categories, at the discretion of our Company and Selling Shareholders in consultation with the GCBRLMs and the Designated Stock Exchange.

Bid-cum-Application Form

There is a common Bid cum Application Form for ASBA Bidders as well as non-ASBA Bidders. Copies of the Bid cum Application Form will be available with the members of the Syndicate, the Registered Brokers at the Broker Centers, at our Registered Office and our Corporate Office. The Bid cum Application Forms will also be available for download on the websites of the Stock Exchanges at least one day prior to the Bid/Issue Opening Date.

Retail Individual Investors may Bid through the ASBA process at their discretion. However, QIBs (excluding Anchor Investors) and Non Institutional Investors must compulsorily use the ASBA process to participate in the Issue. Anchor Investors are not permitted to participate in this Issue through the ASBA process.

ASBA Bidders must provide bank account details in the relevant space provided in the Bid cum Application Form and any Bid cum Application Form that does not contain such details is liable to be rejected. In relation to non-ASBA Bidders, the bank account details shall be available from the depository account.

ASBA Bidders shall ensure that the Bids are made at the Bidding centres only on Bid cum Application Forms bearing the stamp of a member of the Syndicate or the Registered Broker or the SCSBs, as the case may be, (except in case of electronic Bid cum Application Forms) and the Bid cum Application Forms not bearing such specified stamp are liable to be rejected.

The prescribed colour of the Bid cum Application Form for the various categories is as follows:

Category	Colour of Bid cum Application Form*
Resident Indians including resident QIBs, Non-Institutional Investors, Retail Individual Investors and Eligible NRIs applying on a non-repatriation basis	White
Non-Residents including FPIs and Eligible NRIs, applying on a repatriation basis	Blue
Anchor Investors**	White

* *Excluding electronic Bid cum Application Forms*

** *Bid cum Application Forms for Anchor Investors will be available at the office of the GCBRLMs.*

Who can Bid?

In addition to the category of Bidders set forth under "*– General Information Document for Investing in Public Issues – Category of Investors Eligible to Participate in an Issue*", the following persons are also eligible to invest in the Equity Shares under all applicable laws, regulations and guidelines, including:

- FPIs other than Category III foreign portfolio investor;
- Category III foreign portfolio investors, which are foreign corporates or foreign individuals only under the Non Institutional Portion;
- Scientific and/or industrial research organisations authorised in India to invest in the Equity Shares; and
- Any other persons eligible to Bid in this Offer, under the laws, rules, regulations, guidelines and polices applicable to them.

Participation by associates and affiliates of the GCBRLMs and Syndicate Members

The GCBRLMs and the Syndicate Members shall not be entitled to subscribe to the Issue in any manner except towards fulfilling their underwriting obligations. However, associates and affiliates of the GCBRLMs and the Syndicate Members may subscribe for Equity Shares in the Issue, including in the QIB Portion and Non-Institutional Portion where the allocation is on a proportionate basis. Such bidding and subscription may be on their own account or on behalf of their clients.

The GCBRLMs or any person related to the GCBRLMs or the Promoters and the Promoter Group shall not participate in Issue under the Anchor Investor Portion.

Bids by Mutual Funds

The Bids made by the asset management companies or custodians of Mutual Funds shall specifically state the names of the concerned schemes for which the Bids are made.

No Mutual Fund scheme shall invest more than 10% of its net asset value in equity shares or equity related instruments of any company provided that the limit of 10% shall not be applicable for investments in index funds or sector or industry-specific funds. No Mutual Fund under all its schemes should own more than 10% of any company's paid-up capital carrying voting rights.

Bids by Eligible NRIs

Only Bids accompanied by payment in Indian Rupees or freely convertible foreign exchange will be considered for Allotment.

Eligible NRIs bidding on repatriation basis may make payments by inward remittance in foreign exchange through normal banking channels or by debits to the Non-Resident External ("**NRE**") or Foreign Currency Non Resident (Bank) ("**FCNR**") accounts maintained with authorised dealers registered with RBI under the Foreign Exchange Management (Foreign Currency Accounts) Regulations, 2000 ("**Authorised Dealer**"). Eligible NRIs bidding on repatriation basis are advised to use the Bid cum Application Form for Non-Residents (Blue in colour), accompanied by a bank certificate confirming that the payment has been made by debiting the NRE or FCNR account, as the case may be.

Eligible NRIs bidding on non-repatriation basis may make payments by inward remittance in foreign exchange through normal banking channels or by debits to NRE/FCNR accounts as well as the Non-Resident Ordinary Rupee Account ("**NRO**"). Eligible NRIs bidding on non-repatriation basis are advised to use the Bid cum Application Form for Residents (White in colour).

Bids by Foreign Portfolio Investors (including FIIs and QFIs)

In terms of the Securities and Exchange Board of India (Foreign Portfolio Investor) Regulations 2014 ("**SEBI FPI Regulations**"), investment in the Equity Shares by a single FPI or an investor group (which means the same set of ultimate beneficial owner(s) investing through multiple entities) is permitted up to 10% of our post-Offer Equity Share capital.

Any QFI or FII who holds a valid certificate of registration shall be deemed to be an FPI until the expiry of the block of three years for which fees have been paid as per the Securities and Exchange Board of India (Foreign Institutional Investors) Regulations, 1995. An FIIs or a sub-account may, subject to payment of conversion fees under the SEBI FPI Regulations, participate in this Offer, until the expiry of its registration with SEBI as an FII or a sub-account, or if it has obtained a certificate of registration as an FPI, whichever is earlier. Further, a QFI may participate in this Offer until January 6, 2015 (or such date as may be specified by SEBI) or if it has obtained a certificate of registration as an FPI, whichever is earlier.

In accordance with foreign investment limits applicable to our Company, total foreign investment including FPI investment may be up to 49% through the automatic route and up to 74% through the approval route. Currently, total foreign investment including FPI investment is not permitted to exceed 49% of our total issued capital.

FPIs who wish to participate in the Offer are advised to use the Bid cum Application Form for Non-Residents (blue in colour). FPIs are required to Bid through the ASBA process to participate in the Offer.

Bids by the SEBI registered Venture Capital Funds, Alternative Investment Funds and Foreign Venture Capital Investors

The Securities and Exchange Board of India (Venture Capital Funds) Regulations, 1996 ("**SEBI VCF Regulations**"), the Securities and Exchange Board of India (Alternative Investment Funds) Regulations, 2012 ("**SEBI AIF Regulations**") and the Securities and Exchange Board of India (Foreign Venture Capital Investor) Regulations, 2000 ("**SEBI FVCI Regulations**"), each as amended, prescribe investment restrictions on VCFs, AIFs and FVCIs.

While the holding by any VCF in one venture capital undertaking should not exceed 25% of the corpus of the VCF, an FVCI is permitted to invest all of its funds committed in one venture capital fund. Further, VCFs and FVCIs can invest only up to 33.33% of their investable funds by way of subscription to an initial public offering of a venture capital undertaking whose shares are proposed to be listed.

The category I and II AIFs cannot invest more than 25% of the corpus in one investee company. A category III AIF cannot invest more than 10% of the corpus in one investee company. A venture capital fund registered as a category I AIF, as defined in the SEBI AIF Regulations, cannot invest more than 1/3rd of its corpus by way of subscription to an initial public offering of a venture capital undertaking. Additionally, the VCFs which have not re-registered as an AIF under the SEBI AIF Regulations shall continue to be regulated by the SEBI VCF Regulations.

Bids by limited liability partnerships

In case of Bids made by limited liability partnerships registered under the Limited Liability Partnership Act, 2008, a certified copy of certificate of registration issued under the Limited Liability Partnership Act, 2008, must be attached to the Bid cum Application Form. Failing this, our Company reserves the right to reject any Bid without assigning any reason thereof.

Bids by insurance companies

In case of Bids made by insurance companies registered with the IRDA, a certified copy of certificate of registration issued by IRDA must be attached to the Bid cum Application Form. Failing this, our Company reserves the right to reject any Bid without assigning any reason thereof.

The exposure norms for insurers, prescribed under the Insurance Regulatory and Development Authority (Investment) Regulations, 2000 are broadly set forth below:

(a) equity shares of a company: the least of 10% of the investee company's subscribed capital (face value) or 10% of the respective fund in case of life insurer or 10% of investment assets in case of general insurer or reinsurer;

(b) the entire group of the investee company: the least of 10% of the respective fund in case of a life insurer or 10% of investment assets in case of a general insurer or reinsurer (25% in case of ULIPs); and

(c) the industry sector in which the investee company operates: 10% of the insurer's total investment exposure to the industry sector (25% in case of ULIPs).

Bids by provident funds/pension funds

In case of Bids made by provident funds/pension funds, subject to applicable laws, with minimum corpus of ₹ 250 million, a certified copy of certificate from a chartered accountant certifying the corpus of the provident fund/ pension fund must be attached to the Bid cum Application Form. Failing this, our Company reserves the right to reject any Bid, without assigning any reason thereof.

In accordance with RBI regulations, OCBs cannot participate in the Offer.

Bids by SCSBs

SCSBs participating in the Issue are required to comply with the terms of the SEBI circulars dated September 13, 2012 and January 2, 2013. Such SCSBs are required to ensure that for making applications on their own account using ASBA, they should have a separate account in their own name with any other SEBI registered SCSBs. Further, such account shall be used solely for the purpose of making application in public issues and clear demarcated funds should be available in such account for ASBA applications.

Bids under Power of Attorney

In case of Bids made pursuant to a power of attorney by limited companies, corporate bodies, registered societies, Eligible FPIs, Mutual Funds, insurance companies, insurance funds set up by the army, navy or air force of the Union of India, insurance funds set up by the Department of Posts, India or the National Investment Fund, provident funds with minimum corpus of ₹ 250 million and pension funds with a minimum corpus of ₹ 250 million (in each case, subject to applicable law and in accordance with their respective constitutional documents), a certified copy of the power of attorney or the relevant resolution or authority, as the case may be, with a certified copy of the memorandum of association and articles of association and/or bye laws, as applicable, must be lodged with the Bid cum Application Form. Failing this, our Company reserves the right to accept or reject any Bid in whole or in part, in either case, without assigning any reason.

The above information is given for the benefit of the Bidders. The Bidders are advised to make their own enquiries about the limits applicable to them. The Company, Selling Shareholders and the GCBRLMs do not accept any responsibility for the completeness and accuracy of the information stated hereinabove. The Company and the GCBRLMs are not liable to inform the investors of any amendments or modifications or changes in applicable laws or regulations, which may occur after the date of the Red Herring Prospectus. Bidders are advised to make their independent investigations in respect of such matters and ensure that the number of Equity Shares Bid for do not exceed the applicable limits under laws or regulations.

Public announcement upon filing of the Red Herring Prospectus

The Company shall on the day of, or the day following the date of, filing this Red Herring Prospectus with SEBI, make a public announcement in an English national daily newspaper, a Hindi national daily newspaper and a Kannada daily newspaper (Kannada being the regional language of Karnataka, the state where our Registered Office is located), each with wide circulation, disclosing that the Red Herring Prospectus has been filed with SEBI and inviting the public to give their comments to SEBI in respect of disclosures made in the Red Herring Prospectus.

Pre-Issue Advertisement

Subject to Section 30 of the Companies Act, 2013, our Company shall, after registering the Red Herring Prospectus with the RoC, publish a pre-Offer advertisement, in an English national daily newspaper, a Hindi national daily newspaper and a Kannada daily newspaper (Kannada being the regional language of Karnataka, the state where our Registered Office is located), each with wide circulation. In the pre-Issue advertisement, we shall state the Bid Opening Date, the Bid Closing Date and the QIB Bid Closing Date. This advertisement, subject to the provisions of Section 30 of the Companies Act, 2013, shall be in the format prescribed in Part A of Schedule XIII of the SEBI Regulations.

Payment instructions

In terms of the RBI circular (No. DPSS.CO.CHD.No./133/04.07.05/2013-14) dated July 16, 2013, non-CTS cheques will be processed in three CTS centers thrice a week until April 30, 2014, twice a week until October 31, 2014 and once a week from November 1, 2014 onwards. In order to enable listing and trading of Equity Shares within 12 Working Days of the Bid/Offer Closing Date, investors are advised to use CTS cheques or use the ASBA facility to make payment. Investors are cautioned that Bid cum Application Forms accompanied by non-CTS cheques are liable to be rejected due to any delay in clearing beyond six Working Days from the Bid/Offer Closing Date.

Payment into Escrow Account for Bidders other than ASBA Bidders

The payment instruments for payment into the Escrow Account should be drawn in favour of:

- In case of resident Retail Individual Bidders: "Escrow Account –VRL IPO – R"
- In case of Non-Resident Retail Individual Bidders: "Escrow Account –VRL IPO – NR"

Our Company and the Selling Shareholders in consultation with the GCBRLMs, will decide the list of Anchor Investors to whom the Allotment Advice will be sent, pursuant to which the details of the Equity Shares allocated to them in their respective names will be notified to such Anchor Investors. The payment instruments for payment into the Escrow Account(s) for Anchor Investors should be drawn in favor of:

- In case of resident Anchor Investors: "Escrow Account –VRL IPO – Anchor Investor – R "
- In case of Non-Resident Anchor Investors: "Escrow Account –VRL IPO – Anchor Investor – NR"

Undertakings by our Company

Our Company undertakes the following:

- That if the Company does not proceed with the Issue, the reason thereof shall be given as a public notice to be issued by our Company within two days of the Bid/Issue Closing Date. The public notice shall be issued in the same newspapers where the pre-Issue advertisements were published. The stock exchanges on which the Equity Shares are proposed to be listed shall also be informed promptly;

- That if the Company withdraw the Issue after the Bid/Issue Closing Date, our Company shall be required to file a fresh offer document with the RoC/ SEBI, in the event our Company subsequently decides to proceed with the Issue;

- That the complaints received in respect of this Issue shall be attended to by our Company expeditiously and satisfactorily;

- That all steps for completion of the necessary formalities for commencement of trading at all the Stock Exchanges where the Equity Shares are proposed to be listed shall be undertaken within the timelines specified by law;

- That funds required for making refunds to unsuccessful Bidders as per the mode(s) disclosed shall be made available to the Registrar to the Issue by our Company;

- That where refunds are made through electronic transfer of funds, a suitable communication shall be sent to the applicant within 12 Working Days of the Bid Closing Date, as the case may be, giving details of the bank where refunds shall be credited along with amount and expected date of electronic credit of refund;

- That the certificates of the securities or refund orders to the Eligible NRIs shall be despatched within specified time;

- That no further issue of Equity Shares shall be made till final trading approvals from all the Stock Exchanges have been obtained for the Equity Shares offered through the Red Herring Prospectus or till application monies are refunded on account of non listing;

- That adequate arrangements shall be made to collect all Bid cum Application Forms by ASBA Bidders and to consider them similar to non-ASBA applications while finalising the Basis of Allotment;

- That the Company shall not have recourse to the Issue Proceeds until the final approval for listing and trading of the Equity Shares from all the Stock Exchanges where listing is sought, has been received.

Undertakings by the Selling Shareholders

The Selling Shareholders undertake and/or certify to the following:

- The Equity Shares being sold by it pursuant to the Offer for Sale have been held by it for a period of more than one year prior to the filing of the Draft Red Herring Prospectus with the SEBI, and are fully paid up and are in dematerialized form;

- The Equity Shares being sold by it in the Offer for Sale are free and clear from any pre-emptive rights, liens, mortgages, trusts, charges, pledges or any other encumbrances or transfer restrictions;

- It is the legal and beneficial holder and has full title to the Equity Shares being offered by it in the Offer for Sale;

- The Equity Shares proposed to be sold by it in the Offer for Sale shall be transferred to the successful bidders within the specified time in accordance with the instruction of the Registrar to the Issue;

- It shall not have recourse to the proceeds from the Equity Shares offered by it in the Offer for Sale, until the final listing and trading approvals from all the Stock Exchanges have been obtained.

- Mr. Anand Sankeshwar shall reimburse the Company for any interest paid by the Company at 15% per annum or as per applicable law on a pro-rata basis in proportion to the Equity Shares proposed to be transferred by him as a part of the Offer for Sale, if CAN or 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 through Direct Credit, NEFT, RTGS or NECS, the refund instructions have not been issued to the clearing system in the disclosed manner within 12 Working Days from the Bid/Issue Closing Date.

- NSR shall reimburse the Company for any interest paid by the Company at 15% per annum or as per applicable law on a pro-rata basis in proportion to the Equity Shares proposed to be transferred by NSR as a part of the Offer for Sale, if CAN or 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 through Direct Credit, NEFT, RTGS or NECS, the refund instructions have not been issued to the clearing system in the disclosed manner within 12 Working Days from the Bid/Issue Closing Date. NSR shall not be liable to reimburse the interest paid by the Company if the delay in refunding the amounts is not directly due to any failure or delay of NSR.

- It shall not sell, transfer, dispose off in any manner or create any lien, charge or encumbrance on the Equity Shares offered by it for the Offer for Sale and shall take such steps as may be required to ensure that such Equity Shares are available for the Offer for Sale, including without limitation not selling, transferring, disposing of in any manner or creating any charge or encumbrance on such Equity Shares.

Utilisation of Issue Proceeds

The Board of Directors, the board of directors of NSR, Mr. Anand Sankeshwar and Dr. Vijay Sankeshwar, each, declare that:

- all monies received out of the Issue shall be credited/transferred to a separate bank account referred to in sub-section (3) of Section 40 of the Companies Act, 2013; and

- it shall not have recourse to the proceeds of the Issue until the final listing and trading approvals from all the Stock Exchanges have been obtained.

The Board of Directors declares that:

- details of all monies utilised out of the Fresh Issue referred to in sub item (i) shall be disclosed and continue to be disclosed until the time any part of the Issue Proceeds remains unutilised, under an appropriate separate head in the balance-sheet of the Issuer indicating the purpose for which such monies had been utilised; and

- details of all unutilised monies out of the Fresh Issue referred to in sub-item (i) shall be disclosed under an appropriate separate head in the balance sheet of our Company indicating the form in which such unutilised monies have been invested.

Restriction on Foreign Ownership of Indian Securities

For details on restrictions on foreign ownership of Indian securities, see "*Regulations and Policies*" on page 170 of this Red Herring Prospectus.

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PART B

General Information Document for Investing in Public Issues

This General Information Document highlights the key rules, processes and procedures applicable to public issues in accordance with the provisions of the Companies Act, 2013 (to the extent notified), the Companies Act, 1956 (without reference to the provisions thereof that have ceased to have effect upon notification of the Companies Act, 2013), the Securities Contracts (Regulation) Act, 1956, the Securities Contracts (Regulation) Rules, 1957 and the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009. Bidders/Applicants should not construe the contents of this General Information Document as legal advice and should consult their own legal counsel and other advisors in relation to the legal matters concerning the Issue. For taking an investment decision, the Bidders/Applicants should rely on their own examination of the Issuer and the Issue, and should carefully read the Red Herring Prospectus/Prospectus before investing in the Issue.

SECTION 1: PURPOSE OF THE GENERAL INFORMATION DOCUMENT (GID)

This document is applicable to the public issues undertaken through the Book-Building process as well as to the Fixed Price Issues. The purpose of the "General Information Document for Investing in Public Issues" is to provide general guidance to potential Bidders/Applicants in IPOs and FPOs, on the processes and procedures governing IPOs and FPOs, undertaken in accordance with the provisions of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 ("**SEBI ICDR Regulations, 2009**").

Bidders/Applicants should note that investment in equity and equity related securities involves risk and Bidder/Applicant should not invest any funds in the Issue unless they can afford to take the risk of losing their investment. The specific terms relating to securities and/or for subscribing to securities in an Issue and the relevant information about the Issuer undertaking the Issue are set out in the Red Herring Prospectus ("**RHP**")/ Prospectus filed by the Issuer with the Registrar of Companies ("**RoC**"). Bidders/Applicants should carefully read the entire RHP/Prospectus and the Bid cum Application Form/Application Form and the Abridged Prospectus of the Issuer in which they are proposing to invest through the Issue. In case of any difference in interpretation or conflict and/or overlap between the disclosure included in this document and the RHP/Prospectus, the disclosures in the RHP/Prospectus shall prevail. The RHP/Prospectus of the Issuer is available on the websites of stock exchanges, on the website(s) of the GCBRLM(s) to the Issue and on the website of Securities and Exchange Board of India ("**SEBI**") at www.sebi.gov.in.

For the definitions of capitalized terms and abbreviations used herein Bidders/Applicants may refer to the section "Glossary and Abbreviations".

SECTION 2: BRIEF INTRODUCTION TO IPOs/FPOs

2.1 Initial public offer (IPO)

An IPO means an offer of specified securities by an unlisted Issuer to the public for subscription and may include an Offer for Sale of specified securities to the public by any existing holder of such securities in an unlisted Issuer.

For undertaking an IPO, an Issuer is inter-alia required to comply with the eligibility requirements of in terms of either Regulation 26(1) or Regulation 26(2) of the SEBI ICDR Regulations, 2009. For details of compliance with the eligibility requirements by the Issuer Bidders/Applicants may refer to the RHP/Prospectus.

2.2 Further public offer (FPO)

An FPO means an offer of specified securities by a listed Issuer to the public for subscription and may include Offer for Sale of specified securities to the public by any existing holder of such securities in a listed Issuer.

For undertaking an FPO, the Issuer is inter-alia required to comply with the eligibility requirements in terms of Regulation 26/27 of SEBI ICDR Regulations, 2009. For details of compliance with the eligibility requirements by the Issuer Bidders/Applicants may refer to the RHP/Prospectus.

2.3 Other Eligibility Requirements:

In addition to the eligibility requirements specified in paragraphs 2.1 and 2.2, an Issuer proposing to undertake an IPO or an FPO is required to comply with various other requirements as specified in the SEBI ICDR Regulations, 2009, the Companies Act, 2013 (to the extent notified and in effect), the Companies Act, 1956 (without reference to the provisions thereof that have ceased to have effect upon the notification of the Companies Act, 2013), the Securities Contracts (Regulation) Rules, 1957 (the "**SCRR**"), industry-specific regulations, if any, and other applicable laws for the time being in force.

For details in relation to the above Bidders/Applicants may refer to the RHP/Prospectus.

2.4 Types of Public Issues – Fixed Price Issues and Book Built Issues

In accordance with the provisions of the SEBI ICDR Regulations, 2009, an Issuer can either determine the Issue Price through the Book Building Process ("**Book Built Issue**") or undertake a Fixed Price Issue ("**Fixed Price Issue**"). An Issuer may mention Floor Price or Price Band in the RHP (in case of a Book Built Issue) and a Price or Price Band in the Draft Prospectus (in case of a fixed price Issue) and determine the price at a later date before registering the Prospectus with the Registrar of Companies.

The cap on the Price Band should be less than or equal to 120% of the Floor Price. The Issuer shall announce the Price or the Floor Price or the Price Band through advertisement in all newspapers in which the pre-issue advertisement was given at least five Working Days before the Bid/Issue Opening Date, in case of an IPO and at least one Working Day before the Bid/Issue Opening Date, in case of an FPO.

The Floor Price or the Issue price cannot be lesser than the face value of the securities.

Bidders/Applicants should refer to the RHP/Prospectus or Issue advertisements to check whether the Issue is a Book Built Issue or a Fixed Price Issue.

2.5 Issue Period

The Issue may be kept open for a minimum of three Working Days (for all category of Bidders/Applicants) and not more than ten Working Days. Bidders/Applicants are advised to refer to the Bid cum Application Form and Abridged Prospectus or RHP/Prospectus for details of the Bid/Issue Period. Details of Bid/Issue Period are also available on the website of Stock Exchange(s).

In case of a Book Built Issue, the Issuer may close the Bid/Issue Period for QIBs one Working Day prior to the Bid/Issue Closing Date if disclosures to that effect are made in the RHP. In case of revision of the Floor Price or Price Band in Book Built Issues the Bid/Issue Period may be extended by at least three Working Days, subject to the total Bid/Issue Period not exceeding 10 Working Days. For details of any revision of the Floor Price or Price Band, Bidders/Applicants may check the announcements made by the Issuer on the websites of the Stock Exchanges and the GCBRLM(s), and the advertisement in the newspaper(s) issued in this regard.

2.6 Flowchart of Timelines

A flow chart of process flow in Fixed Price and Book Built Issues is as follows. Bidders/Applicants may note that this is not applicable for Fast Track FPOs:

- In case of Issue other than Book Build Issue (Fixed Price Issue) the process at the following of the below mentioned steps shall be read as:

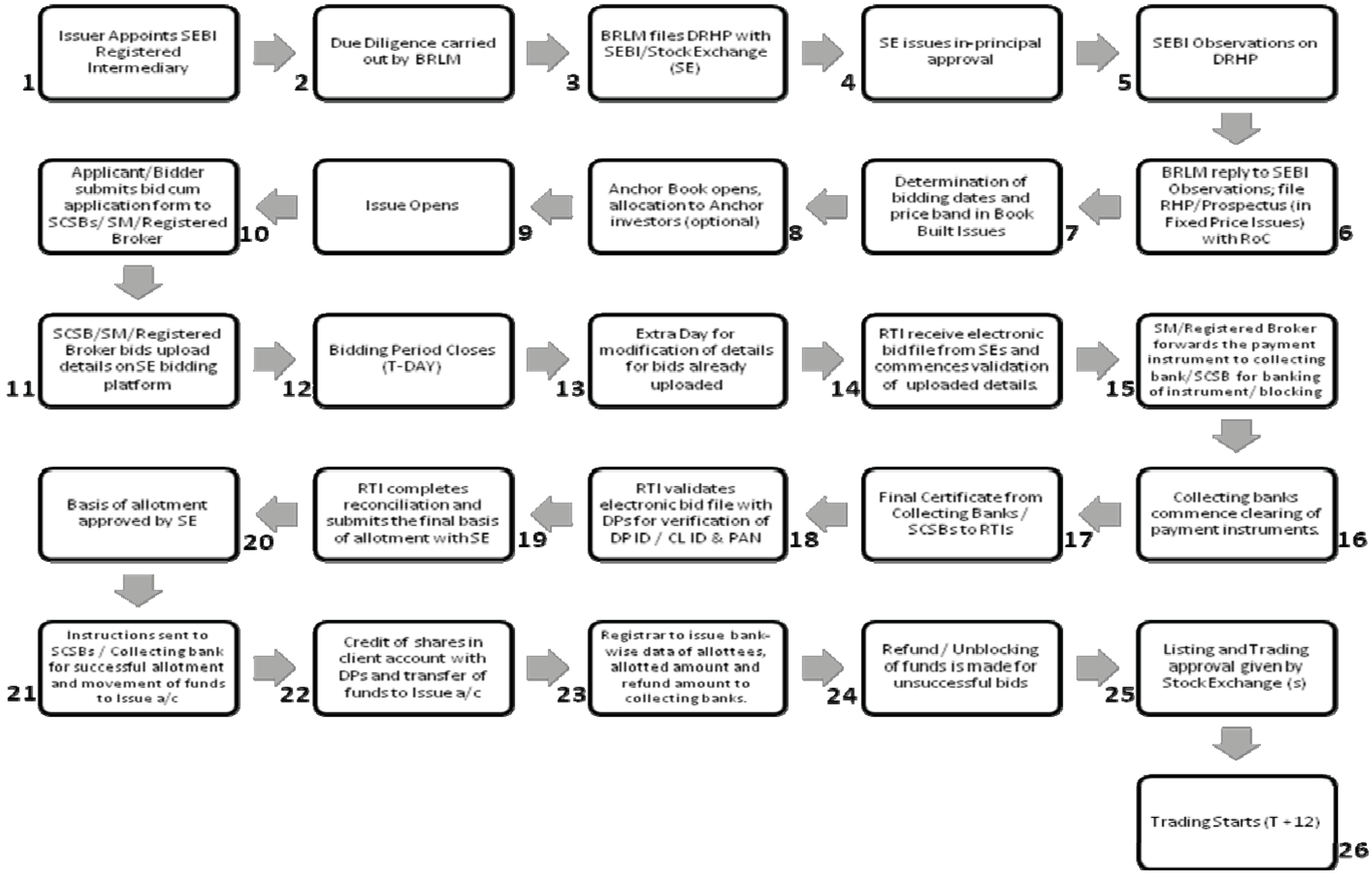
  i. Step 7 : Determination of Issue Date and Price

ii. Step 10: Applicant submits ASBA Application Form with Designated Branch of SCSB and Non-ASBA forms directly to collection Bank and not to Broker.

iii. Step 11: SCSB uploads ASBA Application details in Stock Exchange Platform

iv. Step 12: Issue period closes

v. Step 15: Not Applicable


1 Issuer Appoints SEBI Registered Intermediary
2 Due Diligence carried out by BRLM
3 BRLM files DRHP with SEBI/Stock Exchange (SE)
4 SE issues in-principal approval
5 SEBI Observations on DRHP
6 BRLM reply to SEBI Observations; file RHP/Prospectus (in Fixed Price Issues) with RoC
7 Determination of bidding dates and price band in Book Built Issues
8 Anchor Book opens, allocation to Anchor investors (optional)
9 Issue Opens
10 Applicant/Bidder submits bid cum application form to SCSBs/ SM/Registered Broker
11 SCSB/SM/Registered Broker bids upload details on SE bidding platform
12 Bidding Period Closes (T-DAY)
13 Extra Day for modification of details for bids already uploaded
14 RTI receive electronic bid file from SEs and commences validation of uploaded details
15 SM/Registered Broker forwards the payment instrument to collecting bank/SCSB for banking of instrument/ blocking
16 Collecting banks commence clearing of payment instruments
17 Final Certificate from Collecting Banks / SCSBs to RTIs
18 RTI validates electronic bid file with DPs for verification of DP ID / CL ID & PAN
19 RTI completes reconciliation and submits the final basis of allotment with SE
20 Basis of allotment approved by SE
21 Instructions sent to SCSBs / Collecting bank for successful allotment and movement of funds to Issue a/c
22 Credit of shares in client account with DPs and transfer of funds to Issue a/c
23 Registrar to issue bank-wise data of allottees, allotted amount and refund amount to collecting banks.
24 Refund / Unblocking of funds is made for unsuccessful bids
25 Listing and Trading approval given by Stock Exchange (s)
26 Trading Starts (T + 12)

SECTION 3: CATEGORY OF INVESTORS ELIGIBLE TO PARTICIPATE IN AN ISSUE

Each Bidder/Applicant should check whether it is eligible to apply under applicable law. Furthermore, certain categories of Bidders/Applicants, such as NRIs, FII's, FPIs, QFIs and FVCIs may not be allowed to Bid/Apply in the Issue or to hold Equity Shares, in excess of certain limits specified under applicable law. Bidders/Applicants are requested to refer to the RHP/Prospectus for more details.

Subject to the above, an illustrative list of Bidders/Applicants is as follows:

- Indian nationals resident in India who are competent to contract under the Indian Contract Act, 1872, in single or joint names (not more than three);

- Bids/Applications belonging to an account for the benefit of a minor (under guardianship);

- Hindu Undivided Families or HUFs, in the individual name of the Karta. The Bidder/Applicant should specify that the Bid is being made in the name of the HUF in the Bid cum Application Form/Application Form as follows: "Name of sole or first Bidder/Applicant: XYZ Hindu Undivided Family applying through XYZ, where XYZ is the name of the Karta". Bids/Applications by HUFs may be considered at par with Bids/Applications from individuals;

- Companies, corporate bodies and societies registered under applicable law in India and authorised to invest in equity shares;

- QIBs;

- NRIs on a repatriation basis or on a non-repatriation basis subject to applicable law;

- Qualified Foreign Investors subject to applicable law;

- Indian Financial Institutions, regional rural banks, co-operative banks (subject to RBI regulations and the SEBI ICDR Regulations, 2009 and other laws, as applicable);

- FIIs and sub-accounts registered with SEBI, other than a sub-account which is a foreign corporate or foreign individual, bidding under the QIBs category;

- Sub-accounts of FIIs registered with SEBI, which are foreign corporates or foreign individuals only under the Non Institutional Investors (NIIs) category;

- FPIs other than Category III foreign portfolio investors bidding under the QIBs category;

- FPIs which are Category III foreign portfolio investors, bidding under the NIIs category;

- Trusts/societies registered under the Societies Registration Act, 1860, or under any other law relating to trusts/societies and who are authorised under their respective constitutions to hold and invest in equity shares;

- Limited liability partnerships registered under the Limited Liability Partnership Act, 2008; and

- Any other person eligible to Bid/Apply in the Issue, under the laws, rules, regulations, guidelines and policies applicable to them and under Indian laws.

- As per the existing regulations, OCBs are not allowed to participate in an Issue.

SECTION 4: APPLYING IN THE ISSUE

Book Built Issue: Bidders should only use the specified Bid cum Application Form either bearing the stamp of a member of the Syndicate or bearing a stamp of the Registered Broker or stamp of SCSBs as available or downloaded from the websites of the Stock Exchanges.

Bid cum Application Forms are available with the members of the Syndicate, Registered Brokers, Designated Branches of the SCSBs and at the registered office of the Issuer. Electronic Bid cum Application Forms will be available on the websites of the Stock Exchanges at least one day prior to the Bid/Issue Opening Date. For further details regarding availability of Bid cum Application Forms, Bidders may refer to the RHP/Prospectus.

Fixed Price Issue: Applicants should only use the specified cum Application Form either bearing the stamp of Collection Bank(s) or SCSBs as available or downloaded from the websites of the Stock Exchanges. Application Forms are available with the Branches of Collection Banks or Designated Branches of the SCSBs and at the registered office of the Issuer. For further details regarding availability of Application Forms, Applicants may refer to the Prospectus.

Bidders/Applicants should ensure that they apply in the appropriate category. The prescribed color of the Bid cum Application Form for various categories of Bidders/Applicants is as follows:

Category	Colour of the Bid cum Application Form
Resident Indian, Eligible NRIs applying on a non repatriation basis	White
NRIs, FVCIs, FIIs, their Sub-Accounts (other than Sub-Accounts which are foreign corporate(s) or foreign individuals bidding under the QIB), FPIs, QFIs, on a repatriation basis	Blue
Anchor Investors (where applicable)*	[●]

** Bid cum Application Forms for Anchor Investors will be available at the office of the GCBRLMs.*

Securities Issued in an IPO can only be in dematerialized form in compliance with Section 29 of the Companies Act, 2013. Bidders/Applicants will not have the option of getting the allotment of specified securities in physical form. However, they may get the specified securities rematerialised subsequent to allotment.

4.1 INSTRUCTIONS FOR FILING THE BID CUM APPLICATION FORM/ APPLICATION FORM

Bidders/Applicants may note that forms not filled completely or correctly as per instructions provided in this GID, the RHP and the Bid cum Application Form/Application Form are liable to be rejected.

Instructions to fill each field of the Bid cum Application Form can be found on the reverse side of the Bid cum Application Form. Specific instructions for filling various fields of the Resident Bid cum Application Form and Non-Resident Bid cum Application Form and samples are provided below.

The samples of the Bid cum Application Form for resident Bidders and the Bid cum Application Form for non-resident Bidders are reproduced below:

TEAR HERE

COMMON BID CUM APPLICATION FORM FOR ASBA / NON-ASBA

XYZ LIMITED - PUBLIC ISSUE - R

FOR RESIDENT INDIAN, QIB, ELIGIBLE NRI's APPLYING ON A NON-REPATRIATION BASIS

Logo

To,
The Board of Directors
XYZ Limited

BOOK BUILDING ISSUE

IN

Bid cum Application Form No.

SYNDICATE MEMBER'S STAMP & CODE | BROKER'S/AGENT'S STAMP & CODE

ESCROW BANK / SCSB BRANCH STAMP & CODE | SUB-BROKER'S/SUB-AGENT'S STAMP & CODE

BANK BRANCH SERIAL NO. | REGISTRAR'S / SCSB SERIAL NO.

1. NAME & CONTACT DETAILS of Sole / First Applicant

Mr. / Ms.

Address

Email

Tel. No (with STD code) / Mobile

2. PAN OF SOLE / FIRST APPLICANT

3. BIDDER'S DEPOSITORY ACCOUNT DETAILS ☐ NSDL ☐ CDSL

For NSDL enter 8 digit DP ID followed by 8 digit Client ID / For CDSL enter 16 digit Client ID

4. BID OPTIONS (Only Retail Individual Bidders can Bid at "Cut-off")

Bid Options	No. of Equity Shares Bid (In Figures) (Bids must be in multiples of Bid Lot as advertised)	Price per Equity Share (₹)/ "Cut-off" (Price in multiples of ₹ 1/- only) (In Figures)			
		Bid Price	Discount, if any	Net Price	"Cut-off" (Please tick)
	7 6 5 4 3 2 1	4 3 2 1	4 3 2 1	4 3 2 1	
Option 1					☐
(OR) Option 2					☐
(OR) Option 3					☐

5. Category

☐ Retail Individual

☐ Non-Institutional

☐ QIB

6. Investor Status

☐ Individual(s) - IND
☐ Hindu Undivided Family* - HUF
☐ Bodies Corporate - CO
☐ Banks & Financial Institutions - FI
☐ Mutual Funds - MF
☐ Non-Resident Indians - NRI (Non-Repatriation basis)
☐ National Investment Fund - NIF
☐ Insurance Funds - IF
☐ Insurance Companies - IC
☐ Venture Capital Funds - VC
☐ Others (Please specify) - OTH

* HUF should apply only through Karta (Application by HUF would be treated on par with Individual)

7. PAYMENT DETAILS (Please tick (✓) any one of payment option A or B below)

PAYMENT OPTIONS ☐ Full Payment ☐ Part Payment

Amount Paid (₹ in figures) (₹ in words)

☐ (A) CHEQUE/ DEMAND DRAFT (DD)

Cheque/DD No. Dated D D M M Y Y

Drawn on (Bank Name & Branch)

☐ (B) ASBA

Bank A/c No.

Bank Name & Branch

I/WE (ON BEHALF OF JOINT APPLICANTS, IF ANY) HEREBY CONFIRM THAT I/WE HAVE READ AND UNDERSTOOD THE TERMS AND CONDITIONS OF THIS BID CUM APPLICATION FORM AND THE ATTACHED FORM 2A AND HEREBY AGREE AND CONFIRM THE 'BIDDERS UNDERTAKING' AS GIVEN OVERLEAF. I/We (on behalf of joint applicants, if any) hereby confirm that I/We have read the Instructions for Filling up the Bid Cum Application Form given overleaf.

8A. SIGNATURE OF SOLE/ FIRST APPLICANT

Date : ________ 2011

8B. SIGNATURE OF ASBA BANK ACCOUNT HOLDER(s) (AS PER BANK RECORDS) (For ASBA option ONLY)

I/We authorize the SCSB to do all acts as are necessary to make the Application in the Issue

1)

2)

3)

BROKER'S / SCSB BRANCH'S STAMP (Acknowledging upload of Bid in Stock Exchange system)

TEAR HERE

XYZ LIMITED

Acknowledgement Slip for Syndicate Member / SCSB

Bid cum Application Form No.

DPID / CLID

PAN

Amount Paid (₹ in figures) | Bank & Branch

Cheque / DD/ASBA Bank A/c No.

Stamp & Signature of Banker

Received from Mr./Ms.

Telephone / Mobile | Email

TEAR HERE

XYZ LIMITED

	Option 1	Option 2	Option 3
No. of Equity Shares			
Bid Price			
Amount Paid (₹)			

Cheque / DD/ASBA Bank A/c No.

Bank & Branch

Stamp & Signature of Syndicate Member / SCSB

Name of Sole / First Applicant

Acknowledgement Slip for Bidder

Bid cum Application Form No.

PLEASE FILL IN BLOCK LETTERS

TEAR HERE

COMMON BID CUM APPLICATION FORM FOR ASBA / NON-ASBA

XYZ LIMITED - PUBLIC ISSUE - NR

FOR ELIGIBLE NRIs, FIIs, FVCI, ETC., APPLYING ON A REPATRIATION BASIS

Logo

To,
The Board of Directors
XYZ Limited

BOOK BUILDING ISSUE
INE523L01018

Bid cum Application Form No.

SYNDICATE MEMBER'S STAMP & CODE	BROKER'S/AGENT'S STAMP & CODE
ESCROW BANK / SCSB BRANCH STAMP & CODE	SUB-BROKER'S/SUB-AGENT'S STAMP & CODE
BANK BRANCH SERIAL NO.	REGISTRAR'S / SCSB SERIAL NO.

1. NAME & CONTACT DETAILS of Sole / First Applicant

Mr. / Ms.

Address

Email

Tel. No (with STD code) / Mobile

2. PAN OF SOLE / FIRST APPLICANT

3. BIDDER'S DEPOSITORY ACCOUNT DETAILS ☐ NSDL ☐ CDSL

For NSDL enter 8 digit DP ID followed by 8 digit Client ID / For CDSL enter 16 digit Client ID

4. BID OPTIONS (Only Retail Individual Bidders can Bid at "Cut-off")

Bid Options	No. of Equity Shares Bid (In Figures) (Bids must be in multiples of Bid Lot as advertised)	Price per Equity Share (₹)/ "Cut-off" (Price in multiples of ₹ 1/- only) (In Figures)			
		Bid Price	Discount, if any	Net Price	"Cut-off" (Please tick)
	7 | 6 | 5 | 4 | 3 | 2 | 1	4 | 3 | 2 | 1	4 | 3 | 2 | 1	4 | 3 | 2 | 1	
Option 1					☐
(OR) Option 2					☐
(OR) Option 3					☐

5. Category

☐ Retail Individual
☐ Non-Institutional
☐ QIB

6. Investor Status

NRI	Non-Resident Indian (Repatriation basis)
FII	Foreign Institutional Investor
FVCI	Foreign Venture Capital Investor
FIISA	FII Sub Account Corporate / Individual
OTH	Others (Please Specify)

7. PAYMENT DETAILS (Please tick (✓) any one of payment option A or B below)

PAYMENT OPTIONS ☐ Full Payment ☐ Part Payment

Amount Paid (₹ in figures) (₹ in words)

☐ **(A) CHEQUE/ DEMAND DRAFT (DD)**

Cheque/DD No. Dated D D M M Y Y

Drawn on (Bank Name & Branch)

☐ **(B) ASBA**

Bank A/c No.

Bank Name & Branch

I/WE (ON BEHALF OF JOINT APPLICANTS, IF ANY) HEREBY CONFIRM THAT I/WE HAVE READ AND UNDERSTOOD THE TERMS AND CONDITIONS OF THIS BID CUM APPLICATION FORM AND THE ATTACHED FORM 2A AND HEREBY AGREE AND CONFIRM THE 'BIDDERS UNDERTAKING' AS GIVEN OVERLEAF. I/We (on behalf of joint applicants, if any) hereby confirm that I/We have read the Instructions for Filling up the Bid Cum Application Form given overleaf.

8A. SIGNATURE OF SOLE/ FIRST APPLICANT	8B. SIGNATURE OF ASBA BANK ACCOUNT HOLDER(s) (AS PER BANK RECORDS) (For ASBA option ONLY)	BROKER'S / SCSB BRANCH'S STAMP (Acknowledging upload of Bid in Stock Exchange system)
	I/We authorize the SCSB to do all acts as are necessary to make the Application in the Issue	
	1)	
	2)	
Date: 2011	3)	

TEAR HERE

XYZ LIMITED

Acknowledgement Slip for Syndicate Member / SCSB

Bid cum Application Form No.

DPID / CLID

PAN

Amount Paid (₹ in figures)	Bank & Branch	Stamp & Signature of Banker
Cheque / DD/ASBA Bank A/c No.		
Received from Mr./Ms.		
Telephone / Mobile	Email	

TEAR HERE

XYZ LIMITED

	Option 1	Option 2	Option 3
No. of Equity Shares			
Bid Price			
Amount Paid (₹)			

Stamp & Signature of Syndicate Member / SCSB

Name of Sole / First Applicant

Cheque / DD/ASBA Bank A/c No.

Bank & Branch

Acknowledgement Slip for Bidder

Bid cum Application Form No.

TEAR HERE

PLEASE FILL IN BLOCK LETTERS

TEAR HERE

4.1.1 FIELD NUMBER 1: NAME AND CONTACT DETAILS OF THE SOLE/FIRST BIDDER/APPLICANT

(a) Bidders/Applicants should ensure that the name provided in this field is exactly the same as the name in which the Depository Account is held.

(b) **Mandatory Fields**: Bidders/Applicants should note that the name and address fields are compulsory and e-mail and/or telephone number/mobile number fields are optional. Bidders/Applicants should note that the contact details mentioned in the Bid-cum Application Form/Application Form may be used to dispatch communications(including refund orders and letters notifying the unblocking of the bank accounts of ASBA Bidders/Applicants) in case the communication sent to the address available with the Depositories are returned undelivered or are not available. The contact details provided in the Bid cum Application Form may be used by the Issuer, the members of the Syndicate, the Registered Broker and the Registrar to the Issue only for correspondence(s) related to an Issue and for no other purposes.

(c) **Joint Bids/Applications**: In the case of Joint Bids/Applications, the Bids/Applications should be made in the name of the Bidder/Applicant whose name appears first in the Depository account. The name so entered should be the same as it appears in the Depository records. The signature of only such first Bidder/Applicant would be required in the Bid cum Application Form/Application Form and such first Bidder/Applicant would be deemed to have signed on behalf of the joint holders All payments may be made out in favor of the Bidder/Applicant whose name appears in the Bid cum Application Form/Application Form or the Revision Form and all communications may be addressed to such Bidder/Applicant and may be dispatched to his or her address as per the Demographic Details received from the Depositories.

(d) **Impersonation**: Attention of the Bidders/Applicants is specifically drawn to the provisions of sub-section (1) of Section 38 of the Companies Act, 2013 which is reproduced below:

"*Any person who:*

(a) makes or abets making of an application in a fictitious name to a company for acquiring, or subscribing for, its securities; or

(b) makes or abets making of multiple applications to a company in different names or in different combinations of his name or surname for acquiring or subscribing for its securities; or

(c) otherwise induces directly or indirectly a company to allot, or register any transfer of, securities to him, or to any other person in a fictitious name, shall be liable for action under Section 447."

The liability prescribed under Section 447 of the Companies Act, 2013 includes imprisonment for a term which shall not be less than six months extending up to 10 years (provided that where the fraud involves public interest, such term shall not be less than three years) and fine of an amount not less than the amount involved in the fraud, extending up to three times of such amount.

(e) **Nomination Facility to Bidder/Applicant**: Nomination facility is available in accordance with the provisions of Section 72 of the Companies Act, 2013. In case of allotment of the Equity Shares in dematerialized form, there is no need to make a separate nomination as the nomination registered with the Depository may prevail. For changing nominations, the Bidders/Applicants should inform their respective DP.

4.1.2 FIELD NUMBER 2: PAN NUMBER OF SOLE/FIRST BIDDER/APPLICANT

(a) PAN (of the sole/ first Bidder/Applicant) provided in the Bid cum Application Form/Application Form should be exactly the same as the PAN of the person(s) in whose name the relevant beneficiary account is held as per the Depositories' records.

(b) PAN is the sole identification number for participants transacting in the securities market irrespective of the amount of transaction except for Bids/Applications on behalf of the Central or State Government, Bids/Applications by officials appointed by the courts and Bids/Applications by Bidders/Applicants residing in Sikkim ("**PAN Exempted Bidders/Applicants**"). Consequently, all Bidders/Applicants, other than the PAN Exempted Bidders/Applicants, are required to disclose their PAN in the Bid cum Application Form/Application Form, irrespective of the Bid/Application Amount. A Bid cum Application Form/Application Form without PAN, except in case of Exempted Bidders/Applicants, is liable to be rejected. Bids/Applications by the Bidders/Applicants whose PAN is not available as per the Demographic Details available in their Depository records, are liable to be rejected.

(c) The exemption for the PAN Exempted Bidders/Applicants is subject to (a) the Demographic Details received from the respective Depositories confirming the exemption granted to the beneficiary owner by a suitable description in the PAN field and the beneficiary account remaining in "active status"; and (b) in the case of residents of Sikkim, the address as per the Demographic Details evidencing the same.

(d) Bid cum Application Forms/Application Forms which provide the General Index Register Number instead of PAN may be rejected.

(e) Bids/Applications by Bidders whose demat accounts have been 'suspended for credit' are liable to be rejected pursuant to the circular issued by SEBI on July 29, 2010, bearing number CIR/MRD/DP/22/2010. Such accounts are classified as "Inactive demat accounts" and demographic details are not provided by depositories.

4.1.3 FIELD NUMBER 3: BIDDERS/APPLICANTS DEPOSITORY ACCOUNT DETAILS

(a) Bidders/Applicants should ensure that DP ID and the Client ID are correctly filled in the Bid cum Application Form/Application Form. The DP ID and Client ID provided in the Bid cum Application Form/Application Form should match with the DP ID and Client ID available in the Depository database, **otherwise, the Bid cum Application Form/Application Form is liable to be rejected**.

(b) Bidders/Applicants should ensure that the beneficiary account provided in the Bid cum Application Form/Application Form is active.

(c) Bidders/Applicants should note that on the basis of DP ID and Client ID as provided in the Bid cum Application Form/Application Form, the Bidder/Applicant may be deemed to have authorized the Depositories to provide to the Registrar to the Issue, any requested Demographic Details of the Bidder/Applicant as available on the records of the depositories. These Demographic Details may be used, among other things, for giving refunds and allocation advice (including through physical refund warrants, direct credit, NECS, NEFT and RTGS), or unblocking of ASBA Account or for other correspondence(s) related to an Issue. Please note that refunds shall be credited only to the bank account from which the Bid Amount was remitted to the Escrow Bank.

(d) Bidders/Applicants are, advised to update any changes to their Demographic Details as available in the records of the Depository Participant to ensure accuracy of records. Any delay resulting from failure to update the Demographic Details would be at the Bidders/Applicants' sole risk.

4.1.4 FIELD NUMBER 4: BID OPTIONS

(a) Price or Floor Price or Price Band, minimum Bid Lot and Discount (if applicable) may be disclosed in the Prospectus/RHP by the Issuer. The Issuer is required to announce the Floor Price or Price Band, minimum Bid Lot and Discount (if applicable) by way of an advertisement in at least one English, one Hindi and one regional newspaper, with wide circulation, at least five Working Days before Bid/Issue Opening Date in case of an IPO, and at least one Working Day before Bid/Issue Opening Date in case of an FPO.

(b) The Bidders may Bid at or above Floor Price or within the Price Band for IPOs/FPOs undertaken through the Book Building Process. In the case of Alternate Book Building Process for an FPO, the Bidders may Bid at Floor Price or any price above the Floor Price (For further details bidders may refer to (Section 5.6 (e))

(c) **Cut-Off Price**: Retail Individual Investors or Employees or Retail Individual Shareholders can Bid at the Cut-off Price indicating their agreement to Bid for and purchase the Equity Shares at the Issue Price as determined at the end of the Book Building Process. Bidding at the Cut-off Price is prohibited for QIBs and NIIs and such Bids from QIBs and NIIs may be rejected.

(d) **Minimum Application Value and Bid Lot**: The Issuer in consultation with the GCBRLMs may decide the minimum number of Equity Shares for each Bid to ensure that the minimum application value is within the range of Rs. 10,000 to Rs.15,000. The minimum Bid Lot is accordingly determined by an Issuer on basis of such minimum application value.

(e) **Allotment**: The allotment of specified securities to each RII shall not be less than the minimum Bid Lot, subject to availability of shares in the RII category, and the remaining available shares, if any, shall be allotted on a proportionate basis. For details of the Bid Lot, bidders may to the RHP/Prospectus or the advertisement regarding the Price Band published by the Issuer.

4.1.4.1 Maximum and Minimum Bid Size

(a) The Bidder may Bid for the desired number of Equity Shares at a specific price. Bids by Retail Individual Investors, Employees and Retail Individual Shareholders must be for such number of shares so as to ensure that the Bid Amount less Discount (as applicable), payable by the Bidder does not exceed Rs. 200,000.

In case the Bid Amount exceeds Rs. 200,000 due to revision of the Bid or any other reason, the Bid may be considered for allocation under the Non-Institutional Category, with it not being eligible for Discount then such Bid may be rejected if it is at the Cut-off Price.

(b) For NRIs, a Bid Amount of up to Rs. 200,000 may be considered under the Retail Category for the purposes of allocation and a Bid Amount exceeding ₹ 200,000 may be considered under the Non-Institutional Category for the purposes of allocation.

(c) Bids by QIBs and NIIs must be for such minimum number of shares such that the Bid Amount exceeds Rs. 200,000 and in multiples of such number of Equity Shares thereafter, as may be disclosed in the Bid cum Application Form and the RHP/Prospectus, or as advertised by the Issuer, as the case may be. Non-Institutional Bidders and QIBs are not allowed to Bid at 'Cut-off Price'.

(d) RII may revise their bids till closure of the bidding period or withdraw their bids until finalization of allotment. QIBs and NII's cannot withdraw or lower their Bids (in terms of quantity of Equity Shares or the Bid Amount) at any stage after bidding and are required to pay the Bid Amount upon submission of the Bid.

(e) In case the Bid Amount reduces to Rs. 200,000 or less due to a revision of the Price Band, Bids by the Non-Institutional Bidders who are eligible for allocation in the Retail Category would be considered for allocation under the Retail Category.

(f) For Anchor Investors, if applicable, the Bid Amount shall be least Rs.10 crores. One-third of the Anchor Investor Portion shall be reserved for domestic Mutual Funds, subject to valid Bids being received from domestic Mutual Funds at or above the price at which allocation is being done to other Anchor Investors. Bids by various schemes of a Mutual Fund shall be aggregated to determine the Bid Amount. A Bid cannot be submitted for more than 60% of the QIB Portion under the Anchor Investor Portion. Anchor Investors cannot withdraw their Bids or lower the size of their Bids (in terms of quantity of Equity Shares or the Bid Amount) at any stage after the Anchor Investor Bid/ Issue Period and are required to pay the Bid Amount at the time of submission of the Bid. In case the Anchor Investor Issue Price is lower than the Issue Price, the balance amount shall be payable as per the pay-in-date mentioned in the revised CAN. In case the Issue Price is lower than the Anchor Investor Issue Price, the amount in excess of the Issue Price paid by the Anchor Investors shall not be refunded to them.

(g) A Bid cannot be submitted for more than the Issue size.

(h) The maximum Bid by any Bidder including QIB Bidder should not exceed the investment limits prescribed for them under the applicable laws.

(i) The price and quantity options submitted by the Bidder in the Bid cum Application Form may be treated as optional bids from the Bidder and may not be cumulated. After determination of the Issue Price, the number of Equity Shares Bid for by a Bidder at or above the Issue Price may be considered for allotment and the rest of the Bid(s), irrespective of the Bid Amount may automatically become invalid. This is not applicable in case of FPOs undertaken through Alternate Book Building Process (For details of bidders may refer to (Section 5.6 (e)).

4.1.4.2 Multiple Bids

(a) Bidder should submit only one Bid cum Application Form. Bidder shall have the option to make a maximum of Bids at three different price levels in the Bid cum Application Form and such options are not considered as multiple Bids.

Submission of a second Bid cum Application Form to either the same or to another member of the Syndicate, SCSB or Registered Broker and duplicate copies of Bid cum Application Forms bearing the same application number shall be treated as multiple Bids and are liable to be rejected.

(b) Bidders are requested to note the following procedures may be followed by the Registrar to the Issue to detect multiple Bids:

i. All Bids may be checked for common PAN as per the records of the Depository. For Bidders other than Mutual Funds and FII sub-accounts, Bids bearing the same PAN may be treated as multiple Bids by a Bidder and may be rejected.

ii. For Bids from Mutual Funds and FII sub-accounts, submitted under the same PAN, as well as Bids on behalf of the PAN Exempted Bidders, the Bid cum Application Forms may be checked for common DP ID and Client ID. Such Bids which have the same DP ID and Client ID may be treated as multiple Bids and are liable to be rejected.

(c) The following Bids may not be treated as multiple Bids:

i. Bids by Reserved Categories bidding in their respective Reservation Portion as well as bids made by them in the Net Issue portion in public category.

ii. Separate Bids by Mutual Funds in respect of more than one scheme of the Mutual Fund provided that the Bids clearly indicate the scheme for which the Bid has been made.

iii. Bids by Mutual Funds, and sub-accounts of FIIs (or FIIs and its sub-accounts) submitted with the same PAN but with different beneficiary account numbers, Client IDs and DP IDs.

iv. iv. Bids by Anchor Investors under the Anchor Investor Portion and the QIB Category.

4.1.5 FIELD NUMBER 5 : CATEGORY OF BIDDERS

(a) The categories of Bidders identified as per the SEBI ICDR Regulations, 2009 for the purpose of Bidding, allocation and allotment in the Issue are RIIs, NIIs and QIBs.

(b) Up to 60% of the QIB Category can be allocated by the Issuer, on a discretionary basis subject to the criteria of minimum and maximum number of anchor investors based on allocation size, to the Anchor Investors, in accordance with SEBI ICDR Regulations, 2009, with one-third of the Anchor Investor Portion reserved for domestic Mutual Funds subject to valid Bids being received at or above the Issue Price. For details regarding allocation to Anchor Investors, bidders may refer to the RHP/Prospectus.

(c) An Issuer can make reservation for certain categories of Bidders/Applicants as permitted under the SEBI ICDR Regulations, 2009. For details of any reservations made in the Issue, Bidders/Applicants may refer to the RHP/Prospectus.

(d) The SEBI ICDR Regulations, 2009, specify the allocation or allotment that may be made to various categories of Bidders in an Issue depending upon compliance with the eligibility conditions. Details pertaining to allocation are disclosed on reverse side of the Revision Form. For Issue specific details in relation to allocation Bidder/Applicant may refer to the RHP/Prospectus.

4.1.6 FIELD NUMBER 6: INVESTOR STATUS

(a) Each Bidder/Applicant should check whether it is eligible to apply under applicable law and ensure that any prospective allotment to it in the Issue is in compliance with the investment restrictions under applicable law.

(b) Certain categories of Bidders/Applicants, such as NRIs, FIIs, FPIs, QFIs and FVCIs may not be allowed to Bid/Apply in the Issue or hold Equity Shares exceeding certain limits specified under applicable law. Bidders/Applicants are requested to refer to the RHP/Prospectus for more details.

(c) Bidders/Applicants should check whether they are eligible to apply on non-repatriation basis or repatriation basis and should accordingly provide the investor status. Details regarding investor status are different in the Resident Bid cum Application Form and Non-Resident Bid cum Application Form.

(d) Bidders/Applicants should ensure that their investor status is updated in the Depository records.

4.1.7 FIELD NUMBER 7: PAYMENT DETAILS

(a) All Bidders are required to make payment of the full Bid Amount (net of any Discount, as applicable) along-with the Bid cum Application Form. If the Discount is applicable in the Issue, the RIIs should indicate the full Bid Amount in the Bid cum Application Form and the payment shall be made for Bid Amount net of Discount. Only in cases where the RHP/Prospectus indicates that part payment may be made, such an option can be exercised by the Bidder. In case of Bidders specifying more than one Bid Option in the Bid cum Application Form, the total Bid Amount may be calculated for the highest of three options at net price, i.e. Bid price less Discount offered, if any.

(b) Bidders who Bid at Cut-off price shall deposit the Bid Amount based on the Cap Price.

(c) QIBs and NIIs can participate in the Issue only through the ASBA mechanism.

(d) RIIs and/or Reserved Categories bidding in their respective reservation portion can Bid, either through the ASBA mechanism or by paying the Bid Amount through a cheque or a demand draft ("**Non-ASBA Mechanism**").

(e) Bid Amount cannot be paid in cash, through money order or through postal order.

4.1.7.1 Instructions for non-ASBA Bidders:

(a) Non-ASBA Bidders may submit their Bids with a member of the Syndicate or any of the Registered Brokers of the Stock Exchange. The details of Broker Centres along with names and contact details of the Registered Brokers are provided on the websites of the Stock Exchanges.

(b) **For Bids made through a member of the Syndicate**: The Bidder may, with the submission of the Bid cum Application Form, draw a cheque or demand draft for the Bid Amount in favour of the Escrow Account as specified under the RHP/Prospectus and the Bid cum Application Form and submit the same to the members of the Syndicate at Specified Locations.

(c) **For Bids made through a Registered Broker**: The Bidder may, with the submission of the Bid cum Application Form, draw a cheque or demand draft for the Bid Amount in favour of the Escrow Account as specified under the RHP/Prospectus and the Bid cum Application Form and submit the same to the Registered Broker.

(d) If the cheque or demand draft accompanying the Bid cum Application Form is not made favoring the Escrow Account, the Bid is liable to be rejected.

(e) Payments should be made by cheque, or demand draft drawn on any bank (including a co-operative bank), which is situated at, and is a member of or sub-member of the bankers' clearing house located at the centre where the Bid cum Application Form is submitted. Cheques/bank drafts drawn on banks not participating in the clearing process may not be accepted and applications accompanied by such cheques or bank drafts are liable to be rejected.

(f) The Escrow Collection Banks shall maintain the monies in the Escrow Account for and on behalf of the Bidders until the Designated Date.

(g) Bidders are advised to provide the number of the Bid cum Application Form and PAN on the reverse of the cheque or bank draft to avoid any possible misuse of instruments submitted.

4.1.7.2 Payment instructions for ASBA Bidders

(a) ASBA Bidders may submit the Bid cum Application Form either

i. in physical mode to the Designated Branch of an SCSB where the Bidders/Applicants have ASBA Account, or

ii. in electronic mode through the internet banking facility offered by an SCSB authorizing blocking of funds that are available in the ASBA account specified in the Bid cum Application Form, or

iii. in physical mode to a member of the Syndicate at the Specified Locations, or

iv. Registered Brokers of the Stock Exchange

(b) ASBA Bidders may specify the Bank Account number in the Bid cum Application Form. The Bid cum Application Form submitted by an ASBA Bidder and which is accompanied by cash, demand draft, money order, postal order or any mode of payment other than blocked amounts in the ASBA Account maintained with an SCSB, may not be accepted.

(c) Bidders should ensure that the Bid cum Application Form is also signed by the ASBA Account holder(s) if the Bidder is not the ASBA Account holder;

(d) Bidders shall note that for the purpose of blocking funds under ASBA facility clearly demarcated funds shall be available in the account.

(e) From one ASBA Account, a maximum of five Bids cum Application Forms can be submitted.

(f) **ASBA Bidders bidding through a member of the Syndicate** should ensure that the Bid cum Application Form is submitted to a member of the Syndicate only at the Specified locations. ASBA Bidders should also note that Bid cum Application Forms submitted to a member of the Syndicate at the Specified locations may not be accepted by the Member of the Syndicate if the SCSB where the ASBA Account, as specified in the Bid cum Application Form, is maintained has not named at least one branch at that location for the members of the Syndicate to deposit Bid cum Application Forms (a list of such branches is available on the website of SEBI at http://www.sebi.gov.in/sebiweb/home/list/5/33/0/0/Recognised-Intermediaries).

(g) **ASBA Bidders bidding through a Registered Broker** should note that Bid cum Application Forms submitted to the Registered Brokers may not be accepted by the Registered Broker, if the SCSB where the ASBA Account, as specified in the Bid cum Application Form, is maintained has not named at least one branch at that location for the Registered Brokers to deposit Bid cum Application Forms.

(h) **ASBA Bidders bidding directly through the SCSBs** should ensure that the Bid cum Application Form is submitted to a Designated Branch of a SCSB where the ASBA Account is maintained.

(i) Upon receipt of the Bid cum Application Form, the Designated Branch of the SCSB may verify if sufficient funds equal to the Bid Amount are available in the ASBA Account, as mentioned in the Bid cum Application Form.

(j) If sufficient funds are available in the ASBA Account, the SCSB may block an amount equivalent to the Bid Amount mentioned in the Bid cum Application Form and for application directly submitted to SCSB by investor, may enter each Bid option into the electronic bidding system as a separate Bid.

(k) If sufficient funds are not available in the ASBA Account, the Designated Branch of the SCSB may not upload such Bids on the Stock Exchange platform and such bids are liable to be rejected.

(l) Upon submission of a completed Bid cum Application Form each ASBA Bidder may be deemed to have agreed to block the entire Bid Amount and authorized the Designated Branch of the SCSB to block the Bid Amount specified in the Bid cum Application Form in the ASBA Account maintained with the SCSBs.

(m) The Bid Amount may remain blocked in the aforesaid ASBA Account until finalisation of the Basis of allotment and consequent transfer of the Bid Amount against the Allotted Equity Shares to the Public Issue Account, or until withdrawal or failure of the Issue, or until withdrawal or rejection of the Bid, as the case may be.

(n) SCSBs bidding in the Issue must apply through an Account maintained with any other SCSB; else their Bids are liable to be rejected.

4.1.7.2.1 Unblocking of ASBA Account

(a) Once the Basis of Allotment is approved by the Designated Stock Exchange, the Registrar to the Issue may provide the following details to the controlling branches of each SCSB, along with instructions to unblock the relevant bank accounts and for successful applications transfer the requisite money to the Public Issue Account designated for this purpose, within the specified timelines:

  i. the number of Equity Shares to be Allotted against each Bid,

  ii. the amount to be transferred from the relevant bank account to the Public Issue Account, for each Bid,

  iii. the date by which funds referred to in (ii) above may be transferred to the Public Issue Account, and

  iv. details of rejected ASBA Bids, if any, along with reasons for rejection and details of withdrawn or unsuccessful Bids, if any, to enable the SCSBs to unblock the respective bank accounts.

(b) On the basis of instructions from the Registrar to the Issue, the SCSBs may transfer the requisite amount against each successful ASBA Bidder to the Public Issue Account and may unblock the excess amount, if any, in the ASBA Account.

(c) In the event of withdrawal or rejection of the Bid cum Application Form and for unsuccessful Bids, the Registrar to the Issue may give instructions to the SCSB to unblock the Bid Amount in the relevant ASBA Account within 12 Working Days of the Bid/Issue Closing Date.

4.1.7.3 Additional Payment Instructions for NRIs

The Non-Resident Indians who intend to make payment through Non-Resident Ordinary (NRO) accounts shall use the form meant for Resident Indians (non-repatriation basis). In the case of Bids by NRIs applying on a repatriation basis, payment shall not be accepted out of NRO Account.

4.1.7.4 Discount (if applicable)

(a) The Discount is stated in absolute rupee terms.

(b) Bidders applying under RII category, Retail Individual Shareholder and employees are only eligible for discount. For Discounts offered in the Issue, Bidders may refer to the RHP/Prospectus.

(c) The Bidders entitled to the applicable Discount in the Issue may make payment for an amount i.e. the Bid Amount less Discount (if applicable).

Bidder may note that in case the net payment (post Discount) is more than two lakh Rupees, the bidding system automatically considers such applications for allocation under Non-Institutional Category. These applications are neither eligible for Discount nor fall under RII category.

4.1.8 FIELD NUMBER 8: SIGNATURES AND OTHER AUTHORISATIONS

(a) Only the First Bidder/Applicant is required to sign the Bid cum Application Form/Application Form. Bidders/Applicants should ensure that signatures are in one of the languages specified in the Eighth Schedule to the Constitution of India.

(b) If the ASBA Account is held by a person or persons other than the ASBA Bidder/Applicant., then the Signature of the ASBA Account holder(s) is also required.

(c) In relation to the ASBA Bids/Applications, signature has to be correctly affixed in the authorization/undertaking box in the Bid cum Application Form/Application Form, or an authorisation has to be provided to the SCSB via the electronic mode, for blocking funds in the ASBA Account equivalent to the Bid Amount mentioned in the Bid cum Application Form/Application Form.

(d) Bidders/Applicants must note that Bid cum Application Form/Application Form without signature of Bidder/Applicant and/or ASBA Account holder is liable to be rejected.

4.1.9 ACKNOWLEDGEMENT AND FUTURE COMMUNICATION

(a) Bidders should ensure that they receive the acknowledgment duly signed and stamped by a member of the Syndicate, Registered Broker or SCSB, as applicable, for submission of the Bid cum Application Form.

(b) Applicants should ensure that they receive the acknowledgment duly signed and stamped by an Escrow Collection Bank or SCSB, as applicable, for submission of the Application Form.

(c) All communications in connection with Bids/Applications made in the Issue should be addressed as under:

   i. In case of queries related to Allotment, non-receipt of Allotment Advice, credit of allotted equity shares, refund orders, the Bidders/Applicants should contact the Registrar to the Issue.

   ii. In case of ASBA Bids submitted to the Designated Branches of the SCSBs, the Bidders/Applicants should contact the relevant Designated Branch of the SCSB.

   iii. In case of queries relating to uploading of Syndicate ASBA Bids, the Bidders/Applicants should contact the relevant Syndicate Member.

   iv. In case of queries relating to uploading of Bids by a Registered Broker, the Bidders/Applicants should contact the relevant Registered Broker

   v. Bidder/Applicant may contact the Company Secretary and Compliance Officer or GCBRLM(s) in case of any other complaints in relation to the Issue.

(d) The following details (as applicable) should be quoted while making any queries –

i. full name of the sole or First Bidder/Applicant, Bid cum Application Form number, Applicants'/Bidders' DP ID, Client ID, PAN, number of Equity Shares applied for, amount paid on application.

ii. name and address of the member of the Syndicate, Registered Broker or the Designated Branch, as the case may be, where the Bid was submitted or

iii. In case of Non-ASBA bids cheque or draft number and the name of the issuing bank thereof

iv. In case of ASBA Bids, ASBA Account number in which the amount equivalent to the Bid Amount was blocked.

For further details, Bidder/Applicant may refer to the RHP/Prospectus and the Bid cum Application Form.

4.2 INSTRUCTIONS FOR FILING THE REVISION FORM

(a) During the Bid/Issue Period, any Bidder/Applicant (other than QIBs and NIIs, who can only revise their bid upwards) 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 Revision Form, which is a part of the Bid cum Application Form.

(b) RII may revise their bids till closure of the bidding period or withdraw their bids until finalization of allotment.

(c) Revisions can be made in both the desired number of Equity Shares and the Bid Amount by using the Revision Form.

(d) The Bidder/Applicant can make this revision any number of times during the Bid/ Issue Period. However, for any revision(s) in the Bid, the Bidders/Applicants will have to use the services of the same member of the Syndicate, the Registered Broker or the SCSB through which such Bidder/Applicant had placed the original Bid. Bidders/Applicants are advised to retain copies of the blank Revision Form and the Bid(s) must be made only in such Revision Form or copies thereof.

A sample Revision form is reproduced below:

COMMON BID REVISION FORM FOR ASBA / NON-ASBA

XYZ LIMITED - PUBLIC ISSUE - R

FOR RESIDENT INDIAN, QIB, ELIGIBLE NRI's APPLYING ON A NON-REPATRIATION BASIS

Logo

To,
The Board of Directors
XYZ Limited

BOOK BUILDING ISSUE
INE523L01018

Bid cum Application Form No.

SYNDICATE MEMBER'S STAMP & CODE | BROKER'S/AGENT'S STAMP & CODE

ESCROW BANK / SCSB BRANCH STAMP & CODE | SUB-BROKER'S/SUB-AGENT'S STAMP & CODE

BANK BRANCH SERIAL NO. | REGISTRAR'S / SCSB SERIAL NO.

1. NAME & CONTACT DETAILS of Sole / First Applicant

Mr. / Ms.

Tel. No (with STD code) / Mobile

2. PAN OF SOLE / FIRST APPLICANT

3. BIDDER'S DEPOSITORY ACCOUNT DETAILS NSDL CDSL

For NSDL enter 8 digit DP ID followed by 8 digit Client ID / For CDSL enter 16 digit Client ID

PLEASE CHANGE MY BID

4. FROM (as per last Bid or Revision)

Bid Options	No. of Equity Shares Bid (Bids must be in multiples of Bid Lot as advertised) (In Figures)	Price per Equity Share (₹)/ "Cut-off" (Price in multiples of ₹ 1/- only) (In Figures)			
	7 6 5 4 3 2 1	Bid Price 4 3 2 1	Discount, if any 4 3 2 1	Net Price 4 3 2 1	"Cut-off" (Please tick)
Option 1	OLD BID				
(OR) Option 2					
(OR) Option 3					

5. TO (Revised Bid)

Bid Options	No. of Equity Shares Bid (Bids must be in multiples of Bid Lot as advertised) (In Figures)	Price per Equity Share (₹)/ "Cut-off" (Price in multiples of ₹ 1/- only) (In Figures)			
	7 6 5 4 3 2 1	Bid Price 4 3 2 1	Discount, if any 4 3 2 1	Net Price 4 3 2 1	"Cut-off" (Please tick)
Option 1	REVISED BID				
(OR) Option 2					
(OR) Option 3					

6. PAYMENT DETAILS (Please tick (✓) any one of payment option A or B below) PAYMENT OPTIONS Full Payment Part Payment

Additional Amount Paid (₹ in figures) (₹ in words)

(A) CHEQUE/ DEMAND DRAFT (DD)
Cheque/DD No. Dated D D M M Y Y
Drawn on (Bank Name & Branch)

(B) ASBA
Bank A/c No.
Bank Name & Branch

I/WE (ON BEHALF OF JOINT APPLICANTS, IF ANY) HEREBY CONFIRM THAT I/WE HAVE READ AND UNDERSTOOD THE TERMS AND CONDITIONS OF THIS BID REVISION FORM AND THE ATTACHED FORM 2A AND HEREBY AGREE AND CONFIRM THE 'BIDDERS UNDERTAKING' AS GIVEN OVERLEAF. I/We (on behalf of joint applicants, if any) hereby confirm that I/We have read the Instructions for Filling up the Bid revision Form given overleaf.

7A. SIGNATURE OF SOLE/ JOINT APPLICANT(S)

Date : ____________ 2014

7B. SIGNATURE OF ASBA BANK ACCOUNT HOLDER(s) (AS PER BANK RECORDS) (FOR ASBA OPTION ONLY)
I/We authorize the SCSB to do all acts as are necessary to make the Application in the Issue
1)
2)
3)

BROKER'S / SCSB BRANCH'S STAMP (Acknowledging upload of Bid in Stock Exchange system)

TEAR HERE

XYZ LIMITED
BID REVISION FORM

Acknowledgement Slip for Syndicate Member / SCSB

Bid cum Application Form No.

DPID / CLID

PAN

Additional Amount Paid (₹) | Bank & Branch

Cheque / DD/ASBA Bank A/c No.

Stamp & Signature of Banker

Received from Mr./Ms.

Telephone / Mobile | Email

TEAR HERE

XYZ LIMITED BID REVISION FORM

	Option 1	Option 2	Option 3
No. of Equity Shares			
Bid Price			
Additional Amount Paid (₹)			

Cheque / DD/ASBA Bank A/c No.
Bank & Branch

Acknowledgement of Sydicate Member / SCSB

Name of Sole / First Applicant

Acknowledgement Slip for Bidder

Bid cum Application Form No.

TEAR HERE — PLEASE FILL IN BLOCK LETTERS — TEAR HERE

Instructions to fill each field of the Revision Form can be found on the reverse side of the Revision Form. Other than instructions already highlighted at paragraph 4.1 above, point wise instructions regarding filling up various fields of the Revision Form are provided below:

4.2.1 FIELDS 1, 2 AND 3: NAME AND CONTACT DETAILS OF SOLE/FIRST BIDDER/APPLICANT, PAN OF SOLE/FIRST BIDDER/APPLICANT & DEPOSITORY ACCOUNT DETAILS OF THE BIDDER/APPLICANT

Bidders/Applicants should refer to instructions contained in paragraphs 4.1.1, 4.1.2 and 4.1.3.

4.2.2 FIELD 4 & 5: BID OPTIONS REVISION 'FROM' AND 'TO'

(a) Apart from mentioning the revised options in the Revision Form, the Bidder/Applicant must also mention the details of all the bid options given in his or her Bid cum Application Form or earlier Revision Form. For example, if a Bidder/Applicant has Bid for three options in the Bid cum Application Form and such Bidder/Applicant is changing only one of the options in the Revision Form, the Bidder/Applicant must still fill the details of the other two options that are not being revised, in the Revision Form. The members of the Syndicate, the Registered Brokers and the Designated Branches of the SCSBs may not accept incomplete or inaccurate Revision Forms.

(b) In case of revision, Bid options should be provided by Bidders/Applicants in the same order as provided in the Bid cum Application Form.

(c) In case of revision of Bids by RIIs, Employees and Retail Individual Shareholders, such Bidders/Applicants should ensure that the Bid Amount, subsequent to revision, does not exceed Rs. 200,000. In case the Bid Amount exceeds Rs. 200,000 due to revision of the Bid or for any other reason, the Bid may be considered, subject to eligibility, for allocation under the Non-Institutional Category, not being eligible for Discount (if applicable) and such Bid may be rejected if it is at the Cut-off Price. The Cut-off Price option is given only to the RIIs, Employees and Retail Individual Shareholders indicating their agreement to Bid for and purchase the Equity Shares at the Issue Price as determined at the end of the Book Building Process.

(d) In case the total amount (i.e., original Bid Amount plus additional payment) exceeds Rs. 200,000, the Bid will be considered for allocation under the Non-Institutional Portion in terms of the RHP/Prospectus. If, however, the RII does not either revise the Bid or make additional payment and the Issue Price is higher than the cap of the Price Band prior to revision, the number of Equity Shares Bid for shall be adjusted downwards for the purpose of allocation, such that no additional payment would be required from the RII and the RII is deemed to have approved such revised Bid at Cut-off Price.

(e) In case of a downward revision in the Price Band, RIIs and Bids by Employees under the Reservation Portion, who have bid at the Cut-off Price could either revise their Bid or the excess amount paid at the time of bidding may be unblocked in case of ASBA Bidders or refunded from the Escrow Account in case of non-ASBA Bidder.

4.2.3 FIELD 6: PAYMENT DETAILS

(a) With respect to the Bids, other than Bids submitted by ASBA Bidders/Applicants, any revision of the Bid should be accompanied by payment in the form of cheque or demand draft for the amount, if any, to be paid on account of the upward revision of the Bid.

(b) All Bidders/Applicants are required to make payment of the full Bid Amount (less Discount (if applicable) along with the Bid Revision Form. In case of Bidders/Applicants specifying more than one Bid Option in the Bid cum Application Form, the total Bid Amount may be calculated for the highest of three options at net price, i.e. Bid price less discount offered, if any.

(c) In case of Bids submitted by ASBA Bidder/Applicant, Bidder/Applicant may Issue instructions to block the revised amount based on cap of the revised Price Band (adjusted for the Discount (if applicable) in the ASBA Account, to the same member of the Syndicate/Registered Broker or the same Designated Branch (as the case may be) through whom such Bidder/Applicant had placed the original Bid to enable the relevant SCSB to block the additional Bid Amount, if any.

(d) In case of Bids, other than ASBA Bids, Bidder/Applicant, may make additional payment based on the cap of the revised Price Band (such that the total amount i.e., original Bid Amount plus additional payment does not exceed Rs. 200,000 if the Bidder/Applicant wants to continue to Bid at the Cut-off Price), with the members of the Syndicate/Registered Broker to whom the original Bid was submitted.

(e) In case the total amount (i.e., original Bid Amount less discount (if applicable) plus additional payment) exceeds Rs. 200,000, the Bid may be considered for allocation under the Non-Institutional Category in terms of the RHP/Prospectus. If, however, the Bidder/Applicant does not either revise the Bid or make additional payment and the Issue Price is higher than the cap of the Price Band prior to revision, the number of Equity Shares Bid for may be adjusted downwards for the purpose of allotment, such that no additional payment is required from the Bidder/Applicant and the Bidder/Applicant is deemed to have approved such revised Bid at the Cut-off Price.

(f) In case of a downward revision in the Price Band, RIIs, Employees and Retail Individual Shareholders, who have bid at the Cut-off Price, could either revise their Bid or the excess amount paid at the time of bidding may be unblocked in case of ASBA Bidders/Applicants or refunded from the Escrow Account in case of non-ASBA Bidder/Applicant.

4.2.4 FIELDS 7 : SIGNATURES AND ACKNOWLEDGEMENTS

Bidders/Applicants may refer to instructions contained at paragraphs 4.1.8 and 4.1.9 for this purpose.

4.3 INSTRUCTIONS FOR FILING APPLICATION FORM IN ISSUES MADE OTHER THAN THROUGH THE BOOK BUILDING PROCESS (FIXED PRICE ISSUE)

4.3.1 FIELDS 1, 2, 3 NAME AND CONTACT DETAILS OF SOLE/FIRST BIDDER/APPLICANT, PAN OF SOLE/FIRST BIDDER/APPLICANT & DEPOSITORY ACCOUNT DETAILS OF THE BIDDER/APPLICANT

Applicants should refer to instructions contained in paragraphs 4.1.1, 4.1.2 and 4.1.3.

4.3.2 FIELD 4: PRICE, APPLICATION QUANTITY & AMOUNT

(a) The Issuer may mention Price or Price band in the draft Prospectus. However a prospectus registered with RoC contains one price or coupon rate (as applicable).

(b) Minimum Application Value and Bid Lot: The Issuer in consultation with the Lead Manager to the Issue (LM) may decide the minimum number of Equity Shares for each Bid to ensure that the minimum application value is within the range of Rs. 10,000 to Rs.15,000. The minimum Lot size is accordingly determined by an Issuer on basis of such minimum application value.

(c) Applications by RIIs, Employees and Retail Individual Shareholders, must be for such number of shares so as to ensure that the application amount payable does not exceed Rs. 200,000.

(d) Applications by other investors must be for such minimum number of shares such that the application amount exceeds Rs. 200,000 and in multiples of such number of Equity Shares thereafter, as may be disclosed in the application form and the Prospectus, or as advertised by the Issuer, as the case may be.

(e) An application cannot be submitted for more than the Issue size.

(f) The maximum application by any Applicant should not exceed the investment limits prescribed for them under the applicable laws.

(g) Multiple Applications: An Applicant should submit only one Application Form. Submission of a second Application Form to either the same or to Collection Bank(s) or SCSB and duplicate copies of Application

Forms bearing the same application number shall be treated as multiple applications and are liable to be rejected.

(h) Applicants are requested to note the following procedures may be followed by the Registrar to the Issue to detect multiple applications:

i. All applications may be checked for common PAN as per the records of the Depository. For Applicants other than Mutual Funds and FII sub-accounts, Bids bearing the same PAN may be treated as multiple applications by a Bidder/Applicant and may be rejected.

ii. For applications from Mutual Funds and FII sub-accounts, submitted under the same PAN, as well as Bids on behalf of the PAN Exempted Applicants, the Application Forms may be checked for common DP ID and Client ID. In any such applications which have the same DP ID and Client ID, these may be treated as multiple applications and may be rejected.

(i) The following applications may not be treated as multiple Bids:

i. Applications by Reserved Categories in their respective reservation portion as well as that made by them in the Net Issue portion in public category.

ii. Separate applications by Mutual Funds in respect of more than one scheme of the Mutual Fund provided that the Applications clearly indicate the scheme for which the Bid has been made.

iii. Applications by Mutual Funds, and sub-accounts of FIIs (or FIIs and its sub-accounts) submitted with the same PAN but with different beneficiary account numbers, Client IDs and DP IDs.

4.3.3 FIELD NUMBER 5 : CATEGORY OF APPLICANTS

(a) The categories of applicants identified as per the SEBI ICDR Regulations, 2009 for the purpose of Bidding, allocation and allotment in the Issue are RIIs, individual applicants other than RII's and other investors (including corporate bodies or institutions, irrespective of the number of specified securities applied for).

(b) An Issuer can make reservation for certain categories of Applicants permitted under the SEBI ICDR Regulations, 2009. For details of any reservations made in the Issue, applicants may refer to the Prospectus.

(c) The SEBI ICDR Regulations, 2009 specify the allocation or allotment that may be made to various categories of applicants in an Issue depending upon compliance with the eligibility conditions. Details pertaining to allocation are disclosed on reverse side of the Revision Form. For Issue specific details in relation to allocation applicant may refer to the Prospectus.

4.3.4 FIELD NUMBER 6: INVESTOR STATUS

Applicants should refer to instructions contained in paragraphs 4.1.6.

4.3.5 FIELD 7: PAYMENT DETAILS

(a) All Applicants are required to make payment of the full Amount (net of any Discount, as applicable) along-with the Application Form. If the Discount is applicable in the Issue, the RIIs should indicate the full Amount in the Application Form and the payment shall be made for an Amount net of Discount. Only in cases where the Prospectus indicates that part payment may be made, such an option can be exercised by the Applicant.

(b) RIIs and/or Reserved Categories bidding in their respective reservation portion can Bid, either through the ASBA mechanism or the Non-ASBA Mechanism.

(c) Application Amount cannot be paid in cash, through money order or through postal order or through stock invest.

4.3.5.1 Instructions for non-ASBA Applicants:

(a) Non-ASBA Applicants may submit their Application Form with the Collection Bank(s).

(b) For Applications made through a Collection Bank(s): The Applicant may, with the submission of the Application Form, draw a cheque or demand draft for the Bid Amount in favor of the Escrow Account as specified under the Prospectus and the Application Form and submit the same to the escrow Collection Bank(s).

(c) If the cheque or demand draft accompanying the Application Form is not made favoring the Escrow Account, the form is liable to be rejected.

(d) Payments should be made by cheque, or demand draft drawn on any bank (including a co-operative bank), which is situated at, and is a member of or sub-member of the bankers' clearing house located at the centre where the Application Form is submitted. Cheques/bank drafts drawn on banks not participating in the clearing process may not be accepted and applications accompanied by such cheques or bank drafts are liable to be rejected.

(e) The Escrow Collection Banks shall maintain the monies in the Escrow Account for and on behalf of the Applicants until the Designated Date.

(f) Applicants are advised to provide the number of the Application Form and PAN on the reverse of the cheque or bank draft to avoid any possible misuse of instruments submitted.

4.3.5.2 Payment instructions for ASBA Applicants

(a) ASBA Applicants may submit the Application Form in physical mode to the Designated Branch of an SCSB where the Applicants have ASBA Account.

(b) ASBA Applicants may specify the Bank Account number in the Application Form. The Application Form submitted by an ASBA Applicant and which is accompanied by cash, demand draft, money order, postal order or any mode of payment other than blocked amounts in the ASBA Account maintained with an SCSB, may not be accepted.

(c) Applicants should ensure that the Application Form is also signed by the ASBA Account holder(s) if the Applicant is not the ASBA Account holder;

(d) Applicants shall note that for the purpose of blocking funds under ASBA facility clearly demarcated funds shall be available in the account.

(e) From one ASBA Account, a maximum of five Bids cum Application Forms can be submitted.

(f) ASBA Applicants bidding directly through the SCSBs should ensure that the Application Form is submitted to a Designated Branch of a SCSB where the ASBA Account is maintained.

(g) Upon receipt of the Application Form, the Designated Branch of the SCSB may verify if sufficient funds equal to the Application Amount are available in the ASBA Account, as mentioned in the Application Form.

(h) If sufficient funds are available in the ASBA Account, the SCSB may block an amount equivalent to the Application Amount mentioned in the Application Form and may upload the details on the Stock Exchange Platform.

(i) If sufficient funds are not available in the ASBA Account, the Designated Branch of the SCSB may not upload such Applications on the Stock Exchange platform and such Applications are liable to be rejected.

(j) Upon submission of a completed Application Form each ASBA Applicant may be deemed to have agreed to block the entire Application Amount and authorized the Designated Branch of the SCSB to block the Application Amount specified in the Application Form in the ASBA Account maintained with the SCSBs.

(k) The Application Amount may remain blocked in the aforesaid ASBA Account until finalisation of the Basis of allotment and consequent transfer of the Application Amount against the Allotted Equity Shares to the Public Issue Account, or until withdrawal or failure of the Issue, or until withdrawal or rejection of the Application, as the case may be.

(l) SCSBs applying in the Issue must apply through an ASBA Account maintained with any other SCSB; else their Applications are liable to be rejected.

4.3.5.3 Unblocking of ASBA Account

(a) Once the Basis of Allotment is approved by the Designated Stock Exchange, the Registrar to the Issue may provide the following details to the controlling branches of each SCSB, along with instructions to unblock the relevant bank accounts and for successful applications transfer the requisite money to the Public Issue Account designated for this purpose, within the specified timelines:

i. the number of Equity Shares to be Allotted against each Application,

ii. the amount to be transferred from the relevant bank account to the Public Issue Account, for each Application,

iii. the date by which funds referred to in (ii) above may be transferred to the Public Issue Account, and

iv. details of rejected ASBA Applications, if any, along with reasons for rejection and details of withdrawn or unsuccessful Applications, if any, to enable the SCSBs to unblock the respective bank accounts.

(b) On the basis of instructions from the Registrar to the Issue, the SCSBs may transfer the requisite amount against each successful ASBA Application to the Public Issue Account and may unblock the excess amount, if any, in the ASBA Account.

(c) In the event of withdrawal or rejection of the Application Form and for unsuccessful Applications, the Registrar to the Issue may give instructions to the SCSB to unblock the Application Amount in the relevant ASBA Account within 12 Working Days of the Issue Closing Date.

4.3.5.4 Discount (if applicable)

(a) The Discount is stated in absolute rupee terms.

(b) RIIs, Employees and Retail Individual Shareholders are only eligible for discount. For Discounts offered in the Issue, applicants may refer to the Prospectus.

(c) The Applicants entitled to the applicable Discount in the Issue may make payment for an amount i.e. the Application Amount less Discount (if applicable).

4.3.6 FIELD NUMBER 8: SIGNATURES AND OTHER AUTHORISATIONS & ACKNOWLEDGEMENT AND FUTURE COMMUNICATION

Applicants should refer to instructions contained in paragraphs 4.1.8 & 4.1.9.

4.4 SUBMISSION OF BID CUM APPLICATION FORM/ REVISION FORM/APPLICATION FORM

4.4.1 Bidders/Applicants may submit completed Bid-cum-application form/Revision Form in the following manner:-

Mode of Application	Submission of Bid cum Application Form
Non-ASBA Application	1) To members of the Syndicate at the Specified Locations mentioned in the Bid cum Application Form 2) To Registered Brokers
ASBA Application	(a) To members of the Syndicate in the Specified Locations or Registered Brokers at the Broker Centres (b) To the Designated branches of the SCSBs where the ASBA Account is maintained

(a) Bidders/Applicants should not submit the bid cum application forms/ Revision Form directly to the escrow collection banks. Bid cum Application Form/ Revision Form submitted to the escrow collection banks are liable for rejection.

(b) Bidders/Applicants should submit the Revision Form to the same member of the Syndicate, the Registered Broker or the SCSB through which such Bidder/Applicant had placed the original Bid.

(c) Upon submission of the Bid-cum-Application Form, the Bidder/Applicant will be deemed to have authorized the Issuer to make the necessary changes in the RHP and the Bid cum Application Form as would be required for filing Prospectus with the Registrar of Companies (RoC) and as would be required by the RoC after such filing, without prior or subsequent notice of such changes to the relevant Bidder/Applicant.

(d) Upon determination of the Issue Price and filing of the Prospectus with the RoC, the Bid-cum-Application Form will be considered as the application form.

SECTION 5: ISSUE PROCEDURE IN BOOK BUILT ISSUE

Book Building, in the context of the Issue, refers to the process of collection of Bids within the Price Band or above the Floor Price and determining the Issue Price based on the Bids received as detailed in Schedule XI of SEBI ICDR Regulations, 2009. The Issue Price is finalised after the Bid/Issue Closing Date. Valid Bids received at or above the Issue Price are considered for allocation in the Issue, subject to applicable regulations and other terms and conditions.

5.1 SUBMISSION OF BIDS

(a) During the Bid/Issue Period, ASBA Bidders/Applicants may approach the members of the Syndicate at the Specified Cities or any of the Registered Brokers or the Designated Branches to register their Bids. Non-ASBA Bidders/Applicants who are interested in subscribing for the Equity Shares should approach the members of the Syndicate or any of the Registered Brokers, to register their Bid.

(b) Non-ASBA Bidders/Applicants (RIIs, Employees and Retail Individual Shareholders) bidding at Cut-off Price may submit the Bid cum Application Form along with a cheque/demand draft for the Bid Amount less discount (if applicable) based on the Cap Price with the members of the Syndicate/ any of the Registered Brokers to register their Bid.

(c) In case of ASBA Bidders/Applicants (excluding NIIs and QIBs) bidding at Cut-off Price, the ASBA Bidders/Applicants may instruct the SCSBs to block Bid Amount based on the Cap Price less discount (if applicable). ASBA Bidders/Applicants may approach the members of the Syndicate or any of the Registered Brokers or the Designated Branches to register their Bids.

(d) For Details of the timing on acceptance and upload of Bids in the Stock Exchanges Platform Bidders/Applicants are requested to refer to the RHP.

5.2 ELECTRONIC REGISTRATION OF BIDS

(a) The Syndicate, the Registered Brokers and the SCSBs may register the Bids using the on-line facilities of the Stock Exchanges. The Syndicate, the Registered Brokers and the Designated Branches of the SCSBs can also set up facilities for off-line electronic registration of Bids, subject to the condition that they may subsequently upload the off-line data file into the on-line facilities for Book Building on a regular basis before the closure of the issue.

(b) On the Bid/Issue Closing Date, the Syndicate, the Registered Broker and the Designated Branches of the SCSBs may upload the Bids till such time as may be permitted by the Stock Exchanges.

(c) Only Bids that are uploaded on the Stock Exchanges Platform are considered for allocation/ Allotment. The members of the Syndicate, the Registered Brokers and the SCSBs are given up to one day after the Bid/Issue Closing Date to modify select fields uploaded in the Stock Exchange Platform during the Bid/Issue Period after which the Stock Exchange(s) send the bid information to the Registrar for validation of the electronic bid details with the Depository's records.

5.3 BUILD UP OF THE BOOK

(a) Bids received from various Bidders/Applicants through the Syndicate, Registered Brokers and the SCSBs may be electronically uploaded on the Bidding Platform of the Stock Exchanges' on a regular basis. The book gets built up at various price levels. This information may be available with the GCBRLMs at the end of the Bid/Issue Period.

(b) Based on the aggregate demand and price for Bids registered on the Stock Exchanges Platform, a graphical representation of consolidated demand and price as available on the websites of the Stock Exchanges may be made available at the bidding centres during the Bid/Issue Period.

5.4 WITHDRAWAL OF BIDS

(a) RIIs can withdraw their Bids until finalization of Basis of Allotment. In case a RII applying through the ASBA process wishes to withdraw the Bid during the Bid/Issue Period, the same can be done by submitting a request for the same to the concerned SCSB or the Syndicate Member or the Registered Broker, as applicable, who shall do the requisite, including unblocking of the funds by the SCSB in the ASBA Account.

(b) In case a RII wishes to withdraw the Bid after the Bid/Issue Period, the same can be done by submitting a withdrawal request to the Registrar to the Issue until finalization of Basis of Allotment. The Registrar to the Issue shall give instruction to the SCSB for unblocking the ASBA Account on the Designated Date. QIBs and NIIs can neither withdraw nor lower the size of their Bids at any stage.

5.5 REJECTION & RESPONSIBILITY FOR UPLOAD OF BIDS

(a) The members of the Syndicate, the Registered Broker and/or SCSBs are individually responsible for the acts, mistakes or errors or omission in relation to

i. the Bids accepted by the members of the Syndicate, the Registered Broker and the SCSBs,

ii. the Bids uploaded by the members of the Syndicate, the Registered Broker and the SCSBs,

iii. the Bid cum application forms accepted but not uploaded by the members of the Syndicate, the Registered Broker and the SCSBs, or

iv. With respect to Bids by ASBA Bidders/Applicants, Bids accepted and uploaded by SCSBs without blocking funds in the ASBA Accounts. It may be presumed that for Bids uploaded by the SCSBs, the Bid Amount has been blocked in the relevant Account.

(b) The GCBRLMs and their affiliate Syndicate Members, as the case may be, may reject Bids if all the information required is not provided and the Bid cum Application Form is incomplete in any respect.

(c) The SCSBs shall have no right to reject Bids, except in case of unavailability of adequate funds in the ASBA account or on technical grounds.

(d) In case of QIB Bidders, only the (i) SCSBs (for Bids other than the Bids by Anchor Investors); and (ii) GCBRLMs and their affiliate Syndicate Members (only in the specified locations) have the right to reject bids. However, such rejection shall be made at the time of receiving the Bid and only after assigning a reason for such rejection in writing.

(e) All bids by QIBs, NIIs & RIIs Bids can be rejected on technical grounds listed herein.

5.5.1 GROUNDS FOR TECHNICAL REJECTIONS

Bid cum Application Forms/Application Form can be rejected on the below mentioned technical grounds either at the time of their submission to the (i) authorised agents of the GCBRLMs, (ii) Registered Brokers, or (iii) SCSBs, or (iv) Collection Bank(s), or at the time of finalisation of the Basis of Allotment. Bidders/Applicants are advised to note that the Bids/Applications are liable to be rejected, inter-alia, on the following grounds, which have been detailed at various placed in this GID:-

(a) Bid/Application by persons not competent to contract under the Indian Contract Act, 1872, as amended, (other than minors having valid Depository Account as per Demographic Details provided by Depositories);

(b) Bids/Applications by OCBs; and

(c) In case of partnership firms, Bid/Application for Equity Shares made in the name of the firm. However, a limited liability partnership can apply in its own name;

(d) In case of Bids/Applications under power of attorney or by limited companies, corporate, trust etc., relevant documents are not being submitted along with the Bid cum application form/Application Form;

(e) Bids/Applications by persons prohibited from buying, selling or dealing in the shares directly or indirectly by SEBI or any other regulatory authority;

(f) Bids/Applications by any person outside India if not in compliance with applicable foreign and Indian laws;

(g) DP ID and Client ID not mentioned in the Bid cum Application Form/Application Form;

(h) PAN not mentioned in the Bid cum Application Form/Application Form except for Bids/Applications by or on behalf of the Central or State Government and officials appointed by the court and by the investors residing in the State of Sikkim, provided such claims have been verified by the Depository Participant;

(i) In case no corresponding record is available with the Depositories that matches the DP ID, the Client ID and the PAN;

(j) Bids/Applications for lower number of Equity Shares than the minimum specified for that category of investors;

(k) Bids/Applications at a price less than the Floor Price & Bids/Applications at a price more than the Cap Price;

(l) Bids/Applications at Cut-off Price by NIIs and QIBs;

(m) Amount paid does not tally with the amount payable for the highest value of Equity Shares Bid for. With respect to Bids/Applications by ASBA Bidders, the amounts mentioned in the Bid cum Application

Form/Application Form does not tally with the amount payable for the value of the Equity Shares Bid/Applied for;

(n) Bids/Applications for amounts greater than the maximum permissible amounts prescribed by the regulations;

(o) In relation to ASBA Bids/Applications, submission of more than five Bid cum Application Forms/Application Form as per ASBA Account;

(p) Bids/Applications for a Bid/Application Amount of more than Rs. 200,000 by RIIs by applying through non-ASBA process;

(q) Bids/Applications for number of Equity Shares which are not in multiples Equity Shares which are not in multiples as specified in the RHP;

(r) Multiple Bids/Applications as defined in this GID and the RHP/Prospectus;

(s) Bid cum Application Forms/Application Forms are not delivered by the Bidders/Applicants within the time prescribed as per the Bid cum Application Forms/Application Form, Bid/Issue Opening Date advertisement and as per the instructions in the RHP and the Bid cum Application Forms;

(t) With respect to ASBA Bids/Applications, inadequate funds in the bank account to block the Bid/Application Amount specified in the Bid cum Application Form/ Application Form at the time of blocking such Bid/Application Amount in the bank account;

(u) Bids/Applications where sufficient funds are not available in Escrow Accounts as per final certificate from the Escrow Collection Banks;

(v) With respect to ASBA Bids/Applications, where no confirmation is received from SCSB for blocking of funds;

(w) Bids/Applications by QIBs (other than Anchor Investors) and Non Institutional Bidders not submitted through ASBA process or Bids/Applications by QIBs (other than Anchor Investors) and Non Institutional Bidders accompanied with cheque(s) or demand draft(s);

(x) ASBA Bids/Applications submitted to a GCBRLM at locations other than the Specified Cities and Bid cum Application Forms/Application Forms, under the ASBA process, submitted to the Escrow Collecting Banks (assuming that such bank is not a SCSB where the ASBA Account is maintained), to the issuer or the Registrar to the Issue;

(y) Bids/Applications not uploaded on the terminals of the Stock Exchanges;

(z) Bids/Applications by SCSBs wherein a separate account in its own name held with any other SCSB is not mentioned as the ASBA Account in the Bid cum Application Form/Application Form.

5.6 BASIS OF ALLOCATION

(a) The SEBI ICDR Regulations, 2009 specify the allocation or Allotment that may be made to various categories of Bidders/Applicants in an Issue depending on compliance with the eligibility conditions. Certain details pertaining to the percentage of Issue size available for allocation to each category is disclosed overleaf of the Bid cum Application Form and in the RHP/Prospectus. For details in relation to allocation, the Bidder/Applicant may refer to the RHP/Prospectus.

(b) Under-subscription in Retail category is allowed to be met with spill-over from any other category or combination of categories at the discretion of the Issuer and in consultation with the GCBRLMs and the Designated Stock Exchange and in accordance with the SEBI ICDR Regulations, 2009. Unsubscribed portion in QIB category is not available for subscription to other categories.

(c) In case of under subscription in the Net Issue, spill-over to the extent of such under-subscription may be permitted from the Reserved Portion to the Net Issue. For allocation in the event of an under-subscription applicable to the Issuer, Bidders/Applicants may refer to the RHP.

(d) Illustration of the Book Building and Price Discovery Process

Bidders should note that this example is solely for illustrative purposes and is not specific to the Issue; it also excludes bidding by Anchor Investors.

Bidders can bid at any price within the Price Band. For instance, assume a Price Band of Rs. 20 to Rs. 24 per share, Issue size of 3,000 Equity Shares and receipt of five Bids from Bidders, details of which are shown in the table below. The illustrative book given below shows the demand for the Equity Shares of the Issuer at various prices and is collated from Bids received from various investors.

Bid Quantity	Bid Amount (Rs.)	Cumulative Quantity	Subscription
500	24	500	16.67%
1,000	23	1,500	50.00%
1,500	22	3,000	100.00%
2,000	21	5,000	166.67%
2,500	20	7,500	250.00%

The price discovery is a function of demand at various prices. The highest price at which the Issuer is able to Issue the desired number of Equity Shares is the price at which the book cuts off, i.e., Rs. 22.00 in the above example. The Issuer, in consultation with the GCBRLMs, may finalise the Issue Price at or below such Cut-Off Price, i.e., at or below Rs. 22.00. All Bids at or above this Issue Price and cut-off Bids are valid Bids and are considered for allocation in the respective categories.

(e) Alternate Method of Book Building
In case of FPOs, Issuers may opt for an alternate method of Book Building in which only the Floor Price is specified for the purposes of bidding ("**Alternate Book Building Process**").

The Issuer may specify the Floor Price in the RHP or advertise the Floor Price at least one Working Day prior to the Bid/Issue Opening Date. QIBs may Bid at a price higher than the Floor Price and the Allotment to the QIBs is made on a price priority basis. The Bidder with the highest Bid Amount is allotted the number of Equity Shares Bid for and then the second highest Bidder is Allotted Equity Shares and this process continues until all the Equity Shares have been allotted. RIIs, NIIs and Employees are Allotted Equity Shares at the Floor Price and allotment to these categories of Bidders is made proportionately. If the number of Equity Shares Bid for at a price is more than available quantity then the allotment may be done on a proportionate basis. Further, the Issuer may place a cap either in terms of number of specified securities or percentage of issued capital of the Issuer that may be allotted to a single Bidder, decide whether a Bidder be allowed to revise the bid upwards or downwards in terms of price and/or quantity and also decide whether a Bidder be allowed single or multiple bids.

SECTION 6: ISSUE PROCEDURE IN FIXED PRICE ISSUE

Applicants may note that there is no Bid cum Application Form in a Fixed Price Issue. As the Issue Price is mentioned in the Fixed Price Issue therefore on filing of the Prospectus with the RoC, the Application so submitted is considered as the application form.

Applicants may only use the specified Application Form for the purpose of making an Application in terms of the Prospectus which may be submitted through Syndicate Members/SCSB and/or Bankers to the Issue or Registered Broker.

ASBA Applicants may submit an Application Form either in physical form to the Syndicate Members or Registered Brokers or the Designated Branches of the SCSBs or in the electronic form to the SCSB or the Designated Branches of the SCSBs authorising blocking of funds that are available in the bank account specified in the Application Form only ("**ASBA Account**"). The Application Form is also made available on the websites of the Stock Exchanges at least one day prior to the Bid/Issue Opening Date.

In a fixed price Issue, allocation in the net offer to the public category is made as follows: minimum fifty per cent to Retail Individual Investors; and remaining to (i) individual investors other than Retail Individual Investors; and (ii) other Applicants including corporate bodies or institutions, irrespective of the number of specified securities applied for. The unsubscribed portion in either of the categories specified above may be allocated to the Applicants in the other category.

For details of instructions in relation to the Application Form, Bidders/Applicants may refer to the relevant section of the GID.

SECTION 7: ALLOTMENT PROCEDURE AND BASIS OF ALLOTMENT

The allotment of Equity Shares to Bidders/Applicants other than Retail Individual Investors and Anchor Investors may be on proportionate basis. For Basis of Allotment to Anchor Investors, Bidders/Applicants may refer to RHP/Prospectus. No Retail Individual Investor is will be allotted less than the minimum Bid Lot subject to availability of shares in Retail Individual Investor Category and the remaining available shares, if any will be allotted on a proportionate basis. The Issuer is required to receive a minimum subscription of 90% of the Issue (excluding any Offer for Sale of specified securities). However, in case the Issue is in the nature of Offer for Sale only, then minimum subscription may not be applicable.

7.1 ALLOTMENT TO RIIs

Bids received from the RIIs at or above the Issue Price may be grouped together to determine the total demand under this category. If the aggregate demand in this category is less than or equal to the Retail Category at or above the Issue Price, full Allotment may be made to the RIIs to the extent of the valid Bids. If the aggregate demand in this category is greater than the allocation to in the Retail Category at or above the Issue Price, then the maximum number of RIIs who can be Allotted the minimum Bid Lot will be computed by dividing the total number of Equity Shares available for Allotment to RIIs by the minimum Bid Lot ("**Maximum RII Allottees**"). The Allotment to the RIIs will then be made in the following manner:

(a) In the event the number of RIIs who have submitted valid Bids in the Issue is equal to or less than Maximum RII Allottees, (i) all such RIIs shall be Allotted the minimum Bid Lot; and (ii) the balance available Equity Shares, if any, remaining in the Retail Category shall be Allotted on a proportionate basis to the RIIs who have received Allotment as per (i) above for the balance demand of the Equity Shares Bid by them (i.e. who have Bid for more than the minimum Bid Lot).

(b) In the event the number of RIIs who have submitted valid Bids in the Issue is more than Maximum RII Allottees, the RIIs (in that category) who will then be allotted minimum Bid Lot shall be determined on the basis of draw of lots.

7.2 ALLOTMENT TO NIIs

Bids received from NIIs at or above the Issue Price may be grouped together to determine the total demand under this category. The allotment to all successful NIIs may be made at or above the Issue Price. If the aggregate demand in this category is less than or equal to the Non-Institutional Category at or above the Issue Price, full allotment may be made to NIIs to the extent of their demand. In case the aggregate demand in this category is greater than the Non-Institutional Category at or above the Issue Price, allotment may be made on a proportionate basis up to a minimum of the Non-Institutional Category.

7.3 ALLOTMENT TO QIBs

For the Basis of Allotment to Anchor Investors, Bidders/Applicants may refer to the SEBI ICDR Regulations, 2009 or RHP/Prospectus. Bids received from QIBs bidding in the QIB Category (net of Anchor Portion) at or above the Issue Price may be grouped together to determine the total demand under this category. The QIB Category may be available for allotment to QIBs who have Bid at a price that is equal to or greater than the Issue Price. Allotment may be undertaken in the following manner:

(a) In the first instance allocation to Mutual Funds for up to 5% of the QIB Category may be determined as follows: (i) In the event that Bids by Mutual Fund exceeds 5% of the QIB Category, allocation to Mutual Funds may be done on a proportionate basis for up to 5% of the QIB Category; (ii) In the event that the aggregate demand from Mutual Funds is less than 5% of the QIB Category then all Mutual Funds may get full allotment to the extent of valid Bids received above the Issue Price; and (iii) Equity Shares remaining unsubscribed, if any and not allocated to Mutual Funds may be available for allotment to all QIBs as set out at paragraph 7.4(b) below;

(b) In the second instance, allotment to all QIBs may be determined as follows: (i) In the event of oversubscription in the QIB Category, all QIBs who have submitted Bids above the Issue Price may be Allotted Equity Shares on a proportionate basis for up to 95% of the QIB Category; (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 QIBs; and (iii) Under-subscription below 5% of the QIB Category, if any, from Mutual Funds, may be included for allocation to the remaining QIBs on a proportionate basis.

7.4 ALLOTMENT TO ANCHOR INVESTOR (IF APPLICABLE)

(a) Allocation of Equity Shares to Anchor Investors at the Anchor Investor Issue Price will be at the discretion of the issuer subject to compliance with the following requirements:

   i. not more than 60% of the QIB Portion will be allocated to Anchor Investors;

   ii. one-third of the Anchor Investor Portion shall be reserved for domestic Mutual Funds, subject to valid Bids being received from domestic Mutual Funds at or above the price at which allocation is being done to other Anchor Investors; and

   iii. allocation to Anchor Investors shall be on a discretionary basis and subject to:

      - a maximum number of two Anchor Investors for allocation up to Rs.10 crores;

      - a minimum number of two Anchor Investors and maximum number of 15 Anchor Investors for allocation of more than Rs.10 crores and up to Rs.250 crores subject to minimum allotment of Rs. 5 crores per such Anchor Investor; and

      - a minimum number of five Anchor Investors and maximum number of 25 Anchor Investors for allocation of more than Rs. 250 crores subject to minimum allotment of Rs. 5 crores per such Anchor Investor.

(b) A physical book is prepared by the Registrar on the basis of the Bid cum Application Forms received from Anchor Investors. Based on the physical book and at the discretion of the issuer in consultation with the GCBRLMs, selected Anchor Investors will be sent a CAN and if required, a revised CAN.

(c) In the event that the Issue Price is higher than the Anchor Investor Issue Price: Anchor Investors will be sent a revised CAN within one day of the Pricing Date indicating the number of Equity Shares allocated to such Anchor Investor and the pay-in date for payment of the balance amount. Anchor Investors are then required to pay any additional amounts, being the difference between the Issue Price and the Anchor Investor Issue Price, as indicated in the revised CAN within the pay-in date referred to in the revised CAN. Thereafter, the Allotment Advice will be issued to such Anchor Investors.

(d) In the event the Issue Price is lower than the Anchor Investor Issue Price: Anchor Investors who have been Allotted Equity Shares will directly receive Allotment Advice.

7.5 BASIS OF ALLOTMENT FOR QIBs (OTHER THAN ANCHOR INVESTORS), NIIs AND RESERVED CATEGORY IN CASE OF OVER-SUBSCRIBED ISSUE

In the event of the Issue being over-subscribed, the Issuer may finalise the Basis of Allotment in consultation with the Designated Stock Exchange in accordance with the SEBI ICDR Regulations, 2009.

The allocation may be made in marketable lots, on a proportionate basis as explained below:

(a) Bidders may 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 may 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) The number of Equity Shares to be Allotted to the successful Bidders may 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 the minimum bid lot decided per Bidder, the allotment may be made as follows: the successful Bidders out of the total Bidders for a category may be determined by a draw of lots in a manner such that the total number of Equity Shares Allotted in that category is equal to the number of Equity Shares calculated in accordance with (b) above; and each successful Bidder may be Allotted a minimum of such Equity Shares equal to the minimum Bid Lot finalised by the Issuer;

(e) If the proportionate allotment to a Bidder is a number that is more than the minimum Bid lot but is not a multiple of one (which is the marketable lot), the decimal may be rounded off to the higher whole number if that decimal is 0.5 or higher. If that number is lower than 0.5 it may be rounded off to the lower whole number. Allotment to all bidders in such categories may be arrived at after such rounding off; and

(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 may be first adjusted against any other category, where the Allotted Equity Shares are not sufficient for proportionate allotment to the successful Bidders in that category. The balance Equity Shares, if any, remaining after such adjustment may be added to the category comprising Bidders applying for minimum number of Equity Shares.

7.6 DESIGNATED DATE AND ALLOTMENT OF EQUITY SHARES

(a) **Designated Date**: On the Designated Date, the Escrow Collection Banks shall transfer the funds represented by allocation of Equity Shares (other than ASBA funds with the SCSBs) from the Escrow Account, as per the terms of the Escrow Agreement, into the Public Issue Account with the Bankers to the Issue. The balance amount after transfer to the Public Issue Account shall be transferred to the Refund Account. Payments of refund to the Bidders shall also be made from the Refund Account as per the terms of the Escrow Agreement and the RHP.

(b) **Issuance of Allotment Advice**: Upon approval of the Basis of Allotment by the Designated Stock Exchange, the Registrar shall upload the same on its website. On the basis of the approved Basis of Allotment, the Issuer shall pass necessary corporate action to facilitate the Allotment and credit of Equity Shares. Bidders/Applicants are advised to instruct their Depository Participant to accept the Equity Shares that may be allotted to them pursuant to the Issue.

Pursuant to confirmation of such corporate actions, the Registrar will dispatch Allotment Advice to the Bidders/Applicants who have been Allotted Equity Shares in the Issue.

(c) The dispatch of Allotment Advice shall be deemed a valid, binding and irrevocable contract.

(d) Issuer will ensure that: (i) the Allotment of Equity Shares; and (ii) credit of shares to the successful Bidders/Applicants Depository Account will be completed within 12 Working Days of the Bid/ Issue Closing

Date. The Issuer also ensures the credit of shares to the successful Applicant's depository account is completed within two Working Days from the date of Allotment, after the funds are transferred from the Escrow Account to the Public Issue Account on the Designated Date.

SECTION 8: INTEREST AND REFUNDS

8.1 COMPLETION OF FORMALITIES FOR LISTING & COMMENCEMENT OF TRADING

The Issuer may ensure that all steps for the completion of the necessary formalities for listing and commencement of trading at all the Stock Exchanges are taken within 12 Working Days of the Bid/Issue Closing Date. The Registrar to the Issue may give instructions for credit to Equity Shares the beneficiary account with DPs, and dispatch the Allotment Advice within 12 Working Days of the Bid/Issue Closing Date.

8.2 GROUNDS FOR REFUND

8.2.1 NON RECEIPT OF LISTING PERMISSION

An Issuer makes an application to the Stock Exchange(s) for permission to deal in/list and for an official quotation of the Equity Shares. All the Stock Exchanges from where such permission is sought are disclosed in RHP/Prospectus. The Designated Stock Exchange may be as disclosed in the RHP/Prospectus with which the Basis of Allotment may be finalised.

If the Issuer fails to make application to the Stock Exchange(s) and obtain permission for listing of the Equity Shares, in accordance with the provisions of Section 40 of the Companies Act, 2013, the Issuer may be punishable with a fine which shall not be less than Rs. 5 lakhs but which may extend to Rs. 50 lakhs and every officer of the Issuer who is in default shall be punishable with imprisonment for a term which may extend to one year or with fine which shall not be less than Rs. 50,000 but which may extend to Rs. 3 lakhs, or with both.

If the permissions to deal in and for an official quotation of the Equity Shares are not granted by any of the Stock Exchange(s), the Issuer may forthwith repay, without interest, all moneys received from the Bidders/Applicants in pursuance of the RHP/Prospectus.

If such money is not repaid within the prescribed time after the Issuer becomes liable to repay it, then the Issuer and every director of the Issuer who is an officer in default may, on and from such expiry of such period, be liable to repay the money, with interest at such rate, as disclosed in the RHP/Prospectus.

8.2.2 NON RECEIPT OF MINIMUM SUBSCIPTION

If the Issuer does not receive a minimum subscription of 90% of the Net Issue (excluding any offer for sale of specified securities), including devolvement to the Underwriters, within 60 days from the Bid/Issue Closing Date, the Issuer may forthwith, without interest refund the entire subscription amount received. In case the Issue is in the nature of Offer for Sale only, then minimum subscription may not be applicable.

If there is a delay beyond the prescribed time, then the Issuer and every director of the Issuer who is an officer in default may be liable to repay the money, with interest at the rate of 15% per annum.

8.2.3 MINIMUM NUMBER OF ALLOTTEES

The Issuer may ensure that the number of prospective Allottees to whom Equity Shares may be allotted may not be less than 1,000 failing which the entire application monies may be refunded forthwith.

8.2.4 IN CASE OF ISSUES MADE UNDER COMPULSORY BOOK BUILDING

In case an Issuer not eligible under Regulation 26(1) of the SEBI ICDR Regulations, 2009 comes for an Issue under Regulation 26(2) of SEBI (ICDR) Regulations, 2009 but fails to allot at least 75% of the Net Issue to QIBs, in such case full subscription money is to be refunded.

8.3 MODE OF REFUND

(a) In case of ASBA Bids/Applications: Within 12 Working Days of the Bid/Issue Closing Date, the Registrar to the Issue may give instructions to SCSBs for unblocking the amount in ASBA Account on unsuccessful Bid/Application and also for any excess amount blocked on Bidding/Application.

(b) In case of Non-ASBA Bid/Applications: Within 12 Working Days of the Bid/Issue Closing Date, the Registrar to the Issue may dispatch the refund orders for all amounts payable to unsuccessful Bidders/Applicants and also for any excess amount paid on Bidding/Application, after adjusting for allocation/ allotment to Bidders/Applicants.

(c) In case of non-ASBA Bidders/Applicants, the Registrar to the Issue may obtain from the depositories the Bidders/Applicants' bank account details, including the MICR code, on the basis of the DP ID, Client ID and PAN provided by the Bidders/Applicants in their Bid cum Application Forms for refunds. Accordingly, Bidders/Applicants are advised to immediately update their details as appearing on the records of their DPs. Failure to do so may result in delays in dispatch of refund orders or refunds through electronic transfer of funds, as applicable, and any such delay may be at the Bidders/Applicants' sole risk and neither the Issuer, the Registrar to the Issue, the Escrow Collection Banks, or the Syndicate, may be liable to compensate the Bidders/Applicants for any losses caused to them due to any such delay, or liable to pay any interest for such delay. Please note that refunds shall be credited only to the bank account from which the Bid Amount was remitted to the Escrow Bank.

(d) In the case of Bids from Eligible NRIs, FIIs and FPIs, refunds, if any, may generally be payable in Indian Rupees only and net of bank charges and/or commission. If so desired, such payments in Indian Rupees may be converted into U.S. Dollars or any other freely convertible currency as may be permitted by the RBI at the rate of exchange prevailing at the time of remittance and may be dispatched by registered post. The Issuer may not be responsible for loss, if any, incurred by the Bidder/Applicant on account of conversion of foreign currency.

8.3.1 Mode of making refunds for Bidders/Applicants other than ASBA Bidders/Applicants

The payment of refund, if any, may be done through various modes as mentioned below:

(a) **NECS—**Payment of refund may be done through NECS for Bidders/Applicants having an account at any of the centers specified by the RBI. This mode of payment of refunds may be subject to availability of complete bank account details including the nine-digit MICR code of the Bidder/Applicant as obtained from the Depository;

(b) **NEFT—**Payment of refund may be undertaken through NEFT wherever the branch of the Bidders/Applicants' bank is NEFT enabled and has been assigned the Indian Financial System Code ("**IFSC**"), which can be linked to the MICR of that particular branch. The IFSC Code may be obtained from the website of RBI as at a date prior to the date of payment of refund, duly mapped with MICR numbers. Wherever the Bidders/Applicants have registered their nine-digit MICR number and their bank account number while opening and operating the demat account, the same may be duly mapped with the IFSC Code of that particular bank branch and the payment of refund may be made to the Bidders/Applicants through this method. In the event NEFT is not operationally feasible, the payment of refunds may be made through any one of the other modes as discussed in this section;

(c) **Direct Credit—**Bidders/Applicants having their bank account with the Refund Banker may be eligible to receive refunds, if any, through direct credit to such bank account;

(d) **RTGS—**Bidders/Applicants having a bank account at any of the centers notified by SEBI where clearing houses are managed by the RBI, may have the option to receive refunds, if any, through RTGS; and

(e) For all the other Bidders/Applicants, including Bidders/Applicants who have not updated their bank particulars along with the nine-digit MICR code, the refund orders may be dispatched through speed post or registered post for refund orders. Such refunds may be made by cheques, pay orders or demand drafts drawn on the Refund Bank and payable at par at places where Bids are received.

Please note that refunds through the abovementioned modes shall be credited only to the bank account from which the Bid Amount was remitted to the Escrow Bank.

For details of levy of charges, if any, for any of the above methods, Bank charges, if any, for cashing such cheques, pay orders or demand drafts at other centers etc. Bidders/Applicants may refer to RHP/Prospectus.

8.3.2 Mode of making refunds for ASBA Bidders/Applicants

In case of ASBA Bidders/Applicants, the Registrar to the Issue may instruct the controlling branch of the SCSB to unblock the funds in the relevant ASBA Account for any withdrawn, rejected or unsuccessful ASBA Bids or in the event of withdrawal or failure of the Issue.

8.4 INTEREST IN CASE OF DELAY IN ALLOTMENT OR REFUND

The Issuer may pay interest at the rate of 15% per annum if 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 Bidders/Applicants or instructions for unblocking of funds in the ASBA Account are not dispatched within the 12 Working days of the Bid/Issue Closing Date.

The Issuer may pay interest at 15% per annum for any delay beyond 15 days from the Bid/ Issue Closing Date, if Allotment is not made.

SECTION 9: GLOSSARY AND ABBREVIATIONS

Unless the context otherwise indicates or implies, certain definitions and abbreviations used in this document may have the meaning as provided below. References to any legislation, act or regulation may be to such legislation, act or regulation as amended from time to time.

Term	Description
Allotment/Allot/ Allotted	The allotment of Equity Shares pursuant to the Issue to successful Bidders/Applicants
Allottee	An Bidder/Applicant to whom the Equity Shares are Allotted
Allotment Advice	Note or advice or intimation of Allotment sent to the Bidders/Applicants who have been allotted Equity Shares after the Basis of Allotment has been approved by the designated Stock Exchanges
Anchor Investor	A Qualified Institutional Buyer, applying under the Anchor Investor Portion in accordance with the requirements specified in SEBI ICDR Regulations, 2009.
Anchor Investor Portion	Up to 60% of the QIB Category which may be allocated by the Issuer in consultation with the GCBRLMs, to Anchor Investors on a discretionary basis. One-third of the Anchor Investor Portion is reserved for domestic Mutual Funds, subject to valid Bids being received from domestic Mutual Funds at or above the price at which allocation is being done to Anchor Investors
Application Form	The form in terms of which the Applicant should make an application for Allotment in case of issues other than Book Built Issues, includes Fixed Price Issue
Application Supported by Blocked Amount/ (ASBA)/ASBA	An application, whether physical or electronic, used by Bidders/Applicants to make a Bid authorising an SCSB to block the Bid Amount in the specified bank account maintained with such SCSB
ASBA Account	Account maintained with an SCSB which may be blocked by such SCSB to the extent of the Bid Amount of the ASBA Bidder/Applicant
ASBA Bid	A Bid made by an ASBA Bidder
ASBA Bidder/Applicant	Prospective Bidders/Applicants in the Issue who Bid/apply through ASBA
Banker(s) to the	The banks which are clearing members and registered with SEBI as Banker to the Issue

Term	Description
Issue/ Escrow Collection Bank(s)/Collecting Banker	with whom the Escrow Account(s) may be opened, and as disclosed in the RHP/Prospectus and Bid cum Application Form of the Issuer
Basis of Allotment	The basis on which the Equity Shares may be Allotted to successful Bidders/Applicants under the Issue
Bid	An indication to make an offer during the Bid/Issue Period by a prospective Bidder pursuant to submission of Bid cum Application Form or during the Anchor Investor Bid/Issue Period by the Anchor Investors, to subscribe for or purchase the Equity Shares of the Issuer at a price within the Price Band, including all revisions and modifications thereto. In case of issues undertaken through the fixed price process, all references to a Bid should be construed to mean an Application
Bid/Issue Closing Date	The date after which the Syndicate, Registered Brokers and the SCSBs may not accept any Bids for the Issue, which may be notified in an English national daily, a Hindi national daily and a regional language newspaper at the place where the registered office of the Issuer is situated, each with wide circulation. Applicants/bidders may refer to the RHP/Prospectus for the Bid/ Issue Closing Date
Bid/Issue Opening Date	The date on which the Syndicate and the SCSBs may start accepting Bids for the Issue, which may be the date notified in an English national daily, a Hindi national daily and a regional language newspaper at the place where the registered office of the Issuer is situated, each with wide circulation. Applicants/bidders may refer to the RHP/Prospectus for the Bid/ Issue Opening Date
Bid/Issue Period	Except in the case of Anchor Investors (if applicable), the period between the Bid/Issue Opening Date and the Bid/Issue Closing Date inclusive of both days and during which prospective Bidders/Applicants (other than Anchor Investors) can submit their Bids, inclusive of any revisions thereof. The Issuer may consider closing the Bid/ Issue Period for QIBs one working day prior to the Bid/Issue Closing Date in accordance with the SEBI ICDR Regulations, 2009. Applicants/bidders may refer to the RHP/Prospectus for the Bid/ Issue Period
Bid Amount	The highest value of the optional Bids indicated in the Bid cum Application Form and payable by the Bidder/Applicant upon submission of the Bid (except for Anchor Investors), less discounts (if applicable). In case of issues undertaken through the fixed price process, all references to the Bid Amount should be construed to mean the Application Amount
Bid cum Application Form	The form in terms of which the Bidder/Applicant should make an offer to subscribe for or purchase the Equity Shares and which may be considered as the application for Allotment for the purposes of the Prospectus, whether applying through the ASBA or otherwise. In case of issues undertaken through the fixed price process, all references to the Bid cum Application Form should be construed to mean the Application Form
Bidder/Applicant	Any prospective investor (including an ASBA Bidder/Applicant) who makes a Bid pursuant to the terms of the RHP/Prospectus and the Bid cum Application Form. In case of issues undertaken through the fixed price process, all references to a Bidder/Applicant should be construed to mean an Bidder/Applicant
Book Built Process/ Book Building Process/ Book Building Method	The book building process as provided under SEBI ICDR Regulations, 2009, in terms of which the Issue is being made
Broker Centres	Broker centres notified by the Stock Exchanges, where Bidders/Applicants can submit the Bid cum Application Forms/Application Form to a Registered Broker. The details of such broker centres, along with the names and contact details of the Registered Brokers are available on the websites of the Stock Exchanges.
BRLM(s)/ Book Running Lead Manager(s)/Lead	The Book Running Lead Manager to the Issue as disclosed in the RHP/Prospectus and the Bid cum Application Form of the Issuer. In case of issues undertaken through the fixed price process, all references to the Book Running Lead Manager should be

Term	Description
Manager/ LM	construed to mean the Lead Manager or LM
Business Day	Monday to Friday (except public holidays)
CAN/Confirmation of Allotment Note	The note or advice or intimation sent to each successful Bidder/Applicant indicating the Equity Shares which may be Allotted, after approval of Basis of Allotment by the Designated Stock Exchange
Cap Price	The higher end of the Price Band, above which the Issue Price and the Anchor Investor Issue Price may not be finalised and above which no Bids may be accepted
Client ID	Client Identification Number maintained with one of the Depositories in relation to demat account
Companies Act	The Companies Act, 1956
Cut-off Price	Issue Price, finalised by the Issuer in consultation with the Book Running Lead Manager(s), which can be any price within the Price Band. Only RIIs, Retail Individual Shareholders and employees are entitled to Bid at the Cut-off Price. No other category of Bidders/Applicants are entitled to Bid at the Cut-off Price
DP	Depository Participant
DP ID	Depository Participant's Identification Number
Depositories	National Securities Depository Limited and Central Depository Services (India) Limited
Demographic Details	Details of the Bidders/Applicants including the Bidder/Applicant's address, name of the Applicant's father/husband, investor status, occupation and bank account details
Designated Branches	Such branches of the SCSBs which may collect the Bid cum Application Forms used by the ASBA Bidders/Applicants applying through the ASBA and a list of which is available on http://www.sebi.gov.in/cms/sebi_data/attachdocs/1316087201341.html
Designated Date	The date on which funds are transferred by the Escrow Collection Bank(s) from the Escrow Account or the amounts blocked by the SCSBs are transferred from the ASBA Accounts, as the case may be, to the Public Issue Account or the Refund Account, as appropriate, after the Prospectus is filed with the RoC, following which the board of directors may Allot Equity Shares to successful Bidders/Applicants in the fresh Issue may give delivery instructions for the transfer of the Equity Shares constituting the Offer for Sale
Designated Stock Exchange	The designated stock exchange as disclosed in the RHP/Prospectus of the Issuer
Discount	Discount to the Issue Price that may be provided to Bidders/Applicants in accordance with the SEBI ICDR Regulations, 2009.
Draft Prospectus	The draft prospectus filed with SEBI in case of Fixed Price Issues and which may mention a price or a Price Band
Employees	Employees of an Issuer as defined under SEBI ICDR Regulations, 2009 and including, in case of a new company, persons in the permanent and full time employment of the promoting companies excluding the promoters and immediate relatives of the promoter. For further details Bidder/Applicant may refer to the RHP/Prospectus
Equity Shares	Equity shares of the Issuer
Escrow Account	Account opened with the Escrow Collection Bank(s) and in whose favour the Bidders/Applicants (excluding the ASBA Bidders/Applicants) may Issue cheques or drafts in respect of the Bid Amount when submitting a Bid
Escrow Agreement	Agreement to be entered into among the Issuer, the Registrar to the Issue, the Book Running Lead Manager(s), the Syndicate Member(s), the Escrow Collection Bank(s) and the Refund Bank(s) for collection of the Bid Amounts and where applicable, remitting refunds of the amounts collected to the Bidders/Applicants (excluding the ASBA Bidders/Applicants) on the terms and conditions thereof
Escrow Collection Bank(s)	Refer to definition of Banker(s) to the Issue
FCNR Account	Foreign Currency Non-Resident Account
First Bidder/Applicant	The Bidder/Applicant whose name appears first in the Bid cum Application Form or Revision Form
FII(s)	Foreign Institutional Investors as defined under SEBI (Foreign Institutional Investors)

Term	Description
	Regulations, 1995 and registered with SEBI under applicable laws in India
Fixed Price Issue/ Fixed Price Process/ Fixed Price Method	The Fixed Price process as provided under SEBI ICDR Regulations, 2009, in terms of which the Issue is being made
Floor Price	The lower end of the Price Band, at or above which the Issue Price and the Anchor Investor Issue Price may be finalised and below which no Bids may be accepted, subject to any revision thereto
FPO	Further public offering
Foreign Venture Capital Investors or FVCIs	Foreign Venture Capital Investors as defined and registered with SEBI under the SEBI (Foreign Venture Capital Investors) Regulations, 2000
IPO	Initial public offering
Issue	Public Issue of Equity Shares of the Issuer including the Offer for Sale if applicable
Issuer/ Company	The Issuer proposing the initial public offering/further public offering as applicable
Issue Price	The final price, less discount (if applicable) at which the Equity Shares may be Allotted in terms of the Prospectus. The Issue Price may be decided by the Issuer in consultation with the Book Running Lead Manager(s)
Maximum RII Allottees	The maximum number of RIIs who can be allotted the minimum Bid Lot. This is computed by dividing the total number of Equity Shares available for Allotment to RIIs by the minimum Bid Lot.
MICR	Magnetic Ink Character Recognition - nine-digit code as appearing on a cheque leaf
Mutual Fund	A mutual fund registered with SEBI under the SEBI (Mutual Funds) Regulations, 1996
Mutual Funds Portion	5% of the QIB Category (excluding the Anchor Investor Portion) available for allocation to Mutual Funds only, being such number of equity shares as disclosed in the RHP/Prospectus and Bid cum Application Form
NECS	National Electronic Clearing Service
NEFT	National Electronic Fund Transfer
NRE Account	Non-Resident External Account
NRI	NRIs from such jurisdictions outside India where it is not unlawful to make an offer or invitation under the Issue and in relation to whom the RHP/Prospectus constitutes an invitation to subscribe to or purchase the Equity Shares
NRO Account	Non-Resident Ordinary Account
Net Issue	The Issue less reservation portion
Non-Institutional Investors or NIIs	All Bidders/Applicants, including sub accounts of FIIs registered with SEBI which are foreign corporate or foreign individuals, that are not QIBs or RIBs and who have Bid for Equity Shares for an amount of more than Rs. 200,000 (but not including NRIs other than Eligible NRIs)
Non-Institutional Category	The portion of the Issue being such number of Equity Shares available for allocation to NIIs on a proportionate basis and as disclosed in the RHP/Prospectus and the Bid cum Application Form
Non-Resident	A person resident outside India, as defined under FEMA and includes Eligible NRIs, FIIs registered with SEBI and FVCIs registered with SEBI
OCB/Overseas Corporate Body	A company, partnership, society or other corporate body owned directly or indirectly to the extent of at least 60% by NRIs including overseas trusts, in which not less than 60% of beneficial interest is irrevocably held by NRIs directly or indirectly and which was in existence on October 3, 2003 and immediately before such date had taken benefits under the general permission granted to OCBs under FEMA
Offer for Sale	Public offer of such number of Equity Shares as disclosed in the RHP/Prospectus through an offer for sale by the Selling Shareholders
Other Investors	Investors other than Retail Individual Investors in a Fixed Price Issue. These include individual applicants other than retail individual investors and other investors including corporate bodies or institutions irrespective of the number of specified securities applied for.
PAN	Permanent Account Number allotted under the Income Tax Act, 1961

Term	Description
Price Band	Price Band with a minimum price, being the Floor Price and the maximum price, being the Cap Price and includes revisions thereof. The Price Band and the minimum Bid lot size for the Issue may be decided by the Issuer in consultation with the Book Running Lead Manager(s) and advertised, at least two working days in case of an IPO and one working day in case of FPO, prior to the Bid/ Issue Opening Date, in English national daily, Hindi national daily and regional language at the place where the registered office of the Issuer is situated, newspaper each with wide circulation
Pricing Date	The date on which the Issuer in consultation with the Book Running Lead Manager(s), finalise the Issue Price
Prospectus	The prospectus to be filed with the RoC in accordance with Section 60 of the Companies Act after the Pricing Date, containing the Issue Price ,the size of the Issue and certain other information
Public Issue Account	An account opened with the Banker to the Issue to receive monies from the Escrow Account and from the ASBA Accounts on the Designated Date
Qualified Financial Investors or QFIs	Non-Resident investors, other than SEBI registered FIIs or sub-accounts or SEBI registered FVCIs, who meet 'know your client' requirements prescribed by SEBI and are resident in a country which is (i) a member of Financial Action Task Force or a member of a group which is a member of Financial Action Task Force; and (ii) a signatory to the International Organisation of Securities Commission's Multilateral Memorandum of Understanding or a signatory of a bilateral memorandum of understanding with SEBI. Provided that such non-resident investor shall not be resident in country which is listed in the public statements issued by Financial Action Task Force from time to time on: (i) jurisdictions having a strategic anti-money laundering/combating the financing of terrorism deficiencies to which counter measures apply; (ii) jurisdictions that have not made sufficient progress in addressing the deficiencies or have not committed to an action plan developed with the Financial Action Task Force to address the deficiencies
QIB Category	The portion of the Issue being such number of Equity Shares to be Allotted to QIBs on a proportionate basis
Qualified Institutional Buyers or QIBs	As defined under SEBI ICDR Regulations, 2009
RTGS	Real Time Gross Settlement
Red Herring Prospectus/ RHP	The red herring prospectus issued in accordance with Section 60B of the Companies Act, which does not have complete particulars of the price at which the Equity Shares are offered and the size of the Issue. The RHP may be filed with the RoC at least three days before the Bid/Issue Opening Date and may become a Prospectus upon filing with the RoC after the Pricing Date. In case of issues undertaken through the fixed price process, all references to the RHP should be construed to mean the Prospectus
Refund Account(s)	The account opened with Refund Bank(s), from which refunds (excluding refunds to ASBA Bidders/Applicants), if any, of the whole or part of the Bid Amount may be made
Refund Bank(s)	Refund bank(s) as disclosed in the RHP/Prospectus and Bid cum Application Form of the Issuer
Refunds through electronic transfer of funds	Refunds through NECS, Direct Credit, NEFT, RTGS or ASBA, as applicable
Registered Broker	Stock Brokers registered with the Stock Exchanges having nationwide terminals, other than the members of the Syndicate
Registrar to the Issue/RTI	The Registrar to the Issue as disclosed in the RHP/Prospectus and Bid cum Application Form
Reserved Category/ Categories	Categories of persons eligible for making application/bidding under reservation portion
Reservation Portion	The portion of the Issue reserved for category of eligible Bidders/Applicants as provided under the SEBI ICDR Regulations, 2009
Retail Individual	Investors who applies or bids for a value of not more than Rs. 200,000.

Term	Description
Investors/ RIIs	
Retail Individual Shareholders	Shareholders of a listed Issuer who applies or bids for a value of not more than Rs. 200,000.
Retail Category	The portion of the Issue being such number of Equity Shares available for allocation to RIIs which shall not be less than the minimum bid lot, subject to availability in RII category and the remaining shares to be allotted on proportionate basis.
Revision Form	The form used by the Bidders in an issue through Book Building process to modify the quantity of Equity Shares and/or bid price indicates therein in any of their Bid cum Application Forms or any previous Revision Form(s)
RoC	The Registrar of Companies
SEBI	The Securities and Exchange Board of India constituted under the Securities and Exchange Board of India Act, 1992
SEBI ICDR Regulations, 2009	The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009
Self Certified Syndicate Bank(s) or SCSB(s)	A bank registered with SEBI, which offers the facility of ASBA and a list of which is available on http://www.sebi.gov.in/cms/sebi_data/attachdocs/1316087201341.html
Specified Locations	Refer to definition of Broker Centres
Stock Exchanges/ SE	The stock exchanges as disclosed in the RHP/Prospectus of the Issuer where the Equity Shares Allotted pursuant to the Issue are proposed to be listed
Syndicate	The Book Running Lead Manager(s) and the Syndicate Member
Syndicate Agreement	The agreement to be entered into among the Issuer, and the Syndicate in relation to collection of the Bids in this Issue (excluding Bids from ASBA Bidders/Applicants)
Syndicate Member(s)/SM	The Syndicate Member(s) as disclosed in the RHP/Prospectus
Underwriters	The Book Running Lead Manager(s) and the Syndicate Member(s)
Underwriting Agreement	The agreement amongst the Issuer, and the Underwriters to be entered into on or after the Pricing Date
Working Day	All days other than a Sunday or a public holiday on which commercial banks are open for business, except with reference to announcement of Price Band and Bid/Issue Period, where working day shall mean all days, excluding Saturdays, Sundays and public holidays, which are working days for commercial banks in India

SECTION VIII: MAIN PROVISIONS OF THE ARTICLES OF ASSOCIATION

Pursuant to the Companies Act, 2013 and the SEBI Regulations, the main provisions of our Articles relating to, *inter alia*, voting rights, dividend, lien, forfeiture, restrictions on transfer and transmission of Equity Shares or debentures and/or on their consolidation/splitting are detailed below. Please note that each provision herein below is numbered as per the corresponding article number in our Articles and capitalized/defined terms herein have the same meaning given to them in our Articles.

In case of any inconsistency, conflict or contradiction between Part A of the Articles on the one hand and Part B of the Articles on the other hand, Part B of the Articles shall prevail. Part B of the Articles shall cease to remain in effect and shall fall away without any further action by any party (including the Company or any of its Members) immediately on the commencement of trading of the Equity Shares of the Company on any Recognised Stock Exchange (as defined below) pursuant to the IPO (as defined below). In the event of any ambiguity or discrepancy between the provisions of the SHA and these Articles, it is intended that the provisions of the SHA shall prevail and accordingly the Members shall exercise all voting and other rights and powers available to them to procure any amendment to these Articles, so as to give effect to the provisions of the SHA.

The applicability of the provisions of Table-F of Schedule I of the Companies Act, 2013, to the extent not specifically included herein or incorporated by reference, shall be excluded.

3. The Share Capital of the Company shall mean the share capital for the time being raised or authorized to be raised for the purpose of the Company, in terms of Clause V of Memorandum of Association of the Company. The Company shall have the power to increase or reduce the capital, to divide the share in the capital for the time being into several classes and to attach thereto respectively such preferential, qualified or special rights, privileges or conditions,as may be determined by or in accordance with the Regulations, and to vary, modify or abrogate any such rights, privileges or conditions in such manner as may for the time being be provided by the Regulations of the Company and to consolidate or sub-divide the shares and issue shares of higher or lower denomination. The minimum paid – up capital of the Company should be Rs. 5,00,000/- (Rs. Five Lakhs only).

4. Subject to the provisions of the Act and these Articles, the shares in the capital of the Company shall be under the control of the Board who may issue, allotor otherwise dispose off 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 and at such time as they may from time to time think fit.

5. Subject to the provisions of the Act and these Articles, the Board may issue and allot shares in the capital of the Company on payment or part payment for any property or assets of any kind whatsoever sold or transferred, goods or machinery supplied or for services rendered to the Company in the conduct of its business and any shares which may be so allotted may be issued as fully paid-up or partly paid-up otherwise than for cash, and if so issued, shall be deemed to be fully paid-up or partly paid-up shares, as the case may be.

   The Company may issue the following kinds of shares in accordance with these Articles, the Act, the rules made thereunder and other applicable laws:

(a) Equity share capital:

   (i) with voting rights; and / or

   (ii) with differential rights as to dividend, voting or otherwise in accordance with the Act and the rules made thereunder; and

(b) Preference share capital

6. (1) Every person whose name is entered as a member in the Register of Members shall be entitled to receive within two months after allotment or within one month from the date of receipt by the Company of the application for the registration of transfer or transmission or within such other period as may be stipulated by the Act, the Listing Agreement and/or as the conditions of issue shall provide –

(a) one certificate for all his shares without payment of any charges; or

(b) several certificates, each for one or more of his shares, upon payment of such charges as may be fixed by the Board for each certificate after the first.

(2) Every certificate shall be under the seal and shall specify the shares to which it relates and the amount paid-up thereon.

(3) In respect of any share or shares held jointly by several persons, the Company shall not be bound to issue more than one certificate, and delivery of a certificate for a share to one of several joint holders shall be sufficient delivery to all such holders.

7. (1) Subject to the requirements of the Act, the Listing Agreement, the Securities Contracts Regulation Act, 1956 and the rules and regulations made under each, a person subscribing to shares offered by the Company shall have the option either to receive certificates for such shares or hold the shares in a dematerialized state with a depository. Where a person opts to hold any share with the depository, the Company shall intimate such depository the details of allotment of the share to enable the depository to enter in its records the name of such person as the beneficial owner of that share.

(2) Notwithstanding anything contained herein, the Company shall be entitled to dematerialize its shares, debentures and other securities pursuant to the Depositories Act, 1996.

(3) Subject to the applicable provisions of the Act, either the Company or the shareholders may exercise an option to issue, dematerialize, hold the securities (including shares) with a depository in electronic form and the certificates in respect thereof shall be dematerialized, in which event the rights and obligations of the parties concerned and matters connected therewith or incidental thereto shall be governed by the provisions of the Depositories Act, 1996 as amended from time to time or any statutory modification thereto or re-enactment thereof.

8. If any share certificate be worn out, defaced, mutilated or torn or if there be no further space on the back 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 is lost or destroyed then upon proof thereof to the satisfaction of the Company and on execution of such indemnity as the Board deems adequate, a new certificate in lieu thereof shall be given. Every certificate under this Article shall be issued on payment of fees for each certificate as may be fixed by the Board.

9. The provisions of the foregoing Articles relating to issue of certificates shall *mutatis mutandis* apply to issue of certificates for any other securities including debentures (except where the Act otherwise requires) of the Company.

10. The Company may exercise the powers of paying commissions conferred by the Act, to any person in connection with the subscription to its securities,provided that the rate per cent or at the amount of the commission paid or agreed to be paid shall be disclosed in the manner required by the Act and the rules made thereunder.

11. The rate or amount of the commission shall not exceed the rate or amount prescribed in the Rules.

12. The commission may be satisfied by the payment of cash or the allotment of fully or partly paid shares or partly in the one way and partly in the other.

13. i) If at any time the share capital is divided into different classes of shares, the rights attached to any class (unless otherwise provided by the terms of issue of the shares of that class) may, subject to the provisions of the Act, and whether or not the Company is being wound up, be varied with the consent in writing, of such number of the holders of the issued shares of that class, or with the sanction of a resolution passed at a separate meeting of the holders of the shares of that class, as prescribed by the Act.

ii) To every such separate meeting, the provisions of these Articles relating to general meetings shall *mutatis mutandis* apply.

14. The rights conferred upon the holders of the shares of any class issued with preferred or other rights shall not, unless otherwise expressly provided by the terms of issue of the shares of that class, be deemed to be varied by the creation or issue of further shares ranking *pari passu* therewith.

15. Subject to the provisions of the Act, the Board shall have the power to issue or re-issue preference shares of one or more classes which are liable to be redeemed or converted to equity shares, on such terms and conditions and in such manner as determined by the Board in accordance with the Act.

16. (1) The Board or the Company, as the case may be, may, in accordance with the Act and the rules made thereunder and any other applicable regulation, issue further shares to:

(a) persons who, at the date of offer, are holders of shares of the Company; such offer shall be deemed to include a right exercisable by the person concerned to renounce the shares offered to him or any of them in favour of any other person; or

(b) employees under any scheme of employees' stock option; or

(c) any persons, whether or not those persons include the persons referred to in clause (a) or clause (b) above.

(2) A further issue of shares may be made in any manner whatsoever as the Board may determine including by way of preferential offer or private placement, subject to and in accordance with the Act and the Rules.

ALTERATION OF CAPITAL

17. Subject to the provisions of the Act, the Company may, by ordinary resolution -

(a) increase the share capital by such sum, to be divided into shares of such amount as it thinks expedient;

(b) consolidate and divide all or any of its share capital into shares of larger amount than its existing shares; provided that any consolidation and division which results in changes in the voting percentage of members shall require applicable approvals underthe Act;

(c) convert all or any of its fully paid-up shares into stock and reconvert that stock into fully paid-up shares of any denomination;

(d) sub-divide its existing shares or any of them into shares of smaller amount than is fixed by the memorandum;

(e) 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.

18. Where shares are converted into stock:

(a) the holders of stock may transfer the same or any part thereof in the same manner as, and subject to the same Articles under which, the shares from which the stock arose might before the conversion have been transferred, or as near thereto as circumstances admit. Provided that the Board may,from time to time, fix the minimum amount of stock transferable, so, however, that such minimum shall not exceed the nominal amount of the shares from which the stock arose;

(b) the holders of stock shall, according to the amount of stock held by them, have the same rights, privileges and advantages as regards dividends, voting at meetings of the Company, and other matters, as if they held the shares from which the stock arose; but no such privilege or advantage (except participation in the dividends and profits of the Company and in the assets on winding up) shall be conferred by an amount of stock which would not, if existing in shares, have conferred that privilege or advantage;

(c) such of these Articles of the Company as are applicable to paid-up shares shall apply to stock and the words "share" and "shareholder"/"member" shall include "stock" and "stock-holder' respectively.

19. The Company may, by resolution as prescribed by the Act, reduce in any manner and in accordance with the provisions of the Act and the Rules, —

(a) its share capital; and/or

(b) any capital redemption reserve account; and/or

(c) any securities premium account; and/or

(d) any other reserve in the nature of share capital

CAPITALISATION OF PROFITS

20. (i) The company in General Meeting may, upon the recommendation of the Board, resolve:

(a) that it is desirable to capitalise any part of the amount for the time being standing to the credit of any of the company's reserve accounts, or to the credit of the profit and loss account, or otherwise available for distribution; and

(b) that such sum be accordingly set free for distribution in the manner specified in clause (ii) amongst the members who would have been entitled thereto, if distributed by way of dividend and in the same proportions.

(ii) The sum aforesaid shall not be paid in cash but shall be applied, subject to the provision contained in clause (iii), either in or towards:

(a) paying up any amounts for the time being unpaid on any shares held by such members respectively;

(b) paying up in full, unissued shares of the company to be allotted and distributed, credited as fully paid-up, to and amongst such members in the proportions aforesaid;

(c) partly in the way specified in sub-clause (A) and partly in that specified in sub-clause (B);

(d) A securities premium account and a capital redemption reserve account may, for the purposes of this regulation, be applied in the paying up of unissued shares to be issued to members of the company as fully paid bonus shares;

(e) The Board shall give effect to the resolution passed by the company in pursuance of this regulation.

(iii) Whenever such a resolution as aforesaid shall have been passed, the Board shall:

(a) make all appropriations and applications of the undivided profits resolved to be capitalised thereby, and all allotments and issues of fully paid shares if any; and

(b) generally do all acts and things required to give effect thereto.

(iv) The Board shall have power:

(a) to make such provisions, by the issue of fractional certificates or by payment in cash or otherwise as it thinks fit, for the case of shares becoming distributable in fractions; and

(b) to authorise any person to enter, on behalf of all the members entitled thereto, into an agreement with the company providing for the allotment to them respectively, credited as fully paid-up, of any further shares to which they may be entitled upon such capitalisation, or as the case may require, for the payment by the company on their behalf, by the application thereto of their respective proportions of profits resolved to be capitalised, of the amount or any part of the amounts remaining unpaid on their existing shares;

(v) Any agreement made under such authority shall be effective and binding on such members.

LIEN

21. (1) The Company shall have a first and paramount lien –

(a) on every share (not being a fully paid share), for all monies (whether presently payable or not) called, or payable at a fixed time, in respect of that share; and

(b) on all shares (not being fully paid shares) standing registered in the name of a member, for all monies presently payable by him or his estate to the Company:

Provided that the Board may at any time declare any share to be wholly or in part exempt from the provisions of this clause.

(2) The Company's lien, if any, on a share shall extend to all dividends or interest, as the case may be, payable and bonuses declared from time to time in respect of such shares for any money owing to the Company.

(3) Unless otherwise agreed by the Board, the registration of a transfer of shares shall operate as a waiver of the Company's lien.

22. The Company may sell, in such manner as the Board thinks fit, any shares on which the Company has a lien provided that no sale shall be made:

(a) unless a sum in respect of which the lien exists is presently payable; or

(b) until the expiration of fourteen days after a notice in writing stating and demanding payment of such part of the amount in respect of which the lien exists as is presently payable, has been given to the registered holder for the time being of the share or to the person entitled thereto by reason of his death or insolvency or otherwise.

23. (1) To give effect to any such sale, the Board may authorise some person to transfer the shares sold to the purchaser thereof.

(2) The receipt of the Company for the consideration (if any) given for the share on the sale thereof shall (subject, if necessary, to execution of an instrument of transfer or a transfer by relevant system, as the case may be) constitute a good title to the share and the purchaser shall be registered as the holder of the share.

(3) The purchaser shall not be bound to see to the application of the purchase money, nor shall his title to the shares be affected by any irregularity or invalidity in the proceedings with reference to the sale.

24. The proceeds of the sale shall be received by the Company and applied in payment of such part of the amount in respect of which the lien exists as is presently payable. The residue, if any, shall, subject to a like

lien for sums not presently payable as existed upon the shares before the sale, be paid to the person entitled to the shares at the date of the sale.

25. In exercising its lien, the Company shall be entitled to treat the registered holder of any share as the absolute owner thereof and accordingly shall not (except as ordered by a court of competent jurisdiction or unless required by any statute) be bound to recognise any equitable or other claim to, or interest in, such share on the part of any other person, whether a creditor of the registered holder or otherwise. The Company's lien shall prevail notwithstanding that it has received notice of any such claim.

26. The provisions of these Articles relating to lien shall mutatis mutandis apply to any other securities including debentures of the Company.

CALLS ON SHARES

27. (1) The Board may, subject to the terms on which any shares may have been issued and subject to the conditions of allotment, by a resolution passed at a meeting of the Board,from time to time, make calls upon the members in respect of any monies unpaid on their shares (whether on account of the nominal value of the shares or by way of premium) and not by the conditions of allotment thereof made payable at fixed times.

Provided that no call shall exceed one-fourth of the nominal value of the share or be payable at less than one month from the date fixed for the payment of the last preceding call.

Provided further that the Board shall not give the option or right to call on shares to any person except with the sanction of the Company in the General Meeting.

(2) Each member shall, subject to receiving at least fourteen days' notice specifying the time or times and place of payment, pay to the Company, at the time or times and place so specified, the amount called on his shares.

(3) The Board may, from time to time, at its discretion, extend the time fixed for the payment of any call in respect of one or more members as the Board may deem appropriate in any circumstances.

(4) A call may be revoked or postponed at the discretion of the Board.

28. A call shall be deemed to have been made at the time when the resolution of the Board authorising the call was passed and may be required to be paid by installments.

29. The joint holders of a share shall be jointly and severally liable to pay all calls in respect thereof.

30. (1) If a sum called in respect of a share is not paid before or on the day appointed for payment thereof (the "due date"), the person from whom the sum is due shall pay interest thereon from the due date to the time of actual payment at such rate as may be fixed by the Board.

(2) The Board shall be at liberty to waive payment of any such interest wholly or in part.

31. Any sum which by the terms of issue of a share becomes payable on allotment or at any fixed date, whether on account of the nominal value of the share or by way of premium, shall, for the purposes of these Articles, be deemed to be a call duly made and payable on the date on which by the terms of issue such sum becomes payable.

32. The Board may, if it thinks fit, receive from any member willing to advance the same, all or any part of the monies uncalled and unpaid upon any shares held by him; and upon all or any of the monies so advanced, may (until the same would, but for such advance, become presently payable) pay interest at such rate as may be fixed by the Board. Nothing contained in this clause shall confer on the member

(a) any right to participate in profits or dividends; or

(b) any voting rights in respect of the moneys so paid by him until the same would, but for such payment, become presently payable by him.

33. If by the conditions of allotment of any shares, the whole or part of the amount of issue price thereof shall be payable by installments, then every such installment shall, when due, be paid to the Company by the person who, for the time being and from time to time, is or shall be the registered holder of the share or the legal representative of a deceased registered holder.

34. All calls shall be made on a uniform basis on all shares falling under the same class.

35. Neither a judgment nor a decree in favour of the Company for calls or other moneys due in respect of any shares nor any part payment or satisfaction thereof nor the receipt by the Company of a portion of any money which shall from time to time be due from any member in respect of any shares either by way of principal or interest nor any indulgence granted by the Company in respect of payment of any such money shall preclude the forfeiture of such shares as herein provided.

36. The provisions of these Articles relating to calls shall *mutatis mutandis* apply to any other securities including debentures of the Company.

TRANSFER AND TRANSMISSION OF SHARES

37. The Company shall cause to be kept a Register and Index of Members in accordance with all applicable provisions of the Act and the Depositories Act, 1996 with details of shares held in physical and dematerialized forms in any medium as may be permitted by law, including in any form of electronic medium.

The Company shall be entitled to keep in any state or country outside India, a branch Register of Members resident in that state or country.

38. Instrument of Transfer: A common form of transfer shall be used in case of transfer of shares. The instrument of transfer shall be in writing and all the provisions of Section 56 of the Act and of any statutory modification thereof for the time being shall be duly complied with in respect of all transfer of shares and the registration thereof.

39. The instrument of transfer duly stamped and executed by the transferor or the transferee shall be delivered to the Company in accordance with the provisions of the Act. The instrument of transfer shall be accompanied by such evidence as the Board may require to prove the title of transferor and his right to transfer the shares and every registered instrument of transfer shall remain in the custody of the Company until destroyed by order of the Board.

The transferor shall be deemed to be the holder of such Shares until the name of the transferee shall have been entered in the Register of Members in respect thereof. Before the registration of a transfer the certificate or certificates of the Shares must be delivered to the Company. The transfer of the shares shall be effected within one month from the date of the lodging the transfer with the Company.

40. Notwithstanding anything contained contrary in these Articles, the shareholders shall have full, absolute, unrestricted and unfettered right to transfer, pledge, create lien, charge, mortgage and otherwise encumber the shares of the Company in favour of the lenders or in favour of any person/s acting for the benefit of the lenders as security for the loans and such lenders or the person/s acting for the benefit of the lenders, as the case may be, shall have full, absolute, unrestricted and unfettered right to sell the shares so pledged, charged and/or under the security interest and/or transfer in their name, in the name of their nominees or in the name of third person, at their sole and absolute discretion in accordance with the terms of financing/ security/ debenture documents. The Company shall immediately give effect to such transfer of share and/

or sale of the shares and register the name of the lenders or the person acting for the benefit of the lender or transferee or the subsequent purchaser as shareholder.

41. Nothing contained contrary in these Articles shall apply to any transfer or sale of shares which are charged, pledged or under the security interest as security for the loans or the transfer, sale or appropriation of shares by the lenders or by any person/s acting for the benefit of the lenders and the Company/Director shall immediately without demur register the name of the lenders or the person acting for the benefit of the lenders or any such person to whom the lenders or the person acting for the benefit of the lenders have sold or transferred the shares pursuant to its right available in any of the financing and/or security documents or the subsequent transferee.

42. On giving not less than seven days' previous notice in accordance with Section 91 of the Act and rules made thereunder, the registration of transfers may be suspended at such times and for such periods as the Board of Directors may from time to time determine, provided that such registration shall not be suspended for more than thirty days at any one time or for more than forty five days in the aggregate in any year.

43. Directors may refuse to register transfer: Subject to the provisions of Sections 58 and 59 of the Act, these Articles and other applicable provisions of the Act or any other Law for the time being in-force, the Directors may refuse whether in pursuance of any power of the Company under these Articles or otherwise to register the transfer of, or the transmissions by operation of law of the right to, any shares or interest of a member in or debentures of the Company.

The Company shall within one month from the date of which the instrument of transfer, or the intimation of such transmission, as the case may be, was delivered to the Company, send notice of the refusal to the transferee and the transferor or to the person giving intimation of such transmissions, as the case may be, giving reason for such refusal. Provided that the registration of a transfer shall not be refused on the ground of the transferor being either alone or jointly with any other person or persons indebted to the Company on any account whatsoever except where the Company has a lien on shares.

Transfer of shares/debentures in whatever lot shall not be refused.

44. Where in the case of partly paid shares, an application for registration is made by the transferor, the Company shall give notice of the application to the transferee in accordance with the provisions of Section 56 of the Act.

45. In the case of the death of any one or more of the persons named in the Register of Members as the joint-holders of any share, the survivor or survivors shall be the only persons recognized by the Company as having any title to or interest in such share but nothing herein contained shall be taken to release the estate of a deceased joint holder from any liability on shares held by him jointly with any other.

46. (1) Any person becoming entitled to a share in consequence of the death or insolvency of a member may, upon such evidence being produced as may from time to time properly be required by the Board of Directors and, subject as hereinafter provided elect, either:

a) to be registered himself as holder of the share; or

b) to make such transfer of the shares as the deceased or insolvent member could have made.

(2) The Board of Directors shall, in either case, have the same right to decline or suspend registration as it would have had, if the deceased or insolvent member had himself transferred the share before his death or insolvency.

47. (1) If the person so becoming entitled, shall elect to be registered as holder of the share himself, he shall deliver or send to the Company a note in writing signed by him stating that he so elects.

(2) If the person aforesaid shall elect to transfer the share, he shall testify his election by executing a transfer of share.

(3) All the limitations, restrictions and provisions of these Articles relating to the right to transfer and the registration of transfers of shares shall be applicable to any such notice or transfer as aforesaid as if the death or insolvency of the member had not occurred and the notice of transfer were a transfer signed by that member.

48. No fee on transfer or transmission: No fee shall be charged for registration of transfer and transmission.

49. On the transfer of the share being registered in his name a person becoming entitled to a share by reason of the death or insolvency of the holder shall be entitled to the same dividends and other advantages to which he would be entitled if he was the registered as a member in respect of the share be entitled in respect of it to excise any right conferred by membership in relation to meeting of the Company, provided that the Board of Directors may, atany time, give notice requiring any such person to elect either to be registered himself or to transfer the share and if the notice is not complied with within ninety days, the Board of Directors may thereafter withhold payment of all dividends, bonus or other moneys payable in respect of the share, until the requirements of the notice have been complied with.

50. The Company shall incur no liability whatever in consequence of its registration or giving effect, to any transfer of share 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 of interest to or in the said Shares, notwithstanding that the Company may have had notice of such equitable rights, title or interest or notice prohibiting registration of such transfer and may have entered such notice or referred thereto, in any book of the Company and the Company shall not be bound or required to regard or attend or give effect to any notice which may be given to it of any equitable rights, title or interest or be under any liability for refusing or neglecting so to do, though it may have been entered or referred to in some book of the Company but the Company though not bound so to do, shall be at liberty to regard and attend to any such notice and give effect thereto if the Board shall so think fit.

FORFEITURE OF SHARES

51. If any member fails to pay any call or, installment of a call on or before the day appointed for the payment of the same, the Board may at any time thereafter during such time as the call or installment remains unpaid give notice requiring him to pay the same together with any interest that may have accrued.

52. The notice shall name a further day (not being less than fourteen days from the date of the service of notice) on or before which the payment required by the notice is to be made; and state that, in the event of non-payment on or before the days so named, the shares in respect of which the call was made, will be liable to be forfeited.

53. If the requirements of any such notice as aforesaid shall not be complied with, every or any shares in respect of which such notice has been given, may at any time thereafter before payment required by the notice has been made, be forfeited by resolution of the Board to that effect. Such forfeiture shall include all dividends declared or any other moneys payable in respect of the forfeited shares and not actually paid before the forfeiture.

54. When any share shall have been so forfeited notice of the forfeiture to the member in whose name it stood at the time of forfeiture, and an entry of the forfeiture with the date thereof, shall forthwith be made in the Register of Members but forfeiture shall not be in any manner invalidated by any omission or neglect to give such notice or to make any such entry as aforesaid.

55. Any share so forfeited shall be deemed to be the property of the Company and may be sold, re-allotted or otherwise disposed off either to the original holder thereof or to any other person upon such terms and in such a manner as the Board shall think fit.

56. Any member whose shares have been forfeited shall, notwithstanding the forfeiture, remain liable to pay to the Company all moneys which, at date of forfeiture, were presently payable by him to the Company in respect of the shares.

57. The forfeiture of a share involves extinction, at the time of the forfeiture, of all interest in and claims and demands against the Company in respect of the share and all other rights incidental to the share, except only such of those rights as by these Articles are expressly saved.

58. A duly verified declaration in writing that the declarant is a Director or Secretary of the Company and that a share in the Company has been duly forfeited in accordance with these Articles on a date stated in the declaration, shall be conclusive evidence of the facts therein stated as against all persons claiming to be entitled to the shares.

59. The Company may receive the consideration, if any, given for the share on any sale or disposal thereof and may execute a transfer of the share in favour of the person to whom the share is sold or disposed off. The transferee shall thereupon be registered as the holder of the share. The transferee shall not be bound to see to the application of the purchase money, if any, nor shall his title to the share be affected by any irregularity or invalidity in the proceedings in reference to the forfeiture, sale or disposal of the share.

60. Upon any sale, re-allotment or other disposal under the provisions of the preceding Articles, the certificate or certificates originally issued in respect of the shares shall (unless the same shall on demand by the company have been previously surrendered to, by the defaulting member) stand cancelled and become null and void and of no effect, and the Directors shall be entitled to issue a duplicate certificate or certificates in respect of the said shares to the person entitled thereto.

61. The Board may at any time before any shares so forfeited shall have been sold, re-allotted or otherwise disposed off, annul the forfeiture thereof at such conditions as it thinks fit.

JOINT HOLDERS

62. Where two or more persons are registered as joint holders (not more than three) of any share, they shall be deemed (so far as the Company is concerned) to hold the same as joint tenants with benefits of survivorship, subject to the following and other provisions contained in these Articles:

a) The joint holders of any share shall be liable severally as well as jointly for and in respect of all calls or installments and other payments which ought to be made in respect of such share.

b) On the death of any one or more of such joint holders, the survivor or survivors shall be the only person or persons recognized by the Company as having any title to the share but the Directors may require such evidence of death as they may deem fit, and nothing herein contained shall be taken to release the estate of a deceased joint holder from any liability on shares held by him jointly with any other person.

c) Any one of such joint holders may give effectual receipts of any dividends, interests or other moneys payable in respect of such share.

d) Only the person whose name stands first in the register of members as one of the joint holders of any share shall be entitled to the delivery of certificate, if any, relating to such share or to receive notice (which term shall be deemed to include all relevant documents) and any notice servedon or sent to such person shall be deemed service on all the joint holders.

e) (i) Any one of two or more joint holders may vote at any meeting either personally or by attorney or by proxy in respect of such shares as if he were solely entitled thereto and if more than one of such joint holders be present at any meeting personally or by proxy or by attorney then that one of such persons so present whose name stands first or higher (as the case may be) on the register in respect of such shares shall alone be entitled to vote in respect thereof.

(ii) Several executors or administrators of a deceased member in whose (deceased member) sole name any share stands, shall for the purpose of this clause be deemed joint holders.

f) The provisions of these Articles relating to joint holders of shares shall mutatis mutandis apply to any other securities including debentures of the Company registered in joint names.

BUY-BACK OF SHARES

63. Notwithstanding anything contained in these Articles but subject to all applicable provisions of the Act or any other law for the time being in force, the Company may purchase its own shares or other specified securities.

COPIES OF MEMORANDUM AND ARTICLES TO BE SENT TO MEMBERS

64. Copies of the Memorandum and Articles of Association of the Company and other documents referred to in the Section 17 of the Act shall be sent by theCompany to every Member at his request within seven days of the request, on payment of fees in accordance with the Act.

SERVICE OF DOCUMENTS

65. A document may be served on any member by sending it to him/her by post or by registered post or by speed post or by courier or by delivering at his/her office or address, or by such electronic or other mode as may be prescribed in Section 20 of the Act and rules made thereunder. Provided that a member may request for delivery of any document through a particular mode, for which he shall pay such fees as may be determined by the company in its annual general meeting.

GENERAL MEETING

66. All General Meeting other than the Annual General Meetings of the Company shall be called Extra Ordinary General Meetings.

67. A General Meeting of a company may be called by giving not less than clear twenty-one days notice, or such other period as may be prescribed by the Act or the rules made thereunder, either in writing or through electronic mode in such manner as may be prescribed in the Act or rules made thereunder.

68. 1) The Board of Directors may, whenever it thinks fit call an Extra Ordinary General Meeting.

2) If at any time directors capable of acting who are sufficient in number to form a quorum are not within India, any director or any two members of the Company may call an Extra Ordinary General Meeting in the same manner, as nearly as possible, as that in which such a meeting may be called by the Board.

3) The Board of Directors shall call an Extra Ordinary General Meeting, upon a requisition in writing by any member or members holding in the aggregate not less than one-tenth of such of the paid-up capital as on that date carries the right of voting. Any valid requisition so made by Members must state the object or objects of the meeting proposed to be called, and must be signed by the requisitionists and be deposited at the Office, provided that such requisition may consist of several documents in like form each signed by one or more requisitionists. Upon the receipt of any such requisition, the Board of Directors shall forthwith call an extraordinary general meeting and if they do not proceed within twenty-one days from the date of the requisition being deposited to cause a meeting to be called on a day not later than forty-five days from the date of deposit of the requisition, the requisitionists may themselves call the meeting, within a period of three months from the date of the requisition. Any meeting called under the foregoing Articles by the requisitionists shall be called in the same manner, as nearly as possible, as that in which meetings are to be called by the Board.

CONDUCT OF GENERAL MEETINGS

69. (1) No business shall be transacted at any General Meeting, unless a quorum or members is present at the time when the meeting proceeds to business.

(2) Save as otherwise provided herein, the quorum for the General Meeting shall be as provided in Section 103 of the Act.

70. The Chairman, if any of the Board of Directors shall preside as Chairman at every General Meeting of the Company.

71. If there is no such Chairman or if he is not present within fifteen minutes after the time appointed for holding the meeting or is unwilling to act as Chairman of the meeting, the directors present shall elect one of their members to be the Chairman of the meeting.

72. If at any meeting no director is willing to act as Chairman or if no director is present within fifteen minutes of the time appointed for holding the meeting, the members present shall choose one of their members to be the Chairman of the meeting.

73. No business shall be discussed at any General Meeting except the election of a Chairman, whilst the chair is vacant.

74. (1) The Chairman may with the consent of any meeting at which a quorum is present and shall, if so directed by the meeting, adjourn the meeting, from time to time and place to place.

(2) No business shall be transacted at any adjourned meeting, other than the business left unfinished at the meeting from which the adjournment took place.

(3) When a meeting is adjourned for thirty days or more, fresh notice of any adjourned meeting shall be given as in the case of an original meeting.

(4) Save as aforesaid, and as provided in Section 103 of the Act, it shall not be necessary to give any notice of any adjournment or of the business to be transacted at an adjourned meeting.

75. In the case of equality of votes, whether on a show of hands or on a poll, the Chairman of the meeting at which the show of hands takes places or at which poll is demanded shall be entitled to a second or casting vote.

76 The Company shall cause minutes of the proceedings of every General Meeting of any class of members or creditors and every resolution passed by postal ballot to be prepared and signed in such manner as may be prescribed by the Rules and kept by making within thirty days of the conclusion of every such meeting concerned or passing of resolution by postal ballot entries thereof in books kept for that purpose with their pages consecutively numbered.

77. There shall not be included in the minutes any matter which, in the opinion of the Chairperson of the meeting -

(a) is or could reasonably be regarded, as defamatory of any person; or

(b) is irrelevant or immaterial to the proceedings; or

(c) is detrimental to the interests of the Company.

78. The Chairperson shall exercise an absolute discretion in regard to the inclusion or non-inclusion of any matter in the minutes on the grounds specified in the aforesaid clause.

79. The minutes of the meeting kept in accordance with the provisions of the Act shall be evidence of the proceedings recorded therein.

80. A member of the Company may participate in a General Meeting through the electronic mode, subject to compliance of section 110 of the Act and such other circulars as may be prescribed.

VOTES OF THE MEMBERS

81. Subject to any rights or restrictions for the time being attached to any class or classes of shares:

a) on a show of hands, every members present in person shall have one vote; and

b) on a poll, the voting rights of members shall be in proportion to his share in the paid-up equity share capital of the Company.

82. A member may exercise his vote at a meeting by electronic means in accordance with Section 108 of the Act and shall vote only once.

83. In the case of joint holders, the vote of the senior who tenders a vote whether in person or by proxy, shall be accepted to the exclusion of the votes of the other joint holders. For this purpose, seniority shall be determined by the order in which the names of joint holders stand in the Register of Members.

84. A member of unsound mind or in respect of whom an order has been made by any court having jurisdiction in lunacy, may vote, whether on a show of hands or on a poll, by his committee or other legal guardian, and any such committee or guardian may on a poll, vote by proxy.

85. Any business other than that upon which a poll has been demanded, may be proceeded with, pending the taking of the poll.

86. No members shall be entitled to vote at any general meeting unless all calls and other sums presently payable by him in respect of shares in the Company or in respect of shares on which the Company has exercised any right of lien, have been paid.

87. (1) No objection shall be raised to the qualification of any voter, except at the meeting or adjourned meeting at which the vote objected to is given or tendered and every vote not disallowed at such meeting shall be valid for all purposes.

(2) Any such objection made in due time shall be referred to the Chairman of the meeting, whose decision thereon shall be final and conclusive.

88. The instrument appointing a proxy and the power of attorney or other authority, if any, under which it is signed or an notarised copy of that power or authority shall be deposited at the Office of the Company, not less than 48 hours before the time for holding the meetings or adjourned meetings at which the person named in the instrument proposed to vote, or in the case of a poll, not less than 24 hours before the time appointed for the taking of the poll; and in default the instrument of proxy shall not be treated as valid.

PROXY

89. An instrument appointing a proxy shall be in the form as prescribed in the Rules made under Section 105 of the Act.

90. A vote given in accordance with the terms of an instrument of proxy shall be valid, notwithstanding the previous death or insanity of the principal or the revocation of the proxy or of the authority under which the proxy was executed or the transfer or the shares in respect of which the proxy is given, provided that no intimation in writing of such death, insanity, revocation or transfer shall have been received by the Company at its Office before commencement of the meeting or adjourned meeting at which the proxy is used.

BOARD OF DIRECTORS

91. Until otherwise determined by a General Meeting of the Company and subject to the provisions of Section 152 of the Act, the number of Directors (including Debentures and Alternate Directors) shall not be less than three or more than fifteen.

92. The first Directors of the Company are:

1. Mr. Vijay Sankeshwar
2. Mrs. Lalita Sankeshwar
3 .MR. L. Ramanand Bhat
4. MR. K.N. Umesh

93. The Board shall have the power to appoint/re-appoint from time to time any of its members as Managing Director or Manager of the Company for a fixed term not exceeding five years at a time and upon such terms and conditions as the Board thinks fit. The appointment and terms and conditions, including remuneration of Managing Director or Manager or Whole-Time Director shall be in accordance with Section 197 and Schedule V of the Act and the rules and regulations made thereunder. The Managing Director or Manager or Whole-Time Director who are in whole-time employment in the Company shall be subject to supervision and control of the Board of Directors of the Company.

94. A Director may, at the same time, be appointed as the Chairperson of the Company as well as the Managing Director or Chief Executive Officer of the Company.

95. Deleted

96. Deleted

97. (a) The Managing Director or Managing Directors, if any appointed under Article 93 shall not while he or they continue to hold that office, be subject to retirement by rotation.

(b) The remuneration of the Managing Director or Managing Directors may be by way of salary and related benefits and participation in profits or by any or all these modes or any other mode not expressly prohibited by the Act;

98. The Board of Directors may meet for the conduct of business, adjourn and otherwise regulate its meetings as it thinks fit. A director may, and the manager or secretary on the requisition of a director shall, at any time, summon a meeting of the Board.

99. The directors may participate in any meeting of the Board or a committee thereof, through electronic mode subject to compliance with applicable law.

100. At every annual general meeting of the Company one-third of such of the directors of the time being as are liable to retire by rotation in accordance with the provisions of Section 152 of the Act if their number is not three or a multiple of three, then the number nearest to one third retire from office.

101. The Director, including Alternate and Nominee Directors, if any, shall be entitled to sitting fees, for participating/attending Board Meeting or Meeting of Committee of Board of Directors, a sum not exceeding Rs. 1,00,000/- or such sum as may be fixed by the Board of Directors, from time to time. However, the same shall not exceed the maximum sum as is permissible under the provisions of the Act or Guidelines issued by appropriate authority, from time to time.

102. (1) The remuneration of the directors shall, in so far as it consists of a monthly payment, be deemed to accrue from day to day.

(2) In addition to the remuneration payable to them in pursuance to the Act, the directors may be paid all travelling, hotel and other expenses properly incurred by them:

a) In attending and returning from meetings of the Board of Directors or any committee thereof or general meetings of the Company; or

b) In connection with the business of the Company.

103. The directors shall not be required to hold any qualification shares in the Company.

104. Subject to the provisions of Sections 149 and 161 of the Act, the Board of Directors shall have power at any time, and from time to time, to appoint persons as additional directors, provided the number of additional directors and directors together shall not at any time exceed the maximum strength fixed for the Board of Directors by the Articles. Such a person shall hold office up to the date of the next annual general meeting of the Company but shall be eligible for appointment by the Company as a director at that meeting subject to the provisions of the Act.

105. Subject to the provisions of Section 161 of the Act, the Board of Directors shall have power to appoint a person, not being a person holding any alternate directorship for any other director in the Company, to act as an alternate director to act for a director during his absence for a period of not less than three months from India.

106. The directors shall have power, at any time and from time to time, to appoint any qualified person to be a director to fill a casual vacancy. Such casual vacancy shall be filled by the Board of Directors at a meeting of the Board. Any person so appointed shall hold office only upon the date up to which the director in whose place he is appointed would have held office if it had not been vacated as aforesaid but he shall then be eligible for re-election.

107. The office of a director shall become vacant on the occurrence of any events described in Section 167 of the Act and other relevant provisions if the Act.

108. Every director present at any meeting of the Board of Directors or a committee there of shall sign his name in a book or attendance sheet to be kept for that purpose, to show his attendance thereat.

109. Notwithstanding anything to the contrary contained in these Articles, so long as moneys remain owing by the Company to any all India financial institutions, or a State Financial Corporation or any Financial Institution owned or controlled by the Central Government or a State Government or the Reserve Bank of India or any Public Sector Banks by two or more of them or by Central Government or State Government by themselves (each of the above is hereinafter in this Article referred to as "the Corporation") out of any loans/debenture assistance granted by them to the Company or so long as the Corporation holds or continue to hold debentures/shares in the Company as result of under writing or by subscription or private placement or so long as any liability of the Company arising out of any Guarantee furnished by the Corporation on behalf of the Company remains outstanding, the Corporation shall have a right to appoint from time to time, any person or persons as a Director or Directors, whole-time or non-whole time (which Director or directors is/are hereinafter referred to as "Nominee Directors") on the Board of the Company and to remove from such office any person or persons so appointed and to appoint any person or persons in his or her or their places. The Board of Directors of the Company shall have no power to remove office of the Nominee Directors. At the option of the Corporation such Nominee Directors shall not be required to hold any share qualification in the Company. Also, at the option of the Corporation such Nominee Directors shall not be liable to retirement by rotation of Directors. The Company agrees that if the Board of Directors of the Company has constituted or proposes to constitute any management committee or other committee (so it shall, if so required by the Corporation, include the Nominee Director as a member of such management committee or other committees). Subject as aforesaid, the Nominee Director(s) shall be entitled to the same rights and privileges and be subject to the same obligations as any other director of the Company. The Nominee Director(s) so appointed shall hold the said office only so long as any money remains owing by the Company to the Corporation or so long as the Corporation hold or continues to hold

Debentures/Shares in the Company as a result of underwriting or by direct subscription or private placement or the liability of the company arising out of the guarantee is outstanding and the NomineeDirector(s) so appointed in exercise of the said power shall vacate such office, immediately the moneys owing by the Company to the Corporation are paid off or on the Corporation ceasing to hold Debentures/Shares in the Company or on the satisfaction of the liability of the company arising out of the guarantee furnished by the Corporation. The Nominee Director(s) appointed under this Article shall be entitled to receive all notices of and attend all General Meetings, Board Meetings and of the Meetings of the Committee of which the Nominee Director(s) is/are, Member(s) as also the minutes of such meetings. The Corporation shall also be entitled to receive all such notices and minutes.

The Nominee Director(s) shall be entitled to the same sitting fees, commission, remuneration and expense as are applicable to other Directors. The expenses shall be paid to the Nominee Director(s) directly, but the commission, remuneration or other monies and sitting fees to which the Nominee Director(s) is/are entitled shall accrue due to the Corporation and shall accordingly be paid by the Company directly to the Corporation or as may be instructed by the Corporation.Any expense that may be incurred by the Corporation or such Nominee Director/s in connection with their appointment or directorship shall also be paid or reimbursed by the Company to the Corporation or as the case may be, to such Nominee Director(s). Provided also that in the event of the Nominee Director being appointed as Whole Time Director(s), such Nominee Director(s) shall exercise such powers and duties as may be approved by the Corporation and have such right as are usually exercised or available to a Whole Time Director(s) in the management of the affairs of the Company. Such Whole Time Director(s) shall be entitled to receive such remuneration, fees, commission and monies as may be approved by the Corporation.

POWERS OF BOARD OF DIRECTORS

110. The Board of Directors shall exercise the following powers on behalf of the Company and it shall do so only by means of resolution passed by the Board at its meetings:

a. make calls on shareholders in respect of money unpaid on the shares in the Company;

b. authorize buy-back of securities under Section 68 of the Act;

111. The Board of Directors may meet for the conduct of business, adjourn and otherwise regulate its meetings as it thinks fit. A director may, and the manager or secretary on the requisition of a director shall, at any time, summon a meeting of the Board.

112. The directors may participate in any meeting of the Board or a committee thereof, through electronic mode subject to compliance with applicable law.

113. At every annual general meeting of the Company one-third of such of the directors of the time being as are liable to retire by rotation in accordance with the provisions of Section 152 of the Act if their number is not three or a multiple of three, then the number nearest to one third retire from office.

114. The Director, including Alternate and Nominee Directors, if any, shall be entitled to sitting fees, for participating/attending Board Meeting or Meeting of Committee of Board of Directors, a sum not exceeding Rs. 1,00,000/- or such sum as may be fixed by the Board of Directors, from time to time. However, the same shall not exceed the maximum sum as is permissible under the provisions of the Act or Guidelines issued by appropriate authority, from time to time.

115. (1) The remuneration of the directors shall, in so far as it consists of a monthly payment, be deemed to accrue from day to day.

(2) In addition to the remuneration payable to them in pursuance to the Act, the directors may be paid all travelling, hotel and other expenses properly incurred by them:

a) In attending and returning from meetings of the Board of Directors or any committee thereof or general meetings of the Company; or

b) In connection with the business of the Company.

116. The directors shall not be required to hold any qualification shares in the Company.

117. Subject to the provisions of Sections 149 and 161 of the Act, the Board of Directors shall have power at any time, and from time to time, to appoint persons as additional directors, provided the number of additional directors and directors together shall not at any time exceed the maximum strength fixed for the Board of Directors by the Articles. Such a person shall hold office up to the date of the next annual general meeting of the Company but shall be eligible for appointment by the Company as a director at that meeting subject to the provisions of the Act.

118. Subject to the provisions of Section 161 of the Act, the Boardof Directors shall have power to appoint a person, not being a person holding any alternate directorship for any other director in the Company, to act as an alternate director to act for a director during his absence for a period of not less than three months from India.

119. The directors shall have power, at any time and from time to time, to appoint any qualified person to be a director to fill a casual vacancy. Such casual vacancy shall be filled by the Board of Directors at a meeting of the Board. Any person so appointed shall hold office only upon the date up to which the director in whose place he is appointed would have held office if it had not been vacated as aforesaid but he shall then be eligible for re-election.

120. The office of a director shall become vacant on the occurrence of any events described in Section 167 of the Act and other relevant provisions if the Act.

121. Every director present at any meeting of the Board of Directors or a committee there of shall sign his name in a book or attendance sheet to be kept for that purpose, to show his attendance thereat.

POWERS OF BOARD OF DIRECTORS

124. (1) The Board may, subject to the provisions of the Act, delegate any of its powers to Committees consisting of such member or members of its body as it thinks fit.

(2) Any Committee so formed shall, in the exercise of the powers so delegated, conform to any regulations that may be imposed on it by the Board.

(3) The participation of directors in a meeting of the Committee may be either in person or through video conferencing or audio visual means or teleconferencing, as may be prescribed by the Rules or permitted under law.

125. A Committee may elect a Chairperson of its meetings unless the Board, while constituting a Committee, has appointed a Chairperson of such Committee.

126. If no such Chairperson is elected, or if at any meeting the Chairperson is not present within fifteen minutes after the time appointed for holding the meeting, the members present may choose one of their members to be Chairperson of the meeting.

127. Committee may meet and adjourn as it thinks fit.

128. Questions arising at any meeting of a Committee shall be determined by a majority of votes of the members present.

129. In case of an equality of votes, the Chairperson of the Committee shall have a second or casting vote.

130. All acts done in any meeting of the Board or of a Committee thereof or by any person acting as a director, shall, notwithstanding that it may be afterwards discovered that there was some defect in the appointment of any one or more of such directors or of any person acting as aforesaid, or that they or any of them were disqualified or that his or their appointment had terminated, be as valid as if every such director or such person had been duly appointed and was qualified to be a director.

131. Save as otherwise expressly provided in the Act, a resolution in writing, signed, whether manually or by secure electronic mode, by a majority of the members of the Board or of a Committee thereof, for the time being entitled to receive notice of a meeting of the Board or Committee, shall be valid and effective as if it had been passed at a meeting of the Board or Committee, duly convened and held.

BORROWING POWERS

131A. Subject to the provisions of the Act and these Articles and without prejudice to the other powers conferred by these Articles, the Directors shall have power from time to time at their discretion to accept deposits from members either in advance of calls or otherwise, and generally to raise or borrow or secure the payment of any sum or sums of money for the purpose of the Company. Provided that the aggregate of the amount raised, borrowed or secured at any time together with the money already borrowed by the Company (apart from temporary loans as defined in Section 180 of the Act, obtained from the Company's bankers in the ordinary course of business) and remaining outstanding and undischarged at that time shall not, without the consent of the Company in General Meeting by a special resolution, exceed the aggregate of the paid up capital of the Company and its free reserves, that is to say, reserves not set apart for any specific purpose.

131B. Subject to the provisions of the Act and these Articles, the Directors may by a resolution at a meeting of the Board (and not by circular resolution) raise and secure the payment of such sum or sums in such manner and upon such terms and conditions in all respects as they think fit and in particular by the issue of bonds, perpetual or redeemable debenture stock, or any mortgage or charge or other security, on the undertaking or on the whole or any part of the property of the Company (both present and future) including its uncalled capital for time being.

RESOLUTION BY CIRCULATION

132. No resolution shall be deemed to have been duly passed by the Board or by a Committee thereof by circulation unless the resolution has been circulated in draft, by the Secretary of the Company, if any, or by any person or persons nominated by the Chairman/Managing Director/Manager, together with the necessary papers if any to all the Directors or to all the Members of the Committee, then in India (not being less in number than the quorum fixed for a meeting of the Board or Committee, as the case may be), and to all other Directors or Members of the Committee at their usual address in India and has been approved by such of the Directors or Members of the Committee as are then in India, or by a majority of such of them, as are entitled to vote on the resolution.

REGISTERS

133. The Company shall keep and maintain at its registered office all statutory registers namely, register of charges, Register of Members, register of debenture holders, register of any other security holders, the register and index of beneficial owners and annual return, register of loans, guarantees, security and acquisitions, register of investments not held in its own name and register of contracts and arrangements for such duration as the Board may, unless otherwise prescribed, decide, and in such manner and containing such particulars as prescribed by the Act and the Rules. The registers and copies of annual return shall be open for inspection during 11.00 a.m. to 1.00 p.m. on all working days, other than Saturdays, at the Office of the Company by the persons entitled thereto on payment, where required, of such fees as may be fixed by the Board but not exceeding the limits prescribed by the Rules.

134. The Company may exercise the powers conferred on it by Section 88 of the Act with regard to the keeping of a foreign register; and the Board of Directors may (subject to the provisions of that Section) make and vary such regulations as it may think fit with respect to the keeping of any such register.

135. The directors may enter into contracts or arrangements on behalf of the Company subject to the necessary disclosures required by the Act being made wherever any Director is in any way, whether directly or indirectly concerned or interested in the contract or arrangements.

136. All related party transactions will be approved by the Board of Directors, and, if applicable, by the shareholders in a general meeting through a special resolution, in accordance with the provisions of the Act and rules framed thereunder.

CHIEF EXECUTIVE OFFICER, MANAGER, COMPANY SECRETARY OR CHIEF FINANCIAL OFFICER

137. Subject to the provisions of the Act:

a) A chief executive officer, manager, company secretary or chief financial officer may be appointed by the Board of Directors for such term, at such remuneration and upon such conditions as it may thinks fit; and any chief executive officer, manager, company secretary or chief financial officer so appointed may be removed by means of a resolution of the Board; the Board may appoint one or more chief executive officers for its multiple business.

b) A director may be appointed as chief executive officer, manager, company secretary or chief financial officer.

138. Any provision of the Act or these Articles requiring or authorizing a thing to be done by or to a director and chief executive officer, manager, company secretary or chief financial officer shall not be satisfied by its being done by or to the same person acting both as director and as, or in place of, chief executive officer, manager, company secretary or chief financial officer.

THE SEAL

139. The Board shall provide a Common Seal for the purposes of the Company, and shall have power from time to time, to destroy the same and substitute a new Seal in lieu thereof, and the Board shall provide for the safe custody of the Seal for the time being, and the Seal shall never be used except the authority of the Board or a Committee of the Board previously given. The Company shall also be at liberty to have an official Seal in accordance with the provisions of the Act.

140. Every deed or other instrument, to which the Seal of the Company is required to be affixed, shall unless the same is executed by a duly constituted attorney, be signed by one Director and some other person appointed by Board for the purpose. Provided that in respect of the Share certificate, the Seal shall be affixed in accordance with the Articles.

DIVIDENDS AND RESERVE

141. The Company in general meeting may declare dividends, but no dividend shall exceed the amount recommended by the Board.

142. Subject to the provisions of Section 123 of the Act, the Board of Directors may, from time to time, pay to the members such interim dividends as appear it to be justified by the profits earned by the Company.

143. The Board of Directors may, before recommending any dividend, set aside out of the profits of the Company, such sums, as it thinks fit as a reserve or reserves which shall, at the discretion of the Board, be applicable for any of the purposes to which the profits of the Company may be properly applied, including provision for meeting contingencies or for equalizing dividends and pending such applications may at the

like discretion either be employed in the businesses of the Company or be invested in such investments (other than shares of the Company) as the Board of Directors may, from time to time, thinks fit. The Board of Directors may also carry forward any profits which it may think prudent not to divide, without setting them aside as a reserve.

144. (1) Subject to the rights of the persons, if any, entitled to shares with special rights as to dividends, all dividends shall be declared and paid according to the amounts paid or credited as paid on the shares in respect whereof the dividend is paid, but if and so long as nothing is paid upon any of the shares in the Company, dividends may be declared and paid according to the amounts of the shares.

(2) No amount paid or credited as paid on a share in advance of calls shall be treated for the purposes of this Article as having been paid on the share.

(3) All dividends shall be apportioned and paid proportionately to the amounts paid or credited as paid on the shares during any portion or portions of the period in respect of which the dividend is paid but if any share is issued on terms providing that it shall rank for dividend as from a particular date such share shall rank for dividend accordingly.

145. The Board of Directors may deduct from any dividend payable to any member all sums of money, if any, presently payable by him to the Company on account of calls or otherwise in relation to the shares of the Company.

146. Any dividend, interest or other moneys payable in cash in respect of shares may be paid by ECS, cheque or warrant sent through the post directed to the registered address of the holder or in case of joint holders, to the registered address of that one of the joint holders who is first named on the register of member, or to such persons and to such address as the holder or joint holders may in writing direct. Every such cheque or warrant shall be made payable to the order of the person to whom it is sent.

147. Any one of two or more joint holders of a share may give effective receipts for any dividends, bonuses or other moneys payable in respect of such share.

148. Notice of any dividend that may have been declared shall be given to the person entitled to share therein in the manner mentioned in the Act.

149. No dividend shall bear interest against the Company.

150. Where the Company has declared a dividend but which has not been paid or claimed within 30 days from the date of declaration, the Company shall, within seven days from the date of expiry of the said period of 30 days, transfer the total amount of dividend which remains unpaid or unclaimed within the said period of 30 days, to a special account to be opened by the Company in that behalf in any scheduled bank, to be called "VRL Logistics Limited Unpaid Dividend Account".

151. Any money transferred to the unpaid dividend account of the Company which remains unpaid or unclaimed for a period of seven years from the date of such transfer, shall be transferred by the Company to the Investor Education and Protection Fund established under Section 125 of the Act.

152. No unclaimed or unpaid dividend shall be forfeited by the Board of Directors until the claim becomes barred by law.

ACCOUNTS

153. The Board of Directors shall cause proper books of accounts to be maintained including under Section 128 of the Act.

154. The Board shall from time to time determine whether and to what extent and at what times and places and under what conditions or regulations, the accounts and books of the Company shall be open to the

inspection of Members not being Directors and no Member (not being a Director) shall have any right of inspecting any accounts or books or documents of the Company except as conferred by law or authorized by the Board or by the Company in a General Meeting.

WINDING UP

155. (1) Subject to the provisions of the Act, and the rules made thereunder, on the winding up of the Company, the liquidator may, with the sanction of a special resolution of the Company and any other sanction required by the Act, divide amongst the members in specie or in kind, the whole or any part of the assets of the Company, whether they shall consist of property of the same kind or not.

(2) For the purpose aforesaid, the liquidator may set such value as he deems fair upon any property to be divided as aforesaid, and may determine how such division shall be carried out as between the members or different classes of members.

(3) The liquidator may, with the like sanction, vest the whole or any part of such assets in trustees upon such trusts for the benefit of the contributories if he considers necessary, but so that no member shall be compelled to accept any shares or other securities whereon there is any liability.

INDEMNITY

156. Every officer of the Company shall be indemnified out of the assets of the Company against any liability incurred by him in defending any proceedings, whether civil or criminal, in which judgment is given in his favour or in which he is acquitted or in which relief is granted to him by a competent court or the tribunal.

SECRECY

157. a) Every Director, Manager, Chief Executive Officer, Chief Financial Officer, Company Secretary, Auditor, Chief Accounts Officer, Treasurer, Accountant, Agent or other person employed in the business of the Company shall, if so required by the Directors, before entering upon his duties, sign a declaration pledging himself to observe strict secrecy respecting all transactions and affairs of the Company with the customers and the state of accounts with individuals and in matters relating thereto, and shall by such declaration pledge himself not to reveal any of the matters which may come to his knowledge in the discharge of his duties except when required so to do by the Directors or by law or by the person to whom such matters relate and except and so far as may be necessary in order to comply with any of the provisions in these presents contained.

b) No members shall be entitled to visit or inspect any work/works of the Company without the prior permission of the Directors or to require discovery of or any information respecting any details of the Company's business/trading, or any matter which relates to the conduct of the business of the Company and which in the opinion of the Directors, it would be inexpedient in the interest of the Company to disclose.

VARIATION IN TERMS OF CONTRACT OR OBJECTS IN PROSPECTUS

158. The Company shall not, at any time, vary the terms of a contract referred to in prospectus or objects for which the prospectus was issued, except subject to the approval of, or except subject to an authority given by the Company in general meeting by way of special resolution, and in accordance with the provisions of the Act.

GENERAL POWER

159. Wherever in the Act, it has been provided that the Company shall have right, privilege or authority or that the Company could carry out any transactiononly if the Company is so authorised by its articles, then and in that case this regulation hereto authorises and empowers the Company to have such rights, privilege or

authority and to carry such transactions as have been permitted by the Act, without there being any specific regulation in that behalf herein provided.

PART B – SPECIAL ARTICLES

In case of any inconsistency, conflict or contradiction between Part A of the Articles on the one hand and Part B of the Articles on the other hand, Part B of the Articles shall prevail. Part B of the Articles shall cease to remain in effect and shall fall away without any further action by any party (including the Company or any of its Members) immediately on the commencement of trading of the Equity Shares of the Company on any Recognised Stock Exchange (as defined below) pursuant to the IPO (as defined below). In the event of any ambiguity or discrepancy between the provisions of the SHA (as defined below) and these Articles, it is intended that the provisions of the SHA shall prevail and accordingly the members shall exercise all voting and other rights and powers available to them to procure any amendment to these Articles, so as to give effect to the provisions of the SHA.

General Clause

1. Part B of the Articles are in addition to the rights and obligations of the Parties (as defined below) under the SHA entered into among the Parties, and the non-inclusion of any provision of the SHA in these Articles shall not prejudice or affect the enforceability of the SHA, and in case of any conflict between these Articles and the SHA, the SHA will prevail.

Definitions and Interpretation

2. In Part B of these Articles (including the Schedules hereto), the following words and expressions, unless the context otherwise requires, have the meanings set forth below:

(a) "**Acceptance Notice**" has the meaning given to it in Article 71;

(b) "**Accounts**" means the balance sheet of the Company as at the Accounts Date and the profit and loss account and cash flow statement of the Company in respect of the Financial Year ended on the Accounts Date prepared in accordance with Indian GAAP, together with any notes, reports, statements or documents included in or annexed to them, all of which are audited by the Auditors;

(c) "**Accounts Date**" means a date which is 31 March of each Financial Year to which such Accounts relate;

(d) "**Act**" means the Companies Act, 2013 (including any statutory modification(s) or re-enactment thereof, for the time being in force), including wherever applicable, the rules and regulations framed thereunder and the relevant provisions of the Companies Act, 1956, to the extent that such provisions have not been superseded by the Companies Act, 2013 or denotified, as the case may be;

(e) "**Additional Taxes**" has the meaning given to it in Article 106;

(f) "**Affiliate**" means, with respect to any Person, any other Person that is a direct or indirect holding company or subsidiary of such Person or a relative of such Person or that directly or indirectly (i) owns or controls such Person; (ii) is owned or controlled by such Person; or (iii) is under common ownership or control with such Person. For purposes of this definition, the term "control", "controlling" or "controlled" means the power to direct the management, operations, business and/or policies of such Person, whether through the ownership of shares or any other security, by contract or otherwise; and the terms "holding company", "subsidiary" and "relative" shall have the meanings given to them under the Act;

(g) "**Aircraft Business**" means non-scheduled aircraft operations carried out by the Company;

(h) "**Annual Budget**" means, for any Financial Year, the annual budget including projected profit and loss statement, balance sheet, cash flow statements, capital expenditure budget, operating budget and EBITDA for each of the Businesses or any other document which deals with similar matters (by whatever name it may be referred to) that has been approved on or prior to the beginning of the relevant Financial Year by the Board;

(i) "**Auditors**" means the statutory auditors of the Company;

(j) "**Board**" means the board of Directors of the Company and includes, as the context may require, any committee or sub- committee of the Board;

(k) "**Business Day**" means a day which is not a Saturday or Sunday on which banks are open for general business in Port Louis, Mauritius, Hubli, Karnataka, India and Mumbai, Maharashtra, India;

(l) "**Business Plan**" means the three year business plan of the Company including the profit and loss account, balance sheet, cash flow and supporting schedules including but not limited to capital expenditure forecasted for each of the Financial Years under consideration, as adopted and approved by the Board and as amended, in accordance with these Articles;

(m) "**Businesses**" means the Goods Transportation Business, the Courier Business, the Passenger Transportation Business, the Power Business and the Aircraft Business;

(n) "**Breach Notice**" has the meaning given to it in Article 109(b);

(o) "**Buy-Back**" has the meaning given to it in Article 95;

(p) "**CCPPS**" means a 0.001% participatory Preference Share of the Company with a face value of Rs. 100, which is compulsorily and mandatorily convertible into Equity Shares in accordance with the Conditions and these Articles;

(q) "**CCPPS Holder**" means the person in whose name a CCPPS is registered, who is to be treated as the absolute owner for all purposes (regardless of any notice of ownership, trust or any interest in it or any writing on, or the theft or loss of, the certificate issued in respect of it, except as otherwise required by applicable Law);

(r) "**Chairman**" has the meaning given to it in Article 7;

(s) "**Claims**" means all actions, suits, proceedings or arbitrations, whether civil, criminal, administrative or investigative, pending or threatened, under applicable Law, in equity or before any Governmental Authority;

(t) "**Clearance Period**" has the meaning given to it in Article 32;

(u) **"Company**" means VRL Logistics Limited, a company incorporated under the Companies Act, 1956, and having its registered office at R.S. No. 351/1, Varur Post Chabbi Taluk Hubli, District Dharwad, Hubballi 581 207, Karnataka, India (and the expression shall, unless repugnant to the context or meaning thereof, be deemed to mean and include its successors and permitted assigns);

(v) "**Company Indemnity Payment**" has the meaning given to it in Article 104;

(w) "**Completion**" means the completion of the issue and allotment of the CCPPS and the sale and purchase of the Sale Shares in accordance with the Share Purchase and Subscription Agreement;

(x) "**Competitor"** and "**Competitor List**" shall have the meaning given to it in Annexure 4 of the SHA;

(y) "**Completion Date**" means the date on which Completion occurs;

(z) "**Conditions**" means the terms and conditions of the CCPPS, in the form set forth in Schedule IV which are also included on the reverse of the certificate representing the CCPPS;

(aa) "**Conversion Date**" has the meaning given to it in Condition 5(a) of the Conditions;

(bb) "**Courier Business**" means the courier services in India provided by the Company;

(cc) "**Default Rate of Return**" means an amount, when aggregated with all the Dividend which has accrued and been paid to the Investor, will yield to the Investor an aggregate rate of interest on each Share of 15% (Fifteen per cent.) per annum compounded on an annual basis for the period from the Completion Date to the date on which the Investor Transfers its Shares to any Person pursuant to an Event of Default in accordance with Article 110(a);

(dd) "**Deed of Adherence**" means the deed set out in Schedule V;

(ee) "**Determined Price**" has the meaning given to it in Article 71;

(ff) "**Directors**" means the members of the Board;

(gg) "**Disclosed Related Party Transactions**" has the meaning given to it in paragraph 15 of Schedule II;

(hh) "**Dividend**" means any dividend or other distribution which is paid in cash by the Company to its Shareholders including any interim or final dividend;

(ii) "**EBITDA**" means, in relation to any period, the total profit after Tax of the Company for that period after adding back (but without double counting) (i) Interest Expense and Finance Charges; (ii) tax on the income of the Company; and (iii) all amounts provided for depreciation and amortisation for such period, each as determined in accordance with Indian GAAP and which shall be certified by the Auditors; provided however EBIDTA shall not include any extraordinary income or expense calculated under Indian GAAP or any income or expense that is not in the Ordinary Course of Business;

(jj) "**Effective Date**" means 15 December 2011;

(kk) "**Encumbrance**" means any lien, pledge, hypothecation, charge, mortgage, security interest, encumbrance, Claim, infringement, interference, option, right of first refusal, pre-emptive right, community property interest, deed of trust, warrant, lease, purchase right, priority right, commitment, right to exchange or restriction of any nature (including any restriction on the voting of any security, any restriction on the transfer of any security or other asset, any restriction on the receipt of any income derived from any asset, any restriction on the use of any asset and any restriction on the possession, exercise or transfer of any other attribute of ownership of any asset) and the term "**Encumber**" shall be construed accordingly;

(ll) "**Equity Share Equivalents**" means any instrument issued by the Company or the Promoters which is convertible into or exchangeable for Equity Shares including any convertible or exchangeable bonds, share warrants and convertible or exchangeable Preference Shares, other than (i) the Shares issued to the Investor; or (ii) the Equity Shares to be issued pursuant to an employee stock option plan as approved by the Board; or (iii) any Promoter Indemnity Instruments;

(mm) "**Equity Share**" means an equity share of the Company with a face value of Rs. 10;

(nn) "**Events of Default**" has the meaning given to it in Article 109;

(oo) "**Exercise Notice**" has the meaning given to it in Article 93;

(pp) "**Fair Market Value**" means with respect to any property on any date, the fair market value of that property as determined in good faith by an Independent Financial Appraiser;

(qq) "**Finance Committee**" has the meaning given to it in Article 29;

(rr) "**Financial Year**" means a 12 month period commencing on 1 April of the preceding calendar year and ending on 31 March of that calendar year;

(ss) "**Fixed Preferential Dividend**" means the dividend payable to any CCPPS Holder at a rate of 0.001% per annum per CCPPS subject to and in accordance with applicable Law and the Conditions;

(tt) "**Funding Notice**" has the meaning given to it in Article 56;

(uu) "**Further Issuance**" has the meaning given to it in Article 56;

(vv) "**Further Securities**" has the meaning given to it Article 56;

(ww) "**Goods Transportation Business**" means freight transportation services, parcel services and express cargo services provided by the Company;

(xx) "**Governmental Approvals**" means all consents, approvals, orders, permits, no-objection letters or authorisations of, and registrations, declarations and filings with, and expirations of waiting periods imposed by, any Governmental Authority, including any Governmental Approval required in connection with these Articles, each of the other Transaction Documents and the transactions contemplated therein;

(yy) "**Governmental Authority**" means any national, state, regional or local government or governmental, regulatory, statutory, administrative, fiscal, Taxation, judicial, or government-owned body, department, commission, authority, court, tribunal, agency or entity in India or outside India;

(zz) "**Gross Debt**" means, at any particular time, the aggregate outstanding principal (and any fixed or minimum premium payable on redemption) of the Indebtedness of the Company on a consolidated basis and which shall be certified by the Auditors;

(aaa) "**Increased Determined Price**" has the meaning given to it in Article 75;

(bbb) "**Incur**" means issue, assume, guarantee, incur or become liable for;

(ccc) "**Indebtedness**" means, without double counting, any indebtedness (whether secured or unsecured) for, or in respect of:

(i) moneys borrowed;
(ii) any interest and monetary non-interest obligations;
(iii) any amount raised by acceptance under any acceptance credit, bill acceptance or bill endorsement facility or dematerialised equivalent;
(iv) any amount raised pursuant to any note purchase facility or the issue of bonds, notes, debentures, loan stock, or any similar instrument;
(v) the amount of any liability in respect of any lease or hire purchase contract which would, in accordance with Indian GAAP, be treated as a finance or capital lease;
(vi) receivables sold or discounted;
(vii) any amount raised under any other transaction (including any forward sale or purchase agreement) having the commercial effect of a borrowing;
(viii) any derivative transaction entered into in connection with protection against or benefit from fluctuation in any rate or price, including any credit support arrangement in respect thereof (and, when calculating the value of any derivative transaction, only the marked to market value shall be taken into account);
(ix) securities that are expressed to be redeemable or any securities or instruments convertible into or exchangeable for Equity Shares, other than the CCPPS;
(x) any counter-indemnity obligation in respect of a guarantee, indemnity, bond, standby or documentary letter of credit, or any other instrument issued by a bank or financial institution; and
(xi) the amount of any liability in respect of any guarantee or indemnity for any of the items referred to in paragraphs (i) through (x) above;

provided however, that the total Indebtedness at any time will not include (A) any credit offered by the Company to its customers and (B) advances received by the Company from any party, each in the Ordinary Course of Business.

(ddd) "**Indemnified Parties**" has the meaning given to it in Article 101;

(eee) "**Independent Financial Appraiser**" means an independent investment or commercial bank of international repute appointed pursuant to Article 110(a);

(fff) "**Indian GAAP**" means the generally accepted accounting principles and practices as in effect in India, from time to time, consistently applied throughout the specified period;

(ggg) "**Intellectual Property**" means all patents, trademarks, service marks, logos, diagrams, get-up, trade names, internet domain names, rights in designs, drawings, copyrights (database rights, flow charts, models, manuals, codes, rights in technical and process know-how, website address used or for use in the Businesses and other intellectual property rights, in each case whether registered or unregistered and including applications for registration, and all rights or forms of protection having equivalent or similar effect anywhere in the world which are held or any Intellectual Property owned by the Promoters, Other Shareholders or their respective Affiliates or the Company's Affiliates but that relates to the Company or any of its Businesses;

(hhh) "**Interest Expense and Finance Charges**" means, in relation to any period, the aggregate amount of interest and finance charges (whether or not paid, payable or capitalised) accrued by the Company in such period in respect of any Indebtedness including, but not limited to:

(i) the interest element in any leasing and hire purchase payments;
(ii) commitment fees, commissions, arrangement fees and guarantee fees; and
(iii) amounts in the nature of interest payable in respect of any securities other than the Equity Shares;

as determined in accordance with Indian GAAP;

(iii) "**Interim Capital Expenditure Plan**" means the capital expenditure plan of the Company for the period between the Effective Date and 31 March, 2012 which has been initialled by the Company and delivered to the Investor on or before the Effective Date for the purposes of identification;

(jjj) "**Investor**"means NSR-PE Mauritius, LLC, a limited liability company incorporated under the laws of Mauritius having its registered office at c/o Citco (Mauritius) Limited, 4th Floor, Tower A, 1 Cybercity, Ebene, Mauritius (and shall unless repugnant to the context or meaning thereof, be deemed to include its successors and permitted assigns);

(kkk) "**Investor Contingent Sale Notice**" has the meaning given to it in Article 98;

(lll) "**Investor Director**" means the Director nominated by the Investor pursuant to Article 8;

(mmm) "**Investor Exit Price**" has the meaning given to it in Article 93;

(nnn) "**Investor Nominee**" means any Person nominated by the Investor for obtaining the Security Clearance;

(ooo) "**Investor Observer(s)**" has the meaning given to it in Article 13;

(ppp) "**Investor Offered Shares**" has the meaning given to it in Article 83;

(qqq) "**Investor Right of First Offer**" has the meaning given to it in Article 69;

(rrr) "**Investor Transfer Consent**" has the meaning given to it in Article 72;

(sss) "**IPO**" means a public offering pursuant to which the Equity Shares of the Company commence trading unconditionally on each of the Recognised Stock Exchanges;

(ttt) "**IPO Committee**" has the meaning given to it in Article 92(b);

(uuu) "**IPO Investment Bank(s)**" has the meaning given to it in Article 91(a);

(vvv) "**Law**" means any statute, law, ordinance, rule, regulation, circular, guideline, administrative interpretation, approval, press note, order, writ, injunction, directive, judgment or decree issued by the government of any nation or any of its ministries, departments, secretariats, agencies or any legislative body, court or tribunal, whether at the central, state or municipal/local level, and includes, without limitation, the Act;

(www) "**Losses**" has the meaning given to it in Article 101;

(xxx) "**Material Adverse Effect**" means, individually or in the aggregate, a material adverse change, effect, event or occurrence, probable or otherwise, (i) on the condition, financial, legal or otherwise, or in the assets, liabilities, earnings, business, management, operations or prospects of the Company, either individually or taken as a whole; (ii) on the ability of the Company or the Promoters or the Other Shareholders to execute or deliver the Transaction Documents, or perform their obligations under, or to consummate the transactions contemplated by the Transaction Documents, including the issuance and allotment of the CCPPS and the Transfer of the Sale Shares; (iii) on the validity, legality or enforceability of any Transaction Document; or (iv) on the ability of the Company to conduct any of its Businesses and to own or lease its assets or properties in substantially the same manner in which such Businesses were conducted prior to the Effective Date or such assets or properties were owned or leased prior to the Effective Date;

(yyy) "**Memorandum**" means the memorandum of association of the Company as may be amended from time to time;

(zzz) "**Minimum Internal Rate of Return**" means an amount, when aggregated with all the Dividend which has accrued and been paid to the Investor, will yield to the Investor an aggregate rate of interest on each Share of 12%per annum compounded on an annual basis for the period from the Completion Date to the date on which the Investor Transfers its Shares to any Person pursuant to Article 93;

(aaaa) "**Net Worth**" means, at any time, the aggregate of (A) the amounts paid-up on any form of issued and paid-up share capital and (B) the amount standing to the credit of the reserves of the Company, including any amount credited to the share premium account of the Company, but deducting: (i) any debit balance on the profit and loss account of the Company; (ii) any provision for any deferred Taxation (to the extent included), and so that no amount is included or excluded more than once; and which Net Worth shall be certified by the Auditors;

(bbbb) "**Offer Period**" has the meaning given to it in Article 71;

(cccc) "**Offered Shares**" has the meaning given to it in Article 70;

(dddd) **"Ordinary Course**" or "**Ordinary Course of Business**" means an action taken by or on behalf of the Company that: (i) is recurring in nature and is taken in the ordinary course of the Company's normal day-to-day operations; (ii) is not required under any applicable Law or contract to be authorised by the Shareholders, Board or any committee of the

Board and does not require any other separate or special authorisation of any nature; and (iii) is similar in nature and magnitude to actions customarily taken, without any separate or special authorisation, in the ordinary course of the normal day-to-day operations of the Businesses as operated on the Effective Date;

(eeee) "**Outstanding**" means, in relation to the CCPPS, all the CCPPS issued except (i) those which have been converted in accordance with the Conditions; (ii) those which have been cancelled as provided in the Conditions; and (iii) for the purpose only of determining how many CCPPS are outstanding and without prejudice to their status for any other purpose, those certificates that may have been lost, stolen or destroyed and in respect of which replacement certificates have been issued by the Company;

(ffff) "**Other Shareholders**" means the Persons listed in Schedule I(and shall unless repugnant to the context or meaning thereof, be deemed to include their successors and permitted assigns);

(gggg) "**Part Purchaser**" has the meaning given to it in Article 68;

(hhhh) "**Participatory Preferential Dividend**" has the meaning given to it in Article 41;

(iiii) "**Party**" or "**Parties**" means the Investor, the Company, VS, the Seller and the Other Shareholders, when referred to individually or collectively, as the context may require;

(jjjj) "**Passenger Transportation Business**" means domestic passenger transport services of the Company in Western and Southern India;

(kkkk) "**Person**" means any individual, firm, company, corporation, government, state or agency of a state, or any association, trust or partnership (whether or not having separate legal personality), body corporate or entity or any two or more of the above and shall include any successor (by merger or otherwise) of such entity or organisation;

(llll) **"Post Fourth Year Investor Offered Shares**" has the meaning given to it in Article 96;

(mmmm) "**Post Fourth Year Promoter Offered Share Price**" has the meaning given to it in Article 96;

(nnnn) "**Post Fourth Year Promoter Right of First Offer**" has the meaning given to it in Article 96;

(oooo) "**Potential Transferee**" has the meaning given to it in Article 70;

(pppp) "**Power Business**" means power generation in the State of Karnataka;

(qqqq) "**Preference Shares**" means preference shares of the Company and includes a CCPPS;

(rrrr) "**Preferential Allotment**" has the meaning given to it in Article 59;

(ssss) "**Preferential Dividend**" has the meaning given to it in Article 41;

(tttt) "**Preferential Securities**" has the meaning given to it in Article 59;

(uuuu) "**Promoter**" or "**Promoters**" means VS and the Seller, either individually or collectively as the context may require;

(vvvv) "**Promoter Indemnity Instrument**" has the meaning given to it in Article 104;

(wwww) "**Promoter Offered Share Price**" has the meaning given to it in Article 83;

(xxxx) "**Promoter Right of First Offer**" has the meaning given to it in Article 83;

(yyyy) "**Promoter Shares Sale Terms**" has the meaning given to it in Article 83;

(zzzz) "**Proposed Purchaser**" has the meaning given to it in Article 83;

(aaaaa) "**Recognised Stock Exchange(s)**" means the National Stock Exchange of India Limited and the BSE Limited;

(bbbbb) "**Remote Participation**" has the meaning given to it in Article 33(a)

(ccccc) "**Right**" has the meaning given to it in Article116;

(ddddd) "**Rs.**" and "**Rupees**" mean Rupees, the lawful currency of India;

(eeeee) "**Sale Shares**" means the Equity Shares purchased from the Seller by the Investor;

(fffff) "**SEBI**" means the Securities and Exchange Board of India;

(ggggg) "**Security Clearance**" means any prior approval, as may be required, from the Ministry of Civil Aviation of the Government of India and any other Governmental Authority for the appointment of the Investor Director of the Company;

(hhhhh) "**Seller**" means Mr. Anand Sankeshwar, an Indian citizen and person resident in India, permanently residing at No. 120 to 125, "Lalit Mahal", Naveen Park, Kusugal Road, Keshwapur, Hubli 580 023 Karnataka, India (and shall unless repugnant to the context or meaning thereof, be deemed to include his representatives and legal heirs);

(iiiii) "**SHA**" means the Shareholders' Agreement dated the Effective Date among the Parties;

(jjjjj) "**Share Purchase and Subscription Agreement**" means the Share Purchase and Subscription Agreement dated the Effective Date among the Parties, as amended on March 27, 2012;

(kkkkk) "**Share**" means any Equity Share or CCPPS of the Company;

(lllll) "**Shareholder**" means a holder of an Equity Share;

(mmmmm) "**Shareholding Percentage**" means, at any time, in relation to any Shareholder, the sum of the number of Equity Shares for which that Shareholder is registered in the Company's register of members and the Equity Shares proposed to be issued upon conversion or exchange into Equity Shares of any convertible or exchangeable instrument including the CCPPS (assuming, where the number of Equity Shares to be issued upon conversion or exchange is indeterminate, the maximum number of Equity Shares that may be issued), expressed as a percentage of the sum of the total issued Equity Shares of the Company and the Equity Shares proposed to be issued upon conversion or exchange of such convertible or exchangeable instrument (assuming, where the number of Equity Shares to be issued upon conversion or exchange is indeterminate, the maximum number of Equity Shares that may be issued), at such time;

(nnnnn) "**Tag Acceptance Notice**" has the meaning given to it in Article 77;

(ooooo) "**Tag Offer Notice**" has the meaning given to it in Article 76;

(ppppp) "**Tag-Along Right**" has the meaning given to it in Article 76;

(qqqqq) "**Tax**" or "**Taxation**" means any central, state, local or foreign income tax, property tax, withholding tax, wealth tax, capital gains tax, excise duty, custom duty, sales tax, service tax, minimum alternative tax, value added tax, fringe benefits tax, transfer tax, dividend tax, stamp duty, employment tax and any other kind of tax, charge, levy, cess, surcharge or duty that may be imposed by any Governmental Authority, including any deficiencies, additions, interest and penalties in connection therewith;

(rrrrr) "**Tax Credit**" has the meaning given to it in Article 108;

(sssss) "**Third Party Undertaking**" has the meaning given to it in Article 91(b);

(ttttt) "**Transaction Documents**" means collectively the SHA, the Share Purchase and Subscription Agreement, these Articles, the Memorandum, the Conditions and the letter dated the Effective Date from the Company, the Promoters and the Other Shareholders confirming the additional confirmations and undertakings in Schedule III;

(uuuuu) "**Transfer Notice**" has the meaning given to it in Article 70;

(vvvvv) "**Transfer**" means to sell, transfer, assign, pledge or otherwise alienate, Encumber or dispose of, in any way, any securities including any Share, or any rights relating to such Share, and "**Transferred**" and "**Transferable**" shall be construed accordingly;

(wwwww) "**Transferring Shareholder**" has the meaning given to it in Article 69;

(xxxxx) "**Unsubscribed Preferential Securities**" has the meaning given to it in Article 60;

(yyyyy) "**Unsubscribed Securities**" has the meaning given to it in Article 57; and

(zzzzz) "**VS**" means **Mr. Vijay Sankeshwar**, an Indian citizen and person resident in India, permanently residing at No. 120 to 125, "Lalit Mahal", Naveen Park, Kusugal Road, Keshwapur, Hubli 580 023 Karnataka, India (and shall unless repugnant to the context or meaning thereof, be deemed to include his representatives and legal heirs).

Interpretation

3. In Part B of these Articles:

references to a statutory provision include any regulations or subordinate legislation made or promulgated from time to time under that provision;

references to any gender shall include all genders and references to the singular include the plural and vice versa;

references to a statute or statutory provision include that statute or provision as from time to time amended, modified or re-enacted or consolidated whether before or after the date of these Articles and (so far as liability thereunder may exist or can arise) shall include also any past statutory provision (as from time to time amended, modified or re-enacted or consolidated) which such provision has directly or indirectly replaced;

reference to a document shall be a reference to that document as modified, amended, novated or replaced from time to time;

the words “include” and “including” are to be construed without limitation;

references to these Articles include any Schedules to these Articles as from time to time amended and the Schedules form an integral part of these Articles;

references to the SHA include any Recitals, Annexures and Schedules to the SHA as from time to time amended and references to Clauses, Sections, Annexures and Schedules are to Clauses, Sections, Annexures and Schedules to the SHA;

headings are for convenience only and shall be ignored in construing or interpreting any provision of these Articles;

references to time of day are to Indian Standard Time (IST) unless otherwise stated;

references to books, records or other information means books, records or other information in any form, including paper, electronically stored data, magnetic media, film and microfilm;

references to any Indian legal term or concept (including for any action, remedy, judicial proceeding, document, legal status, statute, court, official governmental authority or agency) shall, in respect of any jurisdiction other than India be interpreted to mean the nearest and most appropriate analogous term to the Indian term in the legal language in that jurisdiction as the context reasonably requires so as to produce as nearly as possible the same effect in relation to that jurisdiction as would be the case in relation to India; and

in relation to a document, such document in the form agreed among the Parties with such alterations as may be agreed in writing among the Parties from time to time.

SHARE CAPITAL

Increases in Capital

4. The Company may, from time to time, raise any capital by the issue of Equity Shares or any Equity Share Equivalents to any Person, including a Shareholder.

5. The Promoters and Other Shareholders jointly and severally covenant with each of the Company and the Investor that no Equity Share or Equity Share Equivalent, including any Unsubscribed Preferential Securities or Unsubscribed Securities shall be issued by the Company on terms that are more favourable to any Person than the terms obtained by the Investor for the Investor’s Shares.

For the avoidance of doubt, but without limitation to the generality of the preceding sentence, terms offered to any such Person shall be deemed to be more favourable than those obtained by the Investor if:

(a) the payment terms offered to that Person are more favourable; and/or

(b) the price per Equity Share or Equity Share Equivalent issued to such Person is lower than the per share price paid by the Investor; and/or

(c) the Equity Shares or Equity Share Equivalents issued to such Person provide a higher overall return than that on the Investor's Shares; and/or

(d) in the case of any convertible or exchangeable instrument, the conversion or exchange price or ratio offered to that Person is more favourable than that offered to the Investor in relation to the Investor's Shares; and/or

(e) the rights attached to Equity Shares or Equity Share Equivalents are more favourable than any of the rights attached to the Investor's Shares under the Transaction Documents.

MANAGEMENT

Supervision by the Board

6. The Board shall be responsible for the overall direction, supervision and management of the Company. The Parties shall exercise their respective voting rights and shall, to the extent permissible by applicable Law, cause the Directors nominated by them to exercise their powers, in a manner so as to ensure compliance with Articles 6-23, including ensuring that the Investor Director is duly appointed on the Board.

Chairman

7. The office of Chairman shall be held by the Promoters or any other Director nominated by the Promoters (the "**Chairman**"). The Chairman shall have no casting or deciding vote either in a meeting of the Shareholders, at any meeting of the CCPPS Holders or at any meeting of the Board. In addition to the duties under the Act, the Chairman shall be entitled to take the chair at all meetings of the Board or committee thereof and at all meetings of Shareholders or at any meeting of the CCPPS Holders. In the absence of the Chairman at any meeting of the Board, the Shareholders or the CCPPS Holders, the Directors present shall nominate one of the Directors to act as the Chairman of such meeting.

Constitution of Board

8. On and from the Completion Date, the Investor shall have the right to appoint the Investor Director and the Investor Observer(s) in accordance with Articles 6-14. Subject to Article 11, if the Security Clearance approving the Investor Nominee's appointment as a Director is received on or prior to the Completion Date, then immediately on and after Completion, the Board shall consist of a maximum of seven Directors, including the Investor's Nominee (such Investor's Nominee, when appointed as a Director, the "**Investor Director**"). Until such time as an Investor Director is appointed, the Board shall comprise no more than six Directors.

9. If the Security Clearance approving the Investor Nominee's appointment as a Director is received on or prior to 180 days from the Completion Date, then the Investor Nominee approved in the Security Clearance shall be appointed as a Director as soon as practicable but no later than two Business Days of the date of receipt of the Security Clearance.

10. If the Security Clearance for an Investor's Nominee is not received and an Investor Director is not

appointed on or prior to 180 days from the Completion Date, then the Company and its Businesses will be restructured (which such restructuring may include a sale of the Aircraft Business) such that (i) there will not be any requirement for any approval whatsoever from the Ministry of Civil Aviation of the Government of India, the Ministry of Home Affairs of the Government of India, or any other Governmental Authority, including the Security Clearance, for the appointment of any Investor Nominee as a Director of the Company and any subsidiary of the Company; and (ii) an Investor Director shall be appointed within 210 days of the Completion Date.

11. Subject to Article 68, an Investor Nominee shall continue to be a Director until such time as (i) the Investor holds 3% or more of the issued Equity Shares; and (ii) all the CCPPS do not convert into Equity Shares in accordance with the Conditions and the Articles. Upon the conversion of all the CCPPS into Equity Shares, the Investor shall continue to be entitled to nominate an Investor Director until such time as the Investor holds 5% or more of the issued Equity Shares.

12. The Board shall be re-constituted to ensure appointment of the Investor Director, in the manner contemplated under Articles 8-14. The Shareholders shall vote at meetings of Shareholders in a manner (i) ensuring that any Investor Nominee is duly appointed as a Director on the Board; and (ii) to effect the restructuring contemplated in Article 10.

13. The Investor shall be entitled to appoint two observers (collectively, the "**Investor Observers**" and each an "**Investor Observer**") for all meetings of the Board, until such time that the Investor Director is appointed in accordance with Articles 8-14. Upon the appointment of the Investor Director, only one Investor Observer (in addition to the Investor Director) shall be entitled to attend the meetings of the Board until such time as (i) the Investor holds 3% or more of the issued Equity Shares; and (ii) all the CCPPS do not convert into Equity Shares in accordance with the Conditions and the Articles. Upon the conversion of all the CCPPS into Equity Shares, the Investor shall continue to be entitled to nominate any one Investor Observer until such time as the Investor holds 5% or more of the issued Equity Shares.

14. In addition to its foregoing rights under Articles 8-13, the Investor shall have a right to nominate and maintain at least one member and one observer on each of the committees and sub-committees of the Board (excluding the Finance Committee), until such time as (i) the Investor holds 3% or more of the issued Equity Shares; and (ii) all the CCPPS do not convert into Equity Shares in accordance with the Conditions and the Articles. Upon the conversion of all the CCPPS into Equity Shares, the Investor shall continue to be entitled to nominate one member and one observer to the committees and the sub-committees of the Board (excluding the Finance Committee) until such time as the Investor holds 5% or more of the issued Equity Shares.

Qualification Shares and Votes

15. The Directors shall not be required to hold any qualification Shares.

16. Each Director shall be entitled to cast one vote at any Board meeting and in respect of all circular resolutions of the Board.

Removal or Replacement of Directors and Observers

17. The Investor and the Promoters shall be entitled to appoint, remove or replace their nominee Directors and observers by delivering notices in writing, to the Company at its registered office. In the event of a casual vacancy arising on account of the resignation of a Director or the office of any Director or observer becoming vacant for any reason, the Party who had appointed such Director or observer shall be entitled to nominate a Person to fill the vacancy. The Parties shall exercise all their rights and powers in support of the appointment or removal or replacement of such person forthwith (and in any event within seven Business Days of such nomination or at the next Board meeting, whichever is earlier) as a Director or observer and unless the nominating Party changes or withdraws such nomination, such person shall be elected as a Director at the next Shareholder meeting of the Company.

18. Each Party shall be entitled, in accordance with the Act, through its nominee Director, to nominate an alternate in his place, and the Board shall, on receipt of a notice in this regard, appoint such nominated person as an alternate Director. Each Director shall also be entitled to remove and replace his nominated alternate Director and nominate another Person in his place as an alternate Director.

19. An alternate Director shall be entitled to receive notice of all meetings of the Board, to attend and vote at any such meeting at which the Director for whom he acts as an alternate is not personally present, to exercise and discharge all the functions, powers and duties of his appointer, as a Director.

20. An alternate Director shall, in addition to any ground under the Act on which he vacates his office, automatically vacate his office as an alternate Director if the Director who appointed him ceases to be a Director.

21. Investor shall be entitled to nominate an alternate observer to act as an alternate for the observer at a specific meeting of the Board and the Board shall, on receipt of a notice in this regard, appoint such nominated person as an alternate observer.

Other Matters

22. Immediately upon Completion, the Company shall obtain and maintain, at the Investor's cost, a Directors and officers (D&O) liability insurance for the Investor Director (and if possible, after discussions with the insurers, for the Investor Observers) from a reputable insurance company in respect of losses, liabilities, damages, deficiencies, demands, Claims, actions arising out of or resulting from any act of omission or commission of the Investor Director and the Investor Observer. Further, so long as the Investor has the right to nominate the Investor Director and the Investor Observers, the Company undertakes and agrees to maintain such D&O liability insurance, at the Investor's cost, for the Investor Director and the Investor Observers.

23. The Promoters and the Company expressly agree and undertake that the Investor Director or the Investor Observers or the nominees of the Investor on any committee or sub-committee of the Board shall not be identified on their part as "managers", "officers in default", "occupiers" and/or "employers" of the Company under any applicable Law. Further, the Promoters and the Company undertake to ensure that the Directors (other than the Investor Director and the Investor Observers) or other suitable Persons are nominated as or deemed to be "managers", "officers in default", "occupiers" and/or "employers", as the case may be, in order to ensure that the Investor Director or the Investor Observers or the nominees of the Investor on any committee or sub-committee of the Board do not incur any liability.

Proceedings of the Meetings of the Board

24. The Board shall meet as necessary to discharge its duties, but in any case in accordance with the Act and these Articles. In addition to meetings of the Board or its committee or sub-committee, the Board or its committee or sub-committee may, subject to Article 32, act by circular resolution on any matter except those matters which under the Act must only be acted upon at a meeting of the Board or its committee or sub-committee.

25. At least seven Business Days prior written notice of each Board meeting or a meeting of its committee or sub-committee shall be given to each Director and the Investor Observers at his address in India or elsewhere as notified to the Company in writing unless in any particular case all Directors and the Investor Observers agree in writing to a shorter notice period. Every such notice shall contain an agenda identifying sufficient details of the business to be transacted with all necessary accompanying papers and no business shall be transacted at any such meeting of the Board or its committee or sub-committee unless details of such business have been stated in full and in sufficient detail in the notice convening the meeting, provided however, that with the unanimous consent of all the Directors present at such a meeting, any item or business not included in the agenda may be transacted at the meeting.

26. Subject to Article 32, that no matter shall be tabled, discussed or resolved at a Board meeting or a meeting of its committee or sub-committee unless such matter was specifically described in the agenda provided to the Investor Director and the Investor Observers along with the notice of such Board meeting or meeting of its committee or sub-committee and, notwithstanding any provision in that agenda for the tabling of, discussion regarding or resolution on "other business", "other matters with the permission of the Chairman" or similar, no such other matters shall be tabled, discussed or resolved at that meeting.

27. The quorum at meetings of the Board or its committee or sub-committee shall be arrived at in accordance with the Act, provided at any meeting after the appointment of the Investor Director that there shall be no quorum unless the Investor Director is present throughout the meeting (except in a meeting of the Finance Committee) or has consented, in writing, to the meeting taking place irrespective of his presence, to discuss any or resolve on such matters (other than matters included in Schedule II) as listed in the agenda provided to the Investor Director prior to such meeting. In the event that there is no quorum on the specified date and within 30 minutes of the specified time indicated in the notice calling the Board meeting or a meeting of its committee or sub-committee, then the meeting shall stand adjourned to the same day of the immediately following week at the same time and place (if such day is not a Business Day, then the meeting shall be held on the next Business Day at the same time and place). If there is no quorum within 60 minutes of the appointed time at such adjourned meeting, then the Directors present shall constitute quorum and matters specified in Schedule II shall not be discussed at any such meeting.

28. Subject to the provisions of Articles 25, 29, 30, 31, 32 and 43 a resolution by circulation shall be as valid and effectual as a resolution duly passed at a meeting of the Directors called and held provided it has been circulated in draft form, together with the relevant papers, if any, to all the Directors.

Finance Committee

29. The Company may constitute a committee or sub-committee of the Board ("**Finance Committee**") which shall have no more than three members, none of whom are required to be the Investor Director. The Finance Committee can only discuss and decide on matters which are specifically permitted by the Board, with the prior written consent of the Investor.

The Finance Committee shall only discuss and decide upon matters which are in the Ordinary Course of Business and which are within the scope of the Annual Budget, subject to the limitations prescribed in the immediately preceding sentence and Article 31.

30. The minutes of all meetings of the Finance Committee shall be finalised and a copy of the minutes shall be submitted to the Directors, including the Investor Director within three Business Days of such meeting.

31. The Finance Committee shall not discuss and decide upon any matter which is listed in or relates to any matters listed in Schedule II or which may result in any deviation, directly or indirectly, from the Interim Capital Expenditure Plan, the Annual Budget or the Business Plan. Any decision of the Finance Committee which is in contravention of Articles 29-31 shall not be binding on the Company and shall be void ab initio.

32. Notwithstanding anything contained herein, until such time that the Investor Director has been appointed pursuant to Articles 8-14 (the "**Clearance Period**"), no matter that is included in Schedule II, shall be tabled, discussed or resolved at the meetings of the Board or a committee or sub-committee thereof unless it is approved by a Shareholders meeting prior to the date of such meeting of the Board or a committee or sub-committee thereof. Until the Investor Director has been appointed, all decisions at any Board, or a committee or sub-committee, meeting or at any Shareholders meeting in the Clearance Period shall become effective only after the written ratification of the Investor. For the avoidance of doubt, nothing in the immediately preceding sentence shall prejudice the rights of the Investor to approve the matters included in Schedule II, after the appointment of the Investor Director.

Remote Participation

33. Subject to the provisions of the Act:

(a) any or all of the Directors and Shareholders may participate in a Board meeting or a meeting of its committee or sub-committee or a Shareholder Meeting, by way of video conference or similar equipment ("**Remote Participation**") designed to allow them to participate efficiently and to communicate concurrently with each other without an intermediary in the Board, or its committee or sub-committee or Shareholder meeting; and

(b) a Board meeting or a meeting of its committee or sub-committee held by Remote Participation shall be valid so long as it is in one single place, or in places connected by way of video conference or similar equipment and the quorum required pursuant to Article 27 is present. The place where the Chairman or the Company Secretary of the Company is sitting shall be taken as the place of the meeting.

Shareholder Meetings

34. Subject to Articles 32 and 43 all resolutions in relation to the Company which are required by applicable Law to be referred to or passed by Shareholders must be passed by the majority required under applicable Law and these Articles for such matters in respect of which a resolution is required.

35. All meetings of the Shareholders shall be held in accordance with the Act and these Articles. At least 21 days' notice shall be provided of any meeting of the Shareholders, unless the Shareholders consent to holding a meeting by shorter notice.

36. The quorum for a Shareholder meeting shall be arrived at in accordance with the Act, provided that there shall be no quorum unless a representative of the Investor is present throughout the meeting. If there is no quorum for the meeting, the meeting shall stand adjourned to the same day of the immediately following week at the same time and place (if such day is not a Business Day, then the meeting shall be held on the next Business Day at the same time and place). If there is no quorum within 60 minutes of the appointed time at such adjourned meeting, then the Shareholders present shall constitute quorum and it being understood that no matters specified in Schedule II shall be discussed or voted upon in any such meeting. For the avoidance of doubt, as stated in Article 32, during the Clearance Period, all matters included in Schedule II, will be decided with the written consent of the Investor.

37. Subject to the provisions of the Act and applicable Law, any or all of the Shareholders may participate in a Shareholder meeting by way of Remote Participation.

Dividend Distribution

38. Subject to and in accordance with Article 32, applicable Law, these Articles, the Investor's rights under Schedule II, and the Investor's written consent, the Board may recommend to the Shareholders the declaration of any Dividends payable under applicable Law in respect of the Shares.

39. Dividends on distributable profits are intended to be shared pro-rata on an "as converted" basis, among the holders of Equity Shares and CCPPS Holders (assuming conversion of the CCPPS in accordance with Condition 5(c) of the Conditions and as set forth in Articles 40 and 41, subject to applicable Laws. Until such time as any CCPPS is Outstanding, the Board will not declare, approve and/or recommend to the Shareholders the declaration, approval or payment of, and the Shareholders will not declare, approve or authorise the payment any (i) interim Dividend; and (ii) any Dividend to its Shareholders, which will not enable or will frustrate the simultaneous receipt of payment, in full, of Participatory Preferential Dividend to the CCPPS Holders in accordance with Articles 40 and 41.

40. Prior to any recommendation or approval of any Dividend on any Equity Share, the Board shall (i) calculate the Fixed Preferential Dividend, the Participatory Preferential Dividend and the Dividend, and (ii)

obtain the written confirmation of the Investor, in writing, of the calculations made in (i) above. It is clarified that in no event shall the Company declare any Dividend on Equity Shares which will cause the calculation of the Preferential Dividend in (i) above to result in an amount which is greater than any limit as may be imposed by the Reserve Bank of India or any other Governmental Authority at the relevant time for the payment of any Dividends to the Investor or result in the maximum number of Equity Shares being issued to the Investor on the Conversion Date exceeding the limits under applicable Law.

41. The Parties agree that CCPPS Holders have the right to participate in the distributable profits and receive dividends as may be recommended by the Board in accordance with and subject to these Articles and applicable Law (such dividend, the "**Participatory Preferential Dividend**" and together with the Fixed Preferential Dividend, the "**Preferential Dividend**") such that the aggregate Preferential Dividend in any period shall be equal to the amount which would have been payable as Dividend to the Investor assuming all the CCPPS held by the Investor had been converted into Equity Shares (assuming conversion of the CCPPS in accordance with Condition 5(c) of the Conditions).

42. Upon conversion of all the CCPPS, subject to the Investor's rights under Schedule II, the Board will be entitled to declare and distribute Dividends to Shareholders without the requirement to comply with the provisions of Articles 38-41.

Affirmative Rights of the Investor

43. Notwithstanding anything to the contrary contained the Articles but without prejudice to Article 32, neither the Company nor any Shareholder shall take, approve or otherwise ratify any of the actions, deeds, matters or things described in Schedule II at any meeting of the Board or at a Shareholder meeting, without the affirmative vote of the Investor Director or the prior written consent of the Investor, as the case may be.

INFORMATION, ACCOUNTING RECORDS, AUDIT, ACCESS AND TAX STATUS

Information

44. The Company shall provide the Investor and the Investor Director with all information relating to the Company which the Investor, the Investor Director and the Investor Observers may require from time to time, including the following information relating to the Company:

(a) the draft and approved Annual Budget and the Business Plan;

(b) quarterly unaudited financial statements including cash flows relating to the Company in each case prepared in accordance with Indian GAAP, within 30 days of the end of each quarter, along with a budget to actual performance review;

(c) unaudited annual financial statements of the Company within two months after the end of each Financial Year of the Company;

(d) audited annual financial statements of the Company within three months after the end of each Financial Year of the Company;

(e) monthly management statements and information reports (MIS) in respect of the Company and all its divisions and segments in such form as the Investor reasonably requires within 15 days of the end of each month;

(f) copies of any internal audit reports;

(g) copies of any material reports submitted for the purposes of any regulatory and other compliance to Governmental Authorities and any lender or holder of debt securities and of any material notices received or any material reports or notices submitted to any Governmental Authority and any lender or holder of debt securities;

(h) details of any litigation (including winding up proceedings or notices under the enactment or regulation), proceedings or dispute of adverse change that impedes or which is likely to cause a Material Adverse Effect;

(i) details of any event of force majeure or any other event which would have a Material Adverse Effect; and

(j) such further information relating to the business, affairs or financial position of the Company, including but not limited to books and accounts and other records.

45. The Company and the Promoters shall also procure that the Investor shall have access to and the right to inspect all information and documentation, financial or otherwise, provided to any member of the Board, books of accounts and other business records, and the right to advise or consult with the management of the Company as the Investor may from time to time require with prior intimation.

Accounting Records

46. The Company shall maintain and the Promoters shall ensure that the Company maintains accurate and complete accounting and other financial records and procure that those accounting records are available for inspection by the Investor or its authorised representatives during normal business hours.

Internal Controls

47. The Company shall and the Promoters shall ensure that the Company devises and maintains:

(a) effective internal control over financial reporting; and

(b) a system of internal accounting controls sufficient to provide reasonable assurance that:

(i) transactions are executed in accordance with management's general or specific authorisations, the Annual Budget and the Business Plan;

(ii) transactions are recorded as necessary to permit preparation of financial statements in accordance with Indian GAAP and to maintain accountability for assets;

(iii) access to material assets is permitted only in accordance with management's general or specific authorisation;

(iv) the recorded accountability for material assets is compared with existing assets at reasonable intervals and appropriate action is taken with respect to any differences; and

(v) books, records and accounts which, in reasonable detail, accurately and fairly reflect the transactions and disposition of assets of the Company and provide a sufficient basis for the preparation of the financial statements in accordance with Indian GAAP.

Accounting Principles

48. The financial statements of the Company shall be prepared in accordance with Indian GAAP. The accounting principles of the Company shall reflect conservative best practices.

PREPARATION AND APPROVAL OF ANNUAL BUDGET AND REVISIONS TO THE BUSINESS PLAN

Annual Budget

49. The Company shall procure that the draft Annual Budget is delivered to each Director at least one month prior to the end of the then current Financial Year of the Company. Unless all the Directors agree otherwise, the Board shall meet to consider such Annual Budget not later than ten days prior to the end of the then current Financial Year of the Company. The Annual Budget shall be subject to the written approval of the Board and the Investor. The Company shall and the Promoters procure that the Company shall operate and conduct its Businesses in any Financial Year in accordance with the relevant Annual Budget.

Business Plan

50. At least one month prior to the end of each Financial Year, the Company shall prepare and submit to the Board and Investor any changes that the Company proposes to the Business Plan. Subject to the Investor's rights under Article 43 and Schedule II, the Board shall meet not later than ten days prior to the end of the then current Financial Year of the Company to approve any of the revisions to the Business Plan.

Tax Information

51. The Company shall make available to the Investor upon request, the books and records of the Company, and to provide any information reasonably required by the Investor for the completion of any returns, documents and applications relating to Tax, the meeting of Tax obligations, performance of Tax analysis and other Tax-related purposes. The Investor shall have the right to discuss, advise and consult on the affairs, finances and Accounts of the Company with the Directors, officers, management employees, accountants, legal counsel and investment bankers of the Company, all at such times as may be requested in writing by the Investor.

Auditors

52. The Auditors shall be Grant Thornton or any of its affiliated firms, unless the Board determines otherwise, in which case the Company shall appoint an internationally recognised and reputable accounting firm as its Auditors.

Special Auditor and Consultants

53. The Investor shall, at all times, have the right to appoint a special auditor to undertake reviews, propose measures to improve and audit the affairs, operations, finances and accounts, and consultants to propose measures to improve information technology infrastructure, internal reporting and accounting control systems of the Company. The Company, the Promoters and the Other Shareholders shall co-operate with such special auditor and consultants to facilitate the undertaking of any such review. All costs relating to the special auditor shall be borne by the Investor and all costs relating to the consultants shall be mutually agreed among the Parties at the relevant time.

Obligations of the Promoters

54. The Promoters jointly and severally undertake to procure fulfilment of/compliance with by the Company with the terms of Articles 44-53.

FINANCING

55. The Investor shall not be required to pledge or otherwise Encumber its Shares in favour of, or provide any other support including provide any guarantees to, any third party dealing with the Company including, without limitation, lenders to the Company. The Company and the Promoters shall make this fact clear in any discussions or negotiations with such third parties if such third party seeks or enquires about availability of the Investor's Shares for inclusion in any security package, and any financing plans relating

to the Company shall take this fact into account.

Shareholder Financing

56. If the Board determines that the Company will be unable to meet its funding requirements through its internal cash resources, and if it has been unable to obtain third party financing on commercially reasonable terms under the SHAor obtain Shareholder loans, then the Board shall, after obtaining the Investor's consent, deliver to the Shareholders a written notice (the "**Funding Notice**") setting out the amount of financing sought from the Shareholders (it being understood that there shall be no obligation on the Shareholders to provide any such funding) by way of subscription to Equity Shares or any Equity Share Equivalents (any such issuance, a "**Further Issuance**" and any securities proposed to be issued pursuant to any such Further Issuance, "**Further Securities**"). The aggregate additional finance requested from each Shareholder in the Funding Notice and the Further Securities (or any part thereof) shall be offered to each Shareholders shall be in proportion to their respective Shareholding Percentage (rounded off to the nearest practicable integer).

57. In the event that any Shareholder does not subscribe to its portion of the Further Securities in full or in part, as set forth in Article 56 (such unsubscribed securities, the "**Unsubscribed Securities**"), the Company shall first offer the Unsubscribed Securities to all the Shareholders, in proportion to their Shareholding Percentage. The process in the preceding sentence shall be repeated until all the Unsubscribed Securities are subscribed to. If any Shareholder does not subscribe to the Unsecured Securities or any part thereof, the Company shall have the liberty to offer the Unsubscribed Securities or any part thereof any other Person(s) who is not a Shareholder at a price and on terms which are not more favourable than the terms offered to the Shareholders. For the avoidance of doubt, the Parties agree that the written consent of the Investor shall be obtained prior to issuing any Further Securities to any Person who is not a Shareholder pursuant to the sentence immediately preceding this sentence and all Further Securities shall be issued in compliance with Articles 4 and 5.

58. If there is a minimum price per Share applicable to any Shareholder under applicable Law with respect to a Further Issuance, then such minimum price will also apply to all other Shareholders subscribing to such Further Securities.

Preferential Allotment

59. Subject to the affirmative rights of the Investor in Article 43 and as listed in Schedule II, the Board may, from time to time, issue and allot at such price and upon such terms as it may decide and as permitted by applicable Law, any Equity Shares or Equity Share Equivalents on a preferential basis to any Person (including, without limitation, any Shareholder) (any such allotment, a "**Preferential Allotment**" and the securities offered pursuant to any such Preferential Allotment, the "**Preferential Securities**"), after complying with the procedures as set out in Articles 56, 57 and 58; provided, however, that the Company shall not issue or sell to any such Person (other than to Shareholders in accordance with Articles 56, 57 and 58) any Preferential Securities unless, prior to the issue and allotment of the Preferential Securities, the Company has first offered all such Preferential Securities to the Investor. The Investor may, at its discretion, subscribe to all or any part of the Preferential Securities.

60. In the event that the Investor does not subscribe to all of the Preferential Securities or any part thereof as set forth in Article 59 (the "**Unsubscribed Preferential Securities**"), subject to Articles 4 and 5 the Company shall offer the Unsubscribed Preferential Securities or any part thereof to any other Person who is not a Shareholder (i) at a price (calculated on a proportionate basis in the case of Unsubscribed Preferential Securities) that is not lower than the price paid by the Investor for the Preferential Securities and on terms which are not more favourable than the terms offered to the Investor, in the event that the Investor subscribes to a part of the Preferential Securities; or (ii) at such price as may be determined by the Board. For the avoidance of doubt, the Parties agree that the written consent of the Investor shall be obtained prior to issuing any Preferential Securities to any Person who is not a Shareholder pursuant to the immediately

preceding sentence.

TRANSFERABILITY OF SHARES

General Conditions Applicable to Transfers

61. Any Transfer or attempted Transfer of any of the Shares or any interest therein by any of the Promoters or the Other Shareholders, which is in violation of the Articles, shall be null and void ab initio, and the Parties shall do all acts, deeds or things to prevent such Transfer from being given effect to.

62. Any calculation of a Shareholder's holding in the Company shall also take into account any Shares held by an Affiliate of such Shareholder, provided such Affiliate has executed the Deed of Adherence (which is contained in Schedule V). Any references in Articles 61-90 to the term "Investor", shall (unless specifically stated in these Articles to the contrary), be construed as also including a reference also to any Affiliate(s) of the Investor which hold(s) any Shares and has executed the Deed of Adherence.

63. Notwithstanding any provision to the contrary, the Investor is entitled to Transfer whole or a part of its Shares to its Affiliate, provided such Affiliate executes the Deed of Adherence and prior to it ceasing to remain an Affiliate of the Investor, re-transfers the Shares held by it to the Investor or any other Affiliate of the Investor.

64. It is clarified that the Shares held by the Investor shall at all times be freely Transferable, without any lock-in subject to Article 91(c) and shall be capable of being sold to any third party, subject to Articles 83, 84 and 85 herein.

65. Notwithstanding anything to the contrary contained in these Articles but without prejudice to the right of the Promoters to (i) Encumber or pledge their Shares in accordance with in consonance with the Business Plan and/or the Annual Budget; and (ii) to pledge not more than 5% of their Equity Shares (in aggregate and not individually) in favour of bona fide lenders and financial institutions in order to procure financing for themselves and/or VRL Media Limited, provided any such pledgee shall not, directly or indirectly, have any rights to the Board or management of the Company or any direct or indirect affirmative, special or other rights in the Company, the Promoters, the Other Shareholders or any of their Affiliates, cannot, either directly or indirectly, Transfer any Shares or Promoter Indemnity Instrument held by them, without the specific prior written consent of the Investor.

66. The Promoters and the Other Shareholders shall intimate the Investor of any unsolicited offers received by any of them, in relation to the Shares and any Promoter Indemnity Instruments held by any of them. It is agreed that the Promoters or the Other Shareholders shall not receive any consideration indirectly other than what is disclosed to the Investor, for the Transfer of their Shares or any of the Promoter Indemnity Instruments.

67. Any Transfer by a Shareholder to a third party in a manner permitted by these Articles shall be subject to such transferee executing the Deed of Adherence in the form set out in Schedule V by which such transferee agrees to be bound by the terms of the SHA.

Part Purchase

68. If the Investor Transfers its Shares to any Person (other than to its Affiliates) (such Person, a "**Part Purchaser**"), the Investor and the Part Purchaser shall be deemed to be one Shareholder whenever applicable and shall act together in the exercise of their rights under these Articles. The Investor shall, jointly with the Part Purchaser, be treated as one Shareholder group in respect of the Shares Transferred to the Part Purchaser unless, the Investor at its sole discretion, decides to allow the Part Purchaser to be substituted in place of the Investor as a party to the SHA in which case, all the rights and obligations of the Investor under the SHA would be exercised by the Part Purchaser.

Right of First Offer

69. Subject to Articles 61-68 and after obtaining the specific prior written consent of the Investor in accordance with Article 65, the Promoters, the Other Shareholders and any of their respective Affiliates that are Shareholders shall be entitled to sell any of their Shares in the Company to a third party, in accordance with Articles 69-75. If the Promoters, the Other Shareholders or any of their Affiliates (the "**Transferring Shareholder**") proposes to sell any Shares to a third party, it shall first offer such Shares to the Investor (the "**Investor Right of First Offer**") as provided in Articles 69-75.

70. In such an event, the Transferring Shareholder shall send a written notice (the "**Transfer Notice**") to the Investor, informing it of its intention to sell such number of Shares as are identified in the Transfer Notice (the "**Offered Shares**"), to a proposed third party transferee, whether identified or not by the Transferring Shareholder (the "**Potential Transferee**").

71. The Investor shall have the right, exercisable through the delivery of a written notice to the Transferring Shareholder (an "**Acceptance Notice**") within a period of 45 days after receipt of a Transfer Notice (the "**Offer Period**"), to offer to purchase, directly or through its nominee(s), all or a part of the Offered Shares, as the Investor may decide at its sole discretion. The Acceptance Notice shall include (i) a statement of the number of Shares held by the Investor on a non-diluted basis; (ii) the price at which the Investor or its nominee is prepared to acquire the Offered Shares (the "**Determined Price**"); (iii) the number of the Offered Shares which the Investor or its nominee(s) are willing to purchase at the Determined Price and (iv) the terms and conditions of the acceptance.

72. The failure of the Investor to issue an Acceptance Notice within the Offer Period shall be deemed to be a rejection of the Investor Right of First Offer with respect to the relevant Transfer Notice. In such an event or in the event of the issuance of a written notice by the Investor declining to purchase any Offered Shares, the Transferring Shareholder shall be permitted to Transfer the Offered Shares to the Potential Transferee subject to the Transferring Shareholder disclosing the name and identity of the Potential Transferee to the Investor and the Investor having consented to the Transfer by the Transferring Shareholder to such Potential Transferee, in writing (the "**Investor Transfer Consent**"). If the Investor consents to such Transfer, then subject to the Investor's right under Articles 76-82, at such price and on such terms as the Transferring Shareholder deems appropriate.

73. In the event of issuance of an Acceptance Notice by the Investor within the Offer Period, the Transferring Shareholder shall be permitted to Transfer the Offered Shares to the Potential Transferee, subject to obtaining the Investor Transfer Consent and the Investor's rights under Articles 76-82, only at a price which is higher than 110% of the Determined Price and on terms no more favourable than the terms set out in the Acceptance Notice, provided such Transfer is made within 90 days of the Transfer Notice. If the Transferring Shareholder fails to complete the Transfer of the Offered Shares within the 90 day period stipulated herein, the permission to Transfer the Offered Shares to the Potential Transferee shall be deemed to have been rescinded and the Transferring Shareholder shall be required to reinitiate the process envisaged under Articles 69-75, provided that if there is a Governmental Approval required for or in connection with the sale, then the above period shall be extended appropriately.

74. In the event that the Transferring Shareholder elects to accept the Acceptance Notice and agrees to Transfer the Offered Shares at the Determined Price to the Investor, then closing of any purchase of the Offered Shares shall be as mutually determined by the Investor and the Transferring Shareholder but shall be no later than 90 days after receipt of the Transfer Notice, provided that if there is a Governmental Approval required for or in connection with the sale, then the above period shall be extended appropriately.

75. If the Investor has issued an Acceptance Notice and the Transferring Shareholder proposes to Transfer the Offered Shares to the Potential Transferee at a price which is more than the Determined Price but less than or equal to 110% of the Determined Price (the "**Increased Determined Price**"), then the Transferring Shareholder shall issue a written notice to the Investor, offering to sell the Offered Shares at the Increased Determined Price, along with copies of the documents evidencing an irrevocable offer for all the Offered

Shares from the Potential Transferee at the Increased Determined Price. After receiving the notice from the Transferring Shareholder, the Investor may exercise its right to acquire all or part of the Offered Shares at the Increased Determined Price, by issuing a written notice to the Transferring Shareholder within 45 days of receipt of written notice from the Transferring Shareholder and completing the transaction within 90 days thereof provided that if there is a Governmental Approval required for or in connection with the sale, then the above period of 90 days shall be extended appropriately. If the Investor fails to issue the notice of acceptance (in the manner set out herein) agreeing to purchase all or any part of the Offered Shares at the Increased Determined Price, subject to the Investor's right under Articles 76-82 and the Investor Transfer Consent, the Transferring Shareholder shall then be entitled to sell all (and not less than all) of the Offered Shares not accepted by the Investor for purchase, to the Potential Transferee at a price equal to or in excess of the Increased Determined Price and completing the Transfer within 30 days from expiry of the 45 day period for the Investor to accept to purchase the Offered Shares at the Increased Determined Price.

Tag-Along Right

76. In the event that the Investor has not exercised its Investor Right of First Offer under Articles 69-75 or if the Transferring Shareholder has not accepted the Determined Price and after expiry of the Offer Period, the Transferring Shareholder has identified a Potential Transferee to whom it proposes to Transfer the Offered Shares, then the Investor shall have the right (the "**Tag-Along Right**") to require such Potential Transferee to purchase from the Investor and the Potential Transferee shall have an obligation to purchase from the Investor, any or all of the Investor's Shares (including Equity Shares, CCPPS or a combination thereof), as may be decided by the Investor at its sole discretion as set forth in Article 79, for the same consideration per Share (provided that for the CCPPS, the price shall be arrived at assuming that the CCPPS would convert into the maximum number of Equity Shares in accordance with the Conditions) and upon the same terms and conditions as are to be paid and given to the Transferring Shareholder by the Potential Transferee, which terms and conditions shall be disclosed in writing to the Investor ("**Tag Offer Notice**").

77. In the event that the Investor elects to exercise its Tag-Along Right, it shall deliver a written notice ("**Tag Acceptance Notice**") of such election to the Transferring Shareholder, within 45 days from the receipt of the Tag Offer Notice.

78. Where the Investor has elected to exercise its Tag-Along Right and the Potential Transferee fails to purchase the Investor's Shares pursuant to Articles 76and 77, the Transferring Shareholder shall not proceed with or complete the proposed sale of the Offered Shares to the Potential Transferee. In the event the Transferring Shareholder fails to Transfer the Offered Shares to the Potential Transferee the Investor shall not be required to Transfer its Shares pursuant to Articles 76-82.

79. If pursuant to the Transfer of the Offered Shares there occurs a "change in control" of the Company, then, the Investor shall have the right to offer all of its Shares (including the Shares held by any Affiliate or nominee of the Investor) to the Potential Transferee and the Potential Transferee shall be obligated to purchase all the Shares offered by the Investor. If pursuant to the Transfer of the Offered Shares, there is no "change in control" of the Company then the Shares offered for sale to the Potential Transferee by the Investor pursuant to Articles 76-82 shall be such number of Shares as bears proportion to the number of Shares being offered for sale by the Transferring Shareholder to such Transferring Shareholder's Shareholding Percentage. The Tag Offer Notice shall specify whether or not there will be a "change in control" as a result of Transfer of the Offered Shares.

80. For the purposes of Article 79, the term "change in control" shall mean any change in: (i) majority beneficial ownership of the Equity Shares of the Company; (ii) control of the majority of the composition of the Board; (iii) control of the day-to-day affairs and management of the Company; or (iv) Persons exercising the power to direct the management or policy decisions of the Company by contract or otherwise. For the avoidance of doubt a change in the majority aggregate beneficial ownership of the Promoters will be a "change in control".

81. The sale and purchase of the Offered Shares pursuant to the exercise of the Tag-Along Right shall be completed in terms set out in the offer of the Potential Transferee. If there is a Governmental Approval required for or in connection with the sale, then the time period for completion of the sale shall be extended appropriately.

82. The Parties agree and acknowledge that the Investor shall not be required to give any representation, warranty or indemnity whatsoever in connection with the Transfer of its Shares pursuant to Articles 76-82, other than that it has clear title to the Shares being offered by it and that such Shares will be Transferred free of all Encumbrances.

Transfers by the Investor

83. At any time on or prior to the date falling on the fourth anniversary of the Completion Date, if the Investor desires to sell any or all of its Shares (the "**Investor Offered Shares**") to any Person(s), it shall first offer the Investor Offered Shares to the Promoters (the "**Promoter Right of First Offer**"). The Promoters shall be required to notify either (i) their written acceptance along with the price per Share (the "**Promoter Offered Share Price**") and the terms and conditions (the "**Promoter Shares Sale Terms**") to purchase all of the Investor Offered Shares; or (ii) their refusal to purchase the Investor Offered Shares, within 45 days of being intimated by the Investor. The failure of the Promoters to issue a notice within 45 days of being intimated by the Investor shall be deemed to be a rejection of the Promoter Right of First Offer. In the event that the Promoters stipulate the Promoter Offered Share Price and Promoter Shares Sale Terms within the period of 45 days, the Investor shall be free to sell the Investor Offered Shares, at its sole option, to either (i) the Promoters at the Promoter Offered Share Price on the Promoter Shares Sale Terms; or (ii) to any other Person (the "**Proposed Purchaser**") on such terms, at a price greater than the Promoter Offered Share Price, provided that the Proposed Purchaser is not a Competitor. In the event that the Investor elects to accept the offer of the Promoters, the timing for the sale of the Investor Offered Shares shall be as mutually determined by the Investor and the Promoters but shall be no later than 90 days from receipt of the notice from the Promoters, provided that if there is a Governmental Approval required for or in connection with the sale, then the above period shall be extended appropriately. If the Promoters do not make full payment of the Promoter Offered Share Price or commit a breach of the Promoter Shares Sale Terms, the Investor shall then be entitled to sell the Investor Offered Shares or any part thereof to any Proposed Purchaser at such time and on such terms and conditions, including the price, as may be deemed appropriate by the Investor, in its sole discretion.

84. Notwithstanding anything contained in these Articles, in the event that the Promoters do not stipulate the Promoter Offered Share Price and Promoter Shares Sale Terms within the stipulated period of 45 days for any reason whatsoever, the Investor shall be free to sell the Investor Offered Shares or any part thereof at any price, on any terms and to any Person not being a Competitor.

Other Transfer Provisions

85. Any stamp duty or transfer Taxes or fees payable on the Transfer of any Shares in accordance with these Articles including pursuant to Articles 61-99 shall be borne and paid by the transferee (for the avoidance of doubt it is hereby clarified that transfer Taxes, wherever referred in these Articles, shall not include any income Tax payable by the transferor pursuant to the Transfer of the Shares).

86. The Company and the Promoters shall render all assistance and co-operation to the Investor to complete any Transfer in accordance with these Articles including Transfers pursuant to Articles 61-99, including making available requisite financial statements of the Company for preparation of the valuation certificate and providing/facilitating the application of Governmental Approvals required to complete such Transfer.

87. At the closing of any Transfer pursuant to these Articles including Transfers pursuant to Articles 61-99,

(a) the transferor shall deliver instructions to its depository participant of the Transferor instructing the depository participant to Transfer such number of Equity Shares as agreed to the transferee, which Equity Shares shall be free and clear of any Encumbrance. At such closing, all parties to such transaction shall execute such additional documents as may be necessary or appropriate to effect the transfer of their respective Equity Shares;

(b) if applicable, the transferor shall deliver certificates representing the CCPPS to be transferred to the transferee accompanied by duly executed instruments of transfer, which CCPPS shall be free and clear of any Encumbrance. At such closing, all parties to such transaction shall execute such additional documents as may be necessary or appropriate to effect the transfer of the CCPPS.

88. Any transferee purchasing Shares shall deliver to the transferor at such closing (or on such later date or dates as may be provided in the relevant notices governing such Transfer with respect to payment of consideration by the proposed transferee) payment in full of their respective portion of the Transfer consideration in accordance with the terms set forth in the relevant notices governing such Transfer.

89. None of the Parties shall enter into any agreement or arrangements in respect of any rights attached to their Shares which is or may result in a breach of any of the Transaction Documents.

90. Each of the Promoters undertake and covenant to the Investor that they shall procure that each of the Promoters shall exercise all rights and powers available to it to procure that the Directors or the Company's share transfer committee shall approve all Transfers of Shares that are in accordance with the terms of these Articles.

EXIT

Initial Public Offering

91. Process for the IPO is as follows:

(a) Each of the Promoters and the Company undertakes with the Investor that the unconditional trading of the Equity Shares will commence pursuant to a IPO on or prior to the date falling on the fourth anniversary of the Completion Date and it will do all acts, deeds and things that are required to ensure a successful IPO. The IPO will be based on the advice of a reputable investment bank and shall be structured so as to maximise value to the Shareholders. The Company has the right, with the prior written approval of the Promoters and the Investor, to engage reputable and renowned investment bank(s) (any such bank, an "**IPO Investment Bank**") to advise on the IPO prospects of the Company. The Promoters and the Company agree with the Investor that, if the IPO Investment Bank(s) advise that the timing and structure for any proposed IPO are favourable, the Company and the Promoters shall if so directed by the Investor in writing, procure that the Company shall implement the proposed IPO in accordance with the recommendations of the IPO Investment Bank(s). In particular, but without limitation, the Promoters and the Company agree to provide all necessary information and access to records and materials of the Company to the IPO Investment Bank(s), its representatives and advisers and to permit and facilitate the IPO Investment Bank(s) to carry out all necessary tasks to enable it, the Investor, the Promoters and the Company to agree on an appropriate underwriting price and an appropriate transaction structure for the IPO.

(b) In the event that the Investor is required under Law to give any representation, warranty, indemnity or covenant with respect to the Company, the Promoters, the promoter group, the group companies or their respective affiliates and associates or any of their respective businesses, financial statements, management, operations or other information related to such entities (collectively, "**Third Party Undertaking**"), the Promoters shall be jointly and severally liable to in turn secure, reimburse, indemnify, defend and hold harmless the Investor on demand for and against any and all loss, damage, liability or other cost or expenses whatsoever arising out of, in relation to or resulting from such Third Party Undertaking.

(c) Other than as may be required by applicable Law, in the IPO the Investor shall not be required to provide its Shares for being locked-in or restricting Transfer thereof in any manner whatsoever, including for the purposes of any promoter contribution.

Method of the IPO

92. (a) The IPO shall be effected on any Recognised Stock Exchange through: (A) the issue of new Shares; and/or (B) an offer for sale of existing Equity Shares.

(b) Any committee or sub-committee of the Board constituted in connection with a IPO (any such committee or sub-committee, the "**IPO Committee**"), shall have the Investor Director as a member and the IPO Committee shall not take, approve or otherwise ratify any actions, deeds, matters or things relating to or in connection with the IPO, without the affirmative vote of the Investor Director or the prior written consent of the Investor.

(c) The IPO shall be structured so that the Investor or any of its Affiliates shall not be named or deemed as a 'promoter' or a member of the 'promoter group' in any offering document or any other document related to a public offering or otherwise and the Investor's Shares shall not be considered as: (A) promoter or promoter group shares; or (B) shares equivalent to promoter shares as such term is considered under the rules and regulations of the Securities and Exchange Board of India or by the rules of the relevant Recognised Stock Exchange(s) for the purposes of the IPO.

(d) In the event any Governmental Authority holds or adjudicates that the Investor or any of its Affiliates is a "promoter" or a member of the "promoter group" of the Company under applicable Law, or requires the Company to mention the Investor or any of its Affiliates as a "promoter" or a member of the "promoter group" of the Company in any filings or documents, the Company and the Promoters shall immediately inform the Investor in writing and the Company and the Promoters further undertake to do all such acts, deeds and things and take all necessary steps and make all appropriate representations in consultation with the Investor and its Affiliates to ensure that the Investor or any of its Affiliates are not considered as a "promoter" or a member of the "promoter group" and the Investor and its Affiliates shall take necessary steps so as to not be classified a "promoter" or a member of the "promoter group".

(e) Each of the Promoters shall ensure that it or the Other Shareholders contribute sufficient Equity Shares that are eligible to meet any promoter contribution requirements under applicable Law, and shall ensure that all disclosures required for the "promoter" and "promoter group" are duly and properly complied with, as required under applicable Law or by any Governmental Authority.

(f) The IPO expenses comprising the fees and expenses of the underwriters, the Indian and international legal counsels to the Company and the Investor, underwriting commission, procurement commission if any, brokerage due to the underwriters and stock brokers/sub-brokers payable in relation to the IPO shall be shared by the Company and the Investor and any selling Shareholder in proportion to the number of Equity Shares to be issued or sold to the public by the Company and the offer for sale by the Investor and any selling Shareholder, respectively. All other IPO-related expenses, including printing, advertisement, listing fee, auditor's fees, registrar's fees, SEBI filing fees and fees payable to the Recognised Stock Exchanges for the usage of book building facility etc. will be borne solely by the Company.

(g) If the Equity Shares of the Investor are not sufficient in number for the purpose of conducting the IPO as required by applicable Law, rules of the Recognised Stock Exchange(s), or as advised by the IPO Investment Bank(s), the Promoters shall offer for sale their Equity Shares in the IPO, such number of their Equity Shares or the Company shall issue such new Equity Shares as would be sufficient for the purpose of conducting the IPO subject to Article 92(h).

(h) If upon structuring of the IPO, the Promoters' aggregate Shareholding falls below 65% of the issued Equity Shares of the Company or are not sufficient in number for the purpose of conducting the IPO as required by applicable Law, rules of the Recognised Stock Exchange(s), or as advised by the IPO Investment Bank(s), the Investor shall offer for sale in the IPO, such number of its Equity Shares as would be sufficient for the purpose of conducting the IPO. Provided that the Investor shall not be under any obligation to offer for sale in the IPO any Equity Shares, if such offer would reduce its Shareholding Percentage below 50% on a fully diluted basis.

Sale to Promoters

93. If on or prior to the date falling on the fourth anniversary of the Completion Date, the Equity Shares are not listed on a Recognised Stock Exchange and have not started trading unconditionally pursuant to a IPO for any reason whatsoever subject to applicable Law, the Investor shall have the right to Transfer all of its Shares to the Promoters and the Promoters (either jointly or severally) shall have the obligation to purchase from the Investor all of the Investor's Shares, at a consideration equal to an amount which is not less than the Minimum Internal Rate of Return on a per Share basis (the "**Investor Exit Price**"). If the Investor proposes to exercise its rights under this Article 93, the Investor shall deliver a written notice to the Promoters specifying its intention to exercise such rights (the "**Exercise Notice**"). Upon receipt of the Exercise Notice, the Promoters shall, by written notice confirm the receipt of the Exercise Notice and within 45 (forty five) days of the receipt of the Exercise Notice, the Investor shall Transfer all of its Shares to the Promoters, free and clear of all Encumbrances, for an aggregate consideration which is not less than the Investor Exit Price, provided that if there is a Governmental Approval required for or in connection with the sale, then the above period shall be extended appropriately but for a period not exceeding 180 days from the date of the receipt of the Exercise Notice. Simultaneously with the Investor complying with its obligations under this Article 93, the Promoters shall transfer the Investor Exit Price to the Investor in immediately available funds.

94. If the Promoters do not or cannot purchase all the Investor Exit Shares at the Investor Exit Price in accordance with Article 93 (including the time period specified therein), for any reason whatsoever, notwithstanding anything to the contrary contained in any of the Transaction Documents and until such time that the Investor's Shares are purchased by any Person or bought back by the Company in accordance with Article 95 (including the time period specified therein), the Company shall not Incur any further capital expenditure (as may be decided by the Investor at its sole discretion) of any amount or kind, without obtaining the prior written consent of the Investor.

95. In the event that the Promoters do not or cannot purchase all the Investor's Shares in accordance with

Article 93 (including the time period specified therein), for any reason whatsoever, then the Investor shall, at its sole discretion and subject to applicable Law, have the option to require the Company to buy back all of the Investor's Shares (the "**Buy-Back**") at a consideration equal to an amount which is not less than the Investor Exit Price. Immediately upon the Investor exercising the Buy-Back, the Promoters and the Other Shareholders agree and undertake that they shall exercise their respective voting powers as Directors and Shareholders to ensure that the Company effects the Buy-Back at the Investor Exit Price and completes such Buy-Back within 45 days of the Investor issuing a notice for exercising the Buy-Back provided that if there is a Governmental Approval required for or in connection with the Buy-Back, then the above period of 45 days shall be extended appropriately.

96. Notwithstanding the rights of the Investor and the obligations of the Promoters and the Company pursuant to Articles 93, 94 and 95 above, if at any time after the date falling on the fourth anniversary of the Completion Date, the Investor desires to sell any or all of its Shares (the "**Post Fourth Year Investor Offered Shares**"), it shall first offer the Post Fourth Year Investor Offered Shares to the Promoters (the "**Post Fourth Year Promoter Right of First Offer**"). The Promoters shall be required to notify either (i) their written acceptance along with the price per Share at which they are willing to purchase the Post Fourth Year Investor Offered Shares (the "**Post Fourth Year Promoter Offered Share Price**"); or (ii) their refusal to purchase the Post Fourth Year Investor Offered Shares, within 15 days of being intimated by the Investor. The failure of the Promoters to issue a notice within 15 days of being intimated by the Investor shall be deemed to be a rejection of the Post Fourth Year Promoter Right of First Offer.In the event that the Promoters stipulate the Post Fourth Year Promoter Offered Share Price within the period of 15 days, the Investor shall be free to sell the Post Fourth Year Investor Offered Shares, within 365 days of the notification of the Post Fourth Year Promoter Offered Share Price by the Promoters, at its sole option, to either (i) the Promoters at the Post Fourth Year Promoter Offered Share Price; or (ii) any other Person, including any Competitor, on such terms, at a price greater than the Post Fourth Year Promoter Offered Share Price. If the Promoters do not make full payment of the Post Fourth Year Promoter Offered Share Price for any reason whatsoever, the Investor shall be entitled to, at its sole discretion, Transfer the Post Fourth Year Investor Offered Shares or any part thereof to any other Person, including any Competitor, at such time and on such terms and conditions, including the price, as may be deemed appropriate by the Investor. The Promoters and the Other Shareholders agree and undertake that they shall facilitate the timely Transfer of the Investor's Shares to such Person, as determined by the Investor.

97. Notwithstanding anything contained in Article 96, the Investor shall have the right to Transfer its Shares to the Promoters or the Company, and the Promoters or the Company, shall have the obligation to purchase or buy back, pursuant to and in accordance with Articles 93 or 95, as may be applicable, at any time after the date falling on the fourth anniversary of the Completion Date, including at any time within the 15 day period within which the Promoters are required to notify their acceptance of the Post Fourth Year Promoter Right of First Offer and the 365 day period within which the Investor may accept the Promoter's offer pursuant to this Article 97. If at any time after the Investor offers the Post Fourth Year Investor Offered Shares to the Promoters pursuant to this Article 97, the Investor exercises its right to Transfer its Shares to the Promoters pursuant to and in accordance with Article 93, then the Promoters shall purchase the Shares pursuant to and in accordance with Article 93. Further, if at any time after the Investor offers the Post Fourth Year Investor Offered Shares to the Promoters pursuant to this Article 97, the Investor exercises its option to require the Company to buy back all of the Investor's Shares pursuant to and in accordance with Article 95, then the Company shall buy back the Shares pursuant to and in accordance with Article 95.

Contingent Sale

98. If there occurs a change in applicable Law or any direction, ruling, order of any Governmental Authority or Claim as a consequence of which the Investor is unable to exercise its rights under Article 93 or 95, then the Parties agree that the Investor may deliver a written notice to the Promoters specifying the Investors' intention to Transfer the Shares (such notice, the "**Investor Contingent Sale Notice**"). The Promoters may, within 30 days of the date of the Investor Contingent Sale Notice arrange for the Transfer of all of the Investors' Shares, at a per Share price at the Minimum Internal Rate of Return. In the event that the Promoters arrange for the Transfer of all of the Investors' Shares on terms and conditions acceptable to the

Investor then the Promoters shall complete the Transfer of the Investor's Shares within a period of 30 days from the date of the Investor delivering a notice to the Promoters accepting the terms and conditions for the Transfer, provided that if there is a Governmental Approval required for or in connection with the Transfer, then the above period shall be extended appropriately.

99. In the event that the Promoters are unable to arrange for such Transfer of the Investor's Shares within the 30 day period specified in Article 98, then the Parties agree that the Investor will be entitled to Transfer its Shares to any Person, including, without limitation a Competitor, at such price and on such terms and conditions as it may deem fit, at its sole discretion. The Promoters and the Other Shareholders agree and undertake that they shall facilitate the timely Transfer of the Investor's Shares to such Person, as determined by the Investor and the Promoters and the Company shall be obligated to take all action required by the Investor in a timely manner and in any event within such time periods as may be specified by the Investor in order to successfully complete the Transfer of Shares of the Investor free of Encumbrances, including, without limitation, voting in favour of/procuring the approval of the Board or a committee or sub-committee thereof and Shareholders to, the relevant sale/Transfer of the Shares, obtaining any Governmental Approval, expressly waiving any dissenter's rights, providing all necessary support including access to any confidential information in order to allow a due diligence exercise to be conducted and executing and delivering the relevant documents or representations or covenants required by the Investor. It is clarified that the right of the Investor to Transfer its Shares under Articles 98 and 99 can be exercised at any time on or after the date falling on the fourth anniversary of the Completion Date.

COVENANTS AND UNDERTAKINGS

Company and Promoters' Undertaking

100. Subject to the provisions of these Articles, each of the Transaction Documents and after obtaining the prior written consent of the Investor, if any of the Promoters, the Other Shareholders and/or their respective Affiliates Transfer any of their Equity Shares to any Person or entity other than the Investor, or the Company issues Shares or any other instrument convertible into or exchangeable for Equity Shares (including convertible or exchangeable bonds, share warrants and convertible or exchangeable Preference Shares issued to Shareholders) to any Person or entity other than the Investor, such third party shall only be entitled to those rights which would be available to it in the normal course under applicable Law as a Shareholder.

INDEMNITY

101. Without prejudice to any other rights available to the Investor under applicable Law or under equity, the Company and the Promoters hereby jointly and severally undertake to compensate, indemnify, defend and hold harmless, the Investor, its directors, officers, representatives, employees, agents and Affiliates (the "**Indemnified Parties**") from and against any and all Claims, liabilities, fines, actions, losses, damages, interest, penalties, costs, charges, expenses, suits, or proceedings of whatever nature made, suffered, accrued, incurred or borne, including any legal or other fees and expenses incurred in connection with investigating, disputing, preparing or defending any of the foregoing (collectively, "**Losses**") based upon, resulting from, arising out of, in relation to, or otherwise in connection with:

(a) any breach of any of the Transaction Documents other than the Share Purchase and Subscription Agreement;

(b) any inaccuracy in, breach of, or any misrepresentation or misstatement of any representation, warranty or any covenant, undertaking or agreement by the Company, the Promoters and/or the Other Shareholders in any of the Transaction Documents other than the Share Purchase and Subscription Agreement; or

(c) the Company's, the Promoters' and/or the Other Shareholders' failure to comply with any applicable Law or the terms and conditions of any agreements and instruments to which the Company, any of the Promoters or any of the Other Shareholders are bound by or party to.

Provided that the Company and/or the Promoters shall not make any payments pursuant to Articles 101-108 to the Investor by way of penalty or punitive damages and provided further that the Company and/or the Promoters shall be liable for any indirect Loss to the extent permitted by applicable Law.

102. In respect of any Loss:

(a) the Investor shall notify any or all of the Company and the Promoters within 30 Business Days of being notified of any Loss;

(b) notification of any Loss shall be in accordance with Articles 111, 112 and 113 below;

(c) failure or omission to notify any of the Company or the Promoters within 30 Business Days of the Investor being notified of any Loss shall not discharge the Company or the Promoters in respect of such Loss;

(d) immediately on receipt of notification of any Loss, the Company and the Promoters shall either assume the defence of the Loss through competent legal counsel/professionals of its/their choice, or remit to the Investor the amount specified in any Loss notification within a period of 15 Business Days from the date of receipt of any such Loss notification;

(e) if the Company and the Promoters assume(s) the defence of any Loss, the Investor shall reasonably co-operate with the Company and the Promoters at their cost and the Company and the Promoters shall:

    (i) consult and keep the Indemnified Party informed in relation to any negotiations, settlement, litigation or proceedings; and

    (ii) not admit or settle any litigation or proceedings with respect to such Loss without the express written consent of the Indemnified Party;

(f) notwithstanding anything to the contrary in these Articles 101-108, if the Company or the Promoters assume(s) the defence of any Loss, and are required to pay any amounts in respect of any such Loss, they shall forthwith pay such amounts under protest, without prejudice to their defence of such Loss.

103. The indemnification rights of the Investor under these Articles are independent of, and in addition to, such other rights and remedies as the Investor may have under applicable Law or in equity or otherwise, including the right to seek specific performance, rescission, restitution or other injunctive relief, none of which rights or remedies shall be affected or diminished thereby.

104. If the Company is required to make any payments to any Indemnified Party pursuant to Articles 101-108, orto any Person based upon, resulting from, arising out of, in relation to, or otherwise in connection with any of the matters listed in *Annexure 11* of the Share Purchase and Subscription Agreement (each such payment, the "**Company Indemnity Payments**"), the Promoters hereby, jointly and severally, undertake that the Promoters shall within 30 days of the Company being required to make such Company Indemnity Payment, subscribe to such appropriate instruments (any such instrument, a "**Promoter Indemnity Instrument**") as they may deem appropriate such that the proceeds to the Company from such subscription shall be equal to the relevant Company Indemnity Payment provided however that (a) the terms and conditions of any such Promoter Indemnity Instrument and any issuance thereof should have been approved in writing by the Investor prior to its issuance; (b) any such Promoter Indemnity Instrument shall not have a maturity or repayment period of less than 8 (eight) years from the date of issuance of such Promoter Indemnity Instrument; (c) any such Promoter Indemnity Instrument shall be non-interest,

premium or coupon bearing (except when required under applicable Law in which case the premium or coupon shall be at the lowest possible amount or rate required by applicable Law); (d) any such Promoter Indemnity Instrument shall be unsecured; (e) any such Promoter Indemnity Instrument shall not bear any preference above the Equity Shares or the CCPPS in the event of liquidation of the Company; and (f) any such Promoter Indemnity Instrument shall not be convertible into or exchangeable for Equity Shares and shall not alter or change the Promoters' or the Investor's Shareholding Percentage in any manner from their respective Shareholding Percentages immediately after Completion after giving effect to the transactions contemplated in the Transaction Documents.

105. If due to any change in applicable Law, any Promoter Indemnity Instrument cannot be issued to comply with Article 104, then the Company and the Promoters shall seek the Investor's consent for issuance of an alternate instrument to achieve the same position as envisaged in Article 104. If any such instrument deviates from the requirements stipulated in Article 104 only to enable compliance with the applicable Law at the time of such issuance and to the extent required by such applicable Law the Investor's consent for such issuance shall not be unreasonably withheld if such instrument achieves the same position as envisaged in Article 104.

Additional Taxes, Tax Credit and Related Matters

106. All sums payable by the Company and the Promoters under Articles 101-108 shall be paid free and clear of any Taxes, deductions, withholdings, set-offs or counterclaims, (together, the "**Additional Taxes**"), except for such withholding as may be required by applicable Law.

107. Subject to Article 108, if any withholding is required by applicable Law, the Company and the Promoters shall be obliged to pay the Investor such sums as will after such payment of such Additional Taxes has been made, leave the Investor with the same amount as the Investor would have been entitled to receive in the absence of a requirement to make a deduction in respect of any Additional Taxes.

108. If (a) the Company or the Promoters have made any withholding with respect to any Additional Tax pursuant to Article 106 and such withholding has resulted in the Investor being entitled to a Tax credit under Indian Law (any such credit, a "**Tax Credit**"); and (b) the Company or the Promoters have provided to the Investor, within reasonable time, all such certificates and documents as may be necessary to enable the Investor to utilise, claim or receive the benefits of the Tax Credit from the appropriate Governmental Authority, in full, then the Company or the Promoters shall not be required to make any additional payments to the Investor pursuant to Article 107.

Events of Default

109. An Event of Default shall occur if:

(a) there is a failure by the Company to deliver Equity Shares as and when such Equity Shares are required to be delivered following conversion of a CCPPS in accordance with Condition 5 of the Conditions;

(b) in the case of any material breach of any of the Transaction Documents, including but not limited to a breach of one or more of the warranties or covenants contained in SHA, and the representations and warranties contained in the Share Purchase and Subscription Agreement and any other Transaction Documents, by the Company, the Promoters, or the Other Shareholders, as applicable, which results in a Material Adverse Effect, the Investor (in the case of a breach by the Promoters, or the Other Shareholders or the Company), sends to such defaulting party a notice in writing detailing such breach ("**Breach Notice**") and that breach is not remedied within 45 days of the receipt of a Breach Notice;

(c) (i) any of the Promoters or the Company is adjudicated by a competent court as being unable to pay its debts as they fall due; (ii) a moratorium is declared in respect of their indebtedness; (iii) if a liquidator, trustee in bankruptcy, receiver or the like is appointed by a competent court and such appointment remains unstayed or unvacated for a period of 90 days after the date of such order by a competent court in respect of the Promoters, the Company or the Other Shareholders; (iv) if a receiver or manager is appointed by a competent court in respect of all or a substantial part of the assets of the Promoters, the Company or the Other Shareholders and such appointment remains unstayed or unvacated for a period of 90 days after the date of such appointment; (v) if all or a substantial part of the assets of the Promoters, the Company or the Other Shareholders have been finally confiscated by action of any Governmental Authority, against which no appeal or judicial redress lies; (vi) if the Company is in material breach of any contract, arrangements or obligation (A) to which the Company is a party and (B) which, whether by reason of its nature, term, scope, price or otherwise, is or are likely to be of material importance to the Businesses; or (vii) if any of the Promoters or the Company is in material breach of its obligation to make any payment when due of any sums payable under Part B of these Articles; and

(d) an Event of Default shall not be deemed to occur if following a breach by the Company or the Promoters of the SHA or the Conditions, the Investor has been indemnified from and against any and all Losses arising out of or in connection with such breach pursuant to Articles 101-108.

Consequences of Event of Default

110. (a) If an Event of Default occurs in respect of the Promoters, the Company or the Other Shareholders, and the Investor has not been indemnified from and against any and all Losses arising out of or in connection with such breach pursuant to Articles 101-108, the Promoters hereby covenant and agree upon receipt of notice in writing thereof by the Investor to purchase by itself or to cause a sale to a third party of all the Investor's Shares held by the Investor for a consideration which is either (i) an aggregate amount calculated at the Default Rate of Return; or (ii) the Fair Market Value of the Investor's Shares held by the Investor within a period of ten Business Days from the receipt of the aforesaid notice, as the Investor may decide in its sole discretion. If the Parties fail to agree on the appointment of an Independent Financial Appraiser within such period of ten Business Days, the Investor shall be entitled to appoint any Independent Financial Appraiser that it wishes to appoint. The Promoters shall complete the purchase of the Investors' Shares within a period of 30 days from the receipt of the valuation report from the Independent Financial Appraiser.

(b) Any Independent Financial Appraiser appointed under this Article 110(b) shall be required to submit its valuation report within a period of 30 days from the date of its appointment.

Notices

111. Any notice provided for in these Articles shall be in writing and shall be first transmitted by facsimile or email transmission, and then confirmed by a nationally or internationally recognised courier service, in the manner, as elected by the Party giving such notice:

(a) In the case of notices to Company:

Address: VRL Logistics Limited
Giriraj Annexe, Circuit House Road
Hubli 580 029
Karnataka, India

Email: aniruddha@vrllogistics.com

Facsimile: +91 836 2256612

For the attention of: Mr. Aniruddha Phadnavis

(b) In the case of notices to VS:

Address: Mr. Vijay Sankeshwar
Giriraj Annexe, Circuit House Road
Hubli 580 029
Karnataka, India

Email: cmd@vrllogistics.com

Facsimile: +91 836 2256612

(c) In the case of notices to the Seller:

Address: Mr. Anand Sankeshwar
Giriraj Annexe, Circuit House Road
Hubli 580 029
Karnataka, India

Email: md@vrllogistics.com

Facsimile: +91 836 2256612

(d) In the case of notices to the Other Shareholders:

Address: Giriraj Annexe, Circuit House Road
Hubli 580 029
Karnataka, India

Email: cmd@vrllogistics.com

Facsimile: +91 836 2256612

For the attention of: Mr. Vijay Sankeshwar

(e) In the case of notices to Investor:

Address:	NSR–PEMauritius, LLC c/o Citco (Mauritius) Limited 4th Floor, Tower A 1 Cybercity Ebene, Mauritius	New Silk Route Partners, Ltd c/o Vedanta Capital 540 Madison Avenue, 38th Floor New York, NY, USA
Email:	jaboobakar@citco.com	rishi@nsrpartners.com
Facsimile:	+230 4042601	+1 212 710 5221
For the attention of:	Mr. Javed Aboobakar	Mr. Rishi Gupta

112. All notices shall be deemed to have been validly given on (a) the Business Day immediately after the date

of transmission with confirmed answer back, if transmitted by facsimile transmission; (b) the same Business Day if sent by email; or (c) the Business Day of receipt, if sent by courier.

113. Any Party may, from time to time, change its address or representative for receipt of notices provided for in these Articles by giving to all the other Parties not less than ten days prior written notice thereof.

Public Announcements

114. Unless required by applicable Law, no Party shall make any announcement or press release concerning the Transaction Documents or any of the matters dealt with in the Transaction Documents without the other Parties' prior written consent (which may include consent given by email or facsimile transmission).

Release etc.

115. Any liability to any Party under these Articles may in whole or in part be released, compounded or compromised or time or indulgence given by that Party in its absolute discretion as regards any Party under such liability without in any way prejudicing or affecting its rights against any other Party under the same or a like liability, whether joint and several or otherwise.

Waiver

116. No failure of any Party to exercise, and no delay by it in exercising, any right, power or remedy in connection with these Articles or the other Transaction Documents (each a "**Right**") shall operate as a waiver of that Right, nor shall any single or partial exercise of any Right preclude any other or further exercise of that Right or the exercise of any other Right. The Rights provided in these Articles and the other Transaction Documents are cumulative and not exclusive of any other Right (whether provided by applicable Law or otherwise). Any express waiver of any breach of these Articles or any other Transaction Document shall not be deemed to be a waiver of any subsequent breach.

Subsidiaries

117. The provisions of these Articles, including the rights of the Investor, shall apply mutatis mutandis to all future subsidiaries of the Company, and the Company, the Promoters and the Other Shareholders shall procure that all such future subsidiaries act in accordance with these Articles. It is clarified that the Investor shall not be required to hold any shares of any such subsidiaries.

SECTION IX: OTHER INFORMATION

MATERIAL CONTRACTS AND DOCUMENTS FOR INSPECTION

The following Contracts (not being contracts entered into in the ordinary course of business carried on by the Company or entered into more than two years before the date of this Red Herring Prospectus) which are or may be deemed material have been entered or to be entered into by the Company. These Contracts, copies of which have been attached to the copy of this Red Herring Prospectus, delivered to the Registrar of Companies, Karnataka for registration and also the documents for inspection referred to hereunder, may be inspected at the Registered Office/Corporate Office of the Company from 10.00 am to 4.00 pm on Working Days from the date of the Red Herring Prospectus until the Bid/Issue Closing Date.

Material Contracts

1. Engagement Letter dated December 18, 2014 for appointment of the GCBRLMs.

2. Issue Agreement dated December 18, 2014 between the Company, the Selling Shareholders and the GCBRLMs.

3. Agreement dated December 3, 2014 between the Company, the Selling Shareholders and the Registrar to the Issue.

4. Escrow Agreement dated April 3, 2015 among the Company, the Selling Shareholders, the GCBRLMs, the Escrow Banks, and the Registrar to the Issue.

5. Selling shareholders' share escrow agreement dated April 3, 2015 among the Company, the Selling Shareholders, the GCBRLMs and Karvy Computershare Private Limited.

6. Syndicate Agreement dated April 3, 2015 among the Company, the Selling Shareholders, the GCBRLMs, and the Syndicate Members.

7. Underwriting Agreement dated [●] among the Company, the Selling Shareholders, the GCBRLMs, and Syndicate Members.

8. Agreement dated June 30, 2004 between Vijayanand Roadlines Limited and Maruti Parcel Carriers for the acquisition of the business of Maruti Parcel Carriers.

9. Agreement dated June 30, 2004 between Vijayanand Roadlines Limited and Vijayanand Travels for the acquisition of the business of Vijayanand Travels.

10. Agreement dated March 16, 2007 between Dr. Vijay Sankeshwar and Mr. Anand Sankeshwar and Prateek Apparels Private Limited for the sale of shares held in Hubli Apparels Private Limited.

11. Tripartite Agreement dated December 18, 2014 between the Company, Karvy Computershare Private Limited and NSDL.

12. Tripartite Agreement dated December 8, 2014 between the Company, Karvy Computershare Private Limited and CDSL.

Material Documents

1. Memorandum and Articles of Association.

2. Certificate of incorporation dated March 31, 1983 and a fresh certificate of incorpartion dated August 25, 2006 pursuant to change of name.

3. Board resolution dated October 10, 2014 approving the Fresh Issue.

4. Resolution of the IPO Committee dated December 12, 2014 taking on record the size of the Offer for Sale.

5. Resolution of the IPO Committee dated April 3, 2015 approving the Red Herring Prospectus.

6. Shareholders' resolutions dated October 16, 2014 passed at the general meeting under Section 62(1)(c) of the Companies Act approving the proposed Issue.

7. Resolutions of the general body for appointment and remuneration of our whole-time Directors.

8. Agreement dated February 12, 2012 between the Company and Dr. Vijay Sankeshwar appointing him as the Chairman and Managing Director for a period of five years from January 1, 2012.

9. Agreement dated July 18, 2014 between the Company and Mr. Anand Sankeshwar appointing him as the Managing Director for a period of five years from April 1, 2014.

10. Copies of annual reports of the Company for the years ended March 31, 2010, 2011, 2012, 2013 and 2014.

11. Shareholders' agreement dated December 15, 2011, entered into by the Company, NSR, the Promoters and other shareholders.

12. Amendment agreement to the SPSA dated March 27, 2012 entered into by the Company, NSR, the Promoters and other shareholders.

13. First amendment agreement to the SHA dated December 12, 2014 entered into by the Company, NSR, the Promoters and other shareholders.

14. Third amendment agreement to the SHA dated March 25, 2015 entered into by the Company, NSR, the Promoters and other shareholders.

15. Termination agreement dated December 12, 2014, entered into by the Company, NSR, the Promoters and other shareholders.

16. Consent of the Auditors, H. K. Veerbhaddrappa & Co and Walker, Chandiok & Co, Chartered Accountants, for inclusion of their report on the restated summary statements in the form and context in which they appear in this Red Herring Prospectus.

17. In-principle listing approvals dated February 5, 2015 and January 13, 2015 from the BSE and the NSE, respectively.

18. Statement of Tax Benefits from H. K. Veerbhaddrappa & Co and Walker, Chandiok & Co., Chartered Accountants dated March 24, 2015 on possible tax benefits available to the Company and its shareholders.

19. Report of H. K. Veerbhaddrappa & Co and Walker, Chandiok & Co, Chartered Accountants, our Joint Statutory Auditors dated February 9, 2015 on restated financial statements for the nine month period ended December 31, 2014 and for Fiscal 2010, 2011, 2012, 2013 and 2014.

20. Due diligence certificate dated December 18, 2015 to SEBI from the GCBRLMs.

21. Certificate from H. K. Veerbhaddrappa & Co. dated March 24, 2015 in relation to the utilisation of amounts drawndown on loans proposed to be repaid out of the proceeds of the Issue.

22. Certificate from Mr. R. B. Gadagkar, advocate dated March 28, 2014 from in relation to the status of legal proceedings involving the Company.

23. Copy of the letter (CFD/DIL/SK/PHV/OW/825/2015) dated January 7, 2015 issued by SEBI seeking clarifications on the Draft Red Herring Prospectus.

24. Copy of the letter (CFD/DIL/SK/PHV/OW/4764/2015) dated February 13, 2015 issued by SEBI with observations on the Draft Red Herring Prospectus.

Any of the contracts or documents mentioned in this Red Herring Prospectus may be amended or modified at any time if so required in the interest of the Company or if required by the other parties, without reference to the shareholders subject to compliance of the provisions contained in the Companies Act and other relevant statutes

DECLARATION

We certify and declare that all relevant provisions of the Companies Act, and the rules, regulations and guidelines issued by the Government of India and/or the regulations issued by SEBI, as the case may be, have been complied with and no statement made in this Red Herring Prospectus is contrary to the provisions of the Companies Act, the Securities Contract (Regulation) Act, 1956, the Securities and Exchange Board of India Act, 1992 or the rules, regulations or guidelines issued or made thereunder, as the case may be. We further certify that all statements in this Red Herring Prospectus are true and correct.

Signed by all the Directors of the Company

Dr. Vijay Sankeshwar	______________________________
Mr. Anand Sankeshwar	______________________________
Mr. Chantam K. Shetty	______________________________
Mr. Prabhakar B. Kore	______________________________
Mr. Jayateertha S. Korlahalli	______________________________
Mr. Darius D. Pandole	______________________________
Mrs. Medha Pawar	______________________________
Dr. Raghottam Akamanchi	______________________________
Dr. Anand Pandurangi	______________________________
Mr. Ramesh Shetty	______________________________
Mr. Shankarasa Ladwa	______________________________
Mr. S.R. Prabhu	______________________________

SIGNED BY THE COMPLIANCE OFFICER AND CHIEF FINANCIAL OFFICER

Mr. Aniruddha A. Phadnavis (Compliance Officer) ______________________________

Mr. Sunil S. Nalavadi (Chief Financial Officer) ______________________________

Date: April 3, 2015

Place: Hubballi

NSR DECLARATION

NSR certifies that all statements and undertakings made by NSR in this Red Herring Prospectus about or in relation solely to itself and the Equity Shares of the Company sold by it in the Offer for Sale, are true and correct. NSR assumes no responsibility for any other statements including any and all of the statements made by or relating to the Company or its business in the Red Herring Prospectus.

Signed by the Selling Shareholder, NSR-PE (MAURITIUS) LLC

For NSR-PE (Mauritius) LLC

Mr. Yousouf Abbas	**Mr. Javed Aboobakar**
Date:	April 3, 2015
Place:	Ebene, Mauritius

DECLARATION BY MR. ANAND SANKESHWAR

Mr. Anand Sankeshwar confirms that all statements made by him in this Red Herring Prospectus in relation to himself and the Equity Shares being sold by him by way of the Offer for Sale are true and correct.

Signed by MR. ANAND SANKESHWAR

Date: April 3, 2015

Place: Hubballi

DECLARATION BY DR. VIJAY SANKESHWAR

Dr. Vijay Sankeshwar confirms that all statements made by him in this Red Herring Prospectus in relation to himself and the Equity Shares being sold by him by way of the Offer for Sale are true and correct.

Signed by DR. VIJAY SANKESHWAR

Date: April 3, 2015

Place: Hubballi

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